Annual Information Disclosure

Regulatory Performance Summary
For the year ended 30 June 2024

Auckland Airport

Chief Executive's report

The 2024 financial year (FY24) was the second year of Auckland Airport's Price Setting Event 4 (PSE4) pricing period which commenced on 1 July 2022 and will conclude on 30 June 2027.

In the year we continued to create opportunities to connect visitors to Aotearoa New Zealand, and New Zealanders to the world, as well as facilitating high value air freight capacity.

The addition of new routes and new airlines flying to Auckland helped reinvigorate our tourism industry and bring trade opportunities, which resulted in overall passenger numbers in FY24 increasing by 17% to 18.5 million. International passenger numbers (including transits) were up 29% to 10.1 million and domestic passenger numbers increased 5% to 8.5 million.

We continued to see a strong recovery in capacity available for long-haul travel, and in the past year 53% more international long-haul passengers passed through our terminals. In January alone, one million international passengers travelled through the international terminal, representing a monthly level not experienced since January 2020. The arrival of 38% more North American visitors over the last 12 months was a highlight and contributed to a year of strong growth. We also welcomed new routes for tourism and trade with China.

Auckland Airport welcomes 75% of all international arrivals to New Zealand. As traveller numbers ramped up during the first half of FY24, we recognise that some customers experienced long delays in the international arrivals process – something our team worked hard to resolve. Alongside border agencies, airlines and ground handlers, we made significant improvements that have continued to support smooth journeys for travellers throughout the second half of the financial year.

Additional international routes on offer this year, including two new destinations in China, have provided additional air freight capacity for high value products to get to market. In FY24, Auckland Airport handled 158,359 tonnes of international cargo valued at $26.6 billion, accounting for 89% of New Zealand's international air cargo.

Air travel has not been immune to the economic headwinds that have been felt across all parts of the domestic economy over the second half of the year. This has been compounded by a shortage of aircraft capacity globally. The shortage has been driven by ongoing supply chain, production quality and regulatory issues that have restricted new aircraft deliveries to airlines. This has limited opportunities for growth for some of our airline customers. Further, our largest carrier, Air New Zealand, has faced challenging engine issues on both its international and domestic fleet. We are very confident of longer-term growth once these issues are resolved but continue to actively manage our costs against the volatility we are seeing in the market to ensure we remain match fit for FY25 and beyond.

Regulatory results

Auckland Airport posted a regulatory profit of $157 million for FY24 with a normalised post-tax internal rate of return of 8.20%, 0.24% lower than the PSE4 forecast of 8.44%. For the first two-years of PSE4, Auckland Airport's normalised return is 5.53%, below the forecast returns of 5.66%.

While FY24 was a year of recovery in traffic, normalised revenues were lower than forecast by 4.8% ($23 million) reflecting a softer recovery in traffic volumes than expected. Normalised operating costs were 10% higher than forecast, a function of stronger than anticipated cost inflation in the broader economy and increased operational activity to maintain passenger experience as passenger numbers recovered. This resulted in a pre-tax regulatory profit $35 million lower than forecast.

During the year, Auckland Airport invested $673 million in aeronautical infrastructure across the precinct bringing the cumulative investment for the first two years of PSE4 to a total of $1,083 million. This investment is part of a multi-year programme to enhance capacity, build resilience and improve the customer experience at Auckland Airport.

Carrie Hurihanganui, Chief Executive

		FY23	FY24	PSE4 to date (actual)	PSE4 to date (forecast)
Capital expenditure	$m	410	673	1,083	1,395
Assets commissioned	$m	210	256	466	697
Total regulatory income	$m	275	476	751	765
Operating expenditure	$m	150	192	341	292
Regulatory profit	$m	59	157	216	241
Post-tax IRR (normalised)	%	2.87%	8.20%	5.53%	5.66%
Post-tax IRR (reported)	%	3.83%	9.00%	6.39%	5.66%

18.5m
passengers – 17% increase on FY23

8.5m
domestic passengers – 5% increase on FY23

10.1m
international passengers (including transits) – 29% increase on FY23

$26.6b
of international cargo

27
Airlines serving 42 international destinations and 23 NZ destinations – 25 Airlines in FY23

PSE4 prices announced and under review by the Commerce Commission

In August 2023, Auckland Airport released its PSE4 Disclosure, providing information to all interested parties about its pricing decision. Following a price freeze in FY23, prices for the remainder of PSE4 were announced on 8 June 2023.

In July 2024, the Commerce Commission provided an objective and independent assessment of our plans in a draft report on our aeronautical pricing changes for PSE4.

We welcomed the Commission's draft conclusion that Auckland Airport has carried out extensive consultation with airlines and the rigour applied to planning and costing the investment, which benchmarked well internationally, was reasonable.

The Commission also acknowledged the importance of timely investment to ensure Auckland Airport is a resilient, efficient and well-functioning airfield and international gateway for New Zealand, saying: "Our draft conclusion is that there appear to be operational and financial reasons for Auckland Airport to proceed with the TIP [terminal integration programme] now... If the investment is deferred because the cost to build and associated increases in airport charges are considered too high, postponing the same investment into the future is unlikely to address this concern."

In its draft report, the Commission questioned the weighted average cost of capital (WACC) Auckland Airport used to set prices, suggesting a lower value may be appropriate. In particular, the Commission shared a different interpretation regarding how the effects of the pandemic should be considered.

We have submitted on the Commission's draft report, including providing further context on how we considered the impact of the pandemic. The Commission's final report is expected no later than quarter 1 calendar year 2025. Auckland Airport will adjust its pricing if the Commission's final report continues to say our WACC is too high. This is consistent with the approach taken following the previous pricing review. The details of this will be confirmed after the Commission's final report is released.

Investing now to build a better future

The 2024 financial year reflects a busy year of progress on Auckland Airport's infrastructure programme. Travellers have expressed strong support for the development to ensure Auckland Airport is resilient and has the necessary capacity and capability to support travel, trade and tourism as New Zealand's gateway airport.

Globally, airports are making major upgrades to essential assets for the future of travel and Auckland Airport is no different.

This report gives an update on how far we have come in the past year in upgrading critical assets and delivering core infrastructure that creates value for our community, stakeholders, investors, and the economy.

Infrastructure progress

Resilience is a core focus of the airport's infrastructure programme including upgrades to the contingent runway, airfield apron pavements, airfield lighting, plus stormwater and other infrastructure upgrades to build resilience for adverse weather events.

In FY23 Auckland Airport began transitioning from primarily design and enabling activity on the terminal integration programme, to construction, and this activity continued to ramp up in FY24, with the majority of the programme transitioning to physical works. By the end of the FY24, we had completed more than 20% of our integrated terminal programme. The only remaining elements of the programme not in construction were the Domestic Jet Terminal and the Check-in Expansion. Subsequent to year end, construction activity has now commenced on the new Domestic Jet Terminal. Timely completion of this programme is essential to replace operationally constrained Domestic Terminal assets and deliver additional capacity and an improved customer experience, as well as being the critical enabler of contingent runway operations which will then enable the essential renewals of concrete pavement on the main runway.

Today Auckland Airport is one of the region's most active construction sites with 1,200 people working on projects to upgrade the airport. This period of transformation will inevitably cause disruption, and we thank everyone who uses the airport precinct for their patience.

In April, we opened the ground floor of our Transport Hub, providing travellers with a more spacious, covered public pick-up and drop-off zone. This allowed for the temporary closure of the inner terminal road to make way for the development of the integrated terminal, delivery of upgrades to essential services and stormwater, and new public areas ahead of the eventual return of public transport and commercial drop-offs to the area.

Elements of the upgrade programme on the terminal forecourt have been accelerated so taxi and rideshare pickups can be brought closer to the terminal much earlier than originally planned, making it quicker and more convenient for customers to meet their ride.

On the airfield, we are almost halfway through completing our 250,000m^2 airfield expansion, which includes delivery of vital stormwater upgrades to boost our defence against major weather events. This expansion is scheduled for completion in Q1 of the 2026 financial year.

These developments are all aligned to the future development of a second parallel runway. While the future runway has been designated, and the land required protected, the project is currently on hold.

FY24 Metrics

Aeronautical capex

$673m

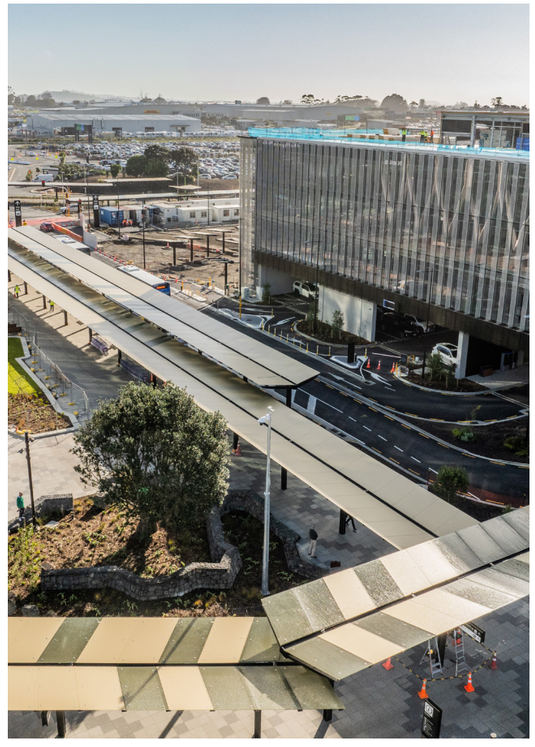
cashflow capital expenditure

$256m

commissioned assets

Key capital projects

- East terminal enabling, i.e. the 'stitch', which includes the new Eastern Bag Hall, passenger areas and airline lounges
- West terminal enabling, including a new truck dock, new power centre and upgrades to the arrivals hall
- Inner terminal road
- Remote stands, northwest of the international terminal
- Ground floor of the Transport Hub, for Public Pick Up and Drop Off ("PUDO")
- Design and enabling for the Domestic Processor and Check-in Expansion projects
- Upgrades and renewals to the DTB
- Roading and utilities improvements and renewals
- Runway and airfield pavement and lighting renewals



Committed to innovation and operating efficiently and effectively

Auckland Airport has continued to innovate in FY24, through developing new systems, processes and technology, as well as facilitating discussions with key stakeholders on future development.

Innovation through new ideas

Innovative heat pump technology

At Auckland Airport we move a lot of air – up to 12 air changes an hour in some of our big dwell spaces. That currently requires about 15 megawatts of cooling or roughly 3000 of the air conditioning units in the average home.

Auckland Airport's work to cut carbon emissions has been recognised with a Level 4 Airport Carbon Accreditation from Airports Council International (ACI), putting it among the world's leading airports in terms of sustainability.[1]

The first, and biggest, saving will come from replacing six natural gas boilers, totalling 6.5 megawatts of heating, with electric air-source heat pumps. Included in the switch is the introduction of innovative heat pump technology that warms and cools air simultaneously within the same unit – one of the first large scale units of its type in New Zealand.[2]

While air conditioning or heat pumps which cool in summer and heat in the winter are not new, what we are currently testing is leading edge technology that can cool one area within the terminal but take the heat that's been extracted in the chilling process and pump it into a space that needs warming up. A traditional HVAC system would just vent that air as waste, so it's doubling the efficiency and reducing cost.

A unique challenge in managing air temperatures within an airport terminal is the passenger volume ebbs and flows, which can see spaces like departure gates or arrival processing areas go from virtually empty to filled with hundreds of people then back to empty again within a short space of time.

While it creates complexity when we are trying to keep different spaces at a comfortable temperature throughout the day and night, we see opportunities to harness the warmth of one area to take the chill off another, or vice versa.

The first step is testing one 500kW unit featuring the new technology – roughly 100 times the size of a residential heat pump – on a couple of areas within the terminal.

Stormwater treatment ponds

Auckland Airport is developing a new stormwater treatment system. This unique system combines a wetland with a biofilter,[3] and is the first of its kind in New Zealand. It has been carefully developed for the New Zealand environment, including the use of native plant species.

The system is built to manage stormwater from a 106ha catchment within a footprint a third of the size of a traditional stormwater pond.[4]

Once complete, around 1,500 individual sections of pipe each measuring up to two metres in diameter, will capture stormwater flows from more than 100 hectares of land north of the international terminal, directing it away and into an innovative new treatment system. With native planting in the wetlands and biofiltration within the stormwater pond, the plants will be hard at work cleaning water before it flows into the Manukau Harbour.

The location of the new system also improves airport resilience by directing stormwater further away from the terminal buildings and critical airport infrastructure.

Environmental plan to reduce bird strike

For the safety of the travelling public, it is not always possible for bird species to coexist with airfield operations, due to the safety risks posed to aircraft by bird strike.

It is a safety issue Auckland Airport takes seriously, with a wide range of techniques used to move birds away from the airfield, such as using lasers, sirens, deterrent sounds, and cultivating grass that produces seed that has limited appeal to birds.

Tree planting is also done in a way to discourage birds from moving too close to the airfield. Auckland Airport has developed an airport environmental guide which is being shared with other airports in New Zealand to allow airports to plant native species and promote biodiversity while simultaneously reducing the safety risks associated with bird strike.

Facilitating innovation through collaboration

Consultation is an important part of designing new solutions and developments at the airport. This helps to ensure that it will be fit for purpose and meets the needs of all relevant stakeholders.

Arrivals process improvements

Auckland Airport considers the work done to reduce queuing times to be a good example of collaborative innovation.

Auckland Airport worked with the Ministry of Primary Industries to develop new ideas to better manage increasing passenger volumes. Queue times for international arrivals in the 2024 financial year improved by 43% at the median (50th percentile) compared to the previous year (from 31.3 minutes to 17.7 minutes), in part due to the implementation of a low-risk biosecurity arrivals pathway in late 2023. When looking at queue times for the majority of travellers (the 95th percentile) during the financial year, there was a 33% reduction.

[1] Auckland Airport, "Auckland Airport achieves global Airport Carbon Accreditation as progresses once-in-a-generation upgrade", (February 2024), https://corporate.aucklandairport.co.nz/news/latest-media/news-articles/auckland-airport-achieves-global-airport-carbon-accreditation

[2] Auckland Airport, "Replacing one of New Zealand's biggest air conditioning systems", (May 2023), https://corporate.aucklandairport.co.nz/news/latest-media/2023/replacing-one-of-new-zealands-biggest-air-conditioning-system

[3] Beca, DesignFlow, "A coupled wetland biofilter: The best of both worlds" (May 2019)

[4] Auckland Airport, "Major stormwater expansion improves flood resilience and water treatment at Auckland Airport" (October 2023), https://corporate.aucklandairport.co.nz/news/latest-media/2023/major-stormwater-expansion-improves-flood-resilience-and-water-treatment-at-auckland-airport

Innovative implementation of industry best practice technology, systems and processes

Common use ABDs

Over the next few years, around 100 traditional check-in desks will be replaced with self-service kiosks and automatic bag drops (ABDs) as Auckland Airport works towards integrating domestic jet services into the international terminal and bringing domestic and international travel together for the first time in decades.

The new technology will bring a real step change in the check-in experience, allowing travellers to print their own luggage tags, and then use an ABD – cutting waiting time at check-in.

This major modernisation of check-in technology allows us to bring together the check-in experience for future international and domestic travellers into a single check-in area, and support travellers to complete the check-in process more efficiently.

The new self-service kiosks and ABDs will be available to all travellers no matter what airline they're on, meaning multiple airlines can be checking in from the same kiosks at the same time, creating additional capacity and efficiency within the check-in hall.

The other advantage is that by moving people through the check-in process faster, we will be able to manage the expected future passenger numbers for both domestic and international travel with only incremental increases in the size of the check-in area.

Making check-in a quicker and smoother experience for travellers is an important area of development for airports globally and self-service options are becoming increasingly commonplace. That allows for further layers of innovation to allow for smoother running of the whole airport ecosystem.

Baggage system

The Eastern Bag Hall will introduce modern technology into our baggage system. Individual carrier systems (ICS) are being implemented by major airports in Europe and the Asia Pacific region, as airports upgrade their baggage handling system (BHS). At Auckland Airport, it will provide a smarter way to process bags, and a step change in energy efficiency, supporting Auckland Airport's sustainability objectives.

This system is more reliable, flexible and energy efficient than a traditional BHS. Baggage is placed directly into a carrier which is equipped with an RFID tracker. The bag then stays in this carrier throughout the sorting and scanning process, right up until it is loaded on the plane, allowing for 100% tracking at the airport.[5]

The ICS involves less equipment than a traditional conveyor belt and therefore takes up less footprint in the airport, reducing capex costs on scarce building infrastructure. It is also up to five times faster, improving baggage efficiency and allowing for faster connection times.

Studies have also shown that the overall costs for operations and maintenance staff, spare parts and energy are substantially less in ICS baggage handling. Operations and maintenance staff costs have reduced 30-70% in other airports using this system, as well as around 30% savings in energy.[6]

Looking ahead, the more efficient baggage system will also provide increased flexibility to passengers through allowing for all-day bag storage.

Solar arrays

Our Transport Hub features expansive solar arrays on its rooftop to inject more renewable energy into the grid; and in the 2024 financial year Auckland Airport had its electricity supply certified as 100% renewable.

Recycling concrete

Auckland Airport is laying the foundation for a massive airfield development by recycling its runway – and keeping 6,000 truck trips off Auckland's roading network in the process.[7]

Rather than being sent offsite as waste, 108,000 tonnes of concrete that previously formed the airport's runway touchdown zones was crushed up and repurposed as backfill for 250,000m^2 of new airfield, taking place to the west of the international terminal.

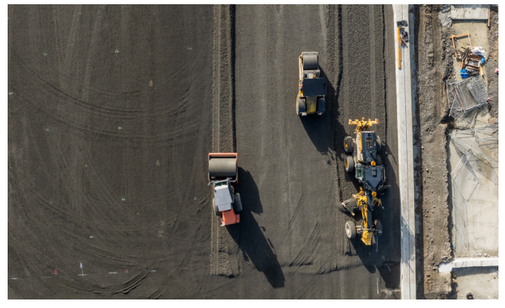
The airfield expansion requires a base of approximately 1.5 metres deep, capable of taking the weight of A380s (around 280 tonnes). Re-purposing materials allows us to be efficient in how we work and responsible with our construction waste.

Auckland Airport aims to divert at least 70% of construction waste from landfill or similar disposal across all of its infrastructure projects.

[5] Beumer Group, "Why airports are choosing ICS for their BHS" (2024), https://www.beumergroup.com/knowledge/airport/why-choose-ics-for-bhs/

[6] Beumer Group, "Why airports are choosing ICS for their BHS" (2024), https://www.beumergroup.com/knowledge/airport/why-choose-ics-for-bhs/

[7] Auckland Airport, "Paving the way: Auckland Airport recycles runway as part of major airfield expansion", (June 2023), https://corporate.aucklandairport.co.nz/news/latest-media/2023/paving-the-way-auckland-airport-recycles-runway-as-part-of-major-airfield-expansion



Focusing on the customer to deliver a better airport experience

Listening to our customers and taking action to improve their experience

We measure Airport Service Quality (ASQ) throughout the year, to understand how passengers are experiencing our airport. Both the domestic and international ratings are up 0.1 points on the prior year at 3.9 and 4.1 respectively.

With the domestic terminal now reaching capacity, development of a new domestic jet terminal is essential to deliver on customer expectations. Without this investment, the airport system will degrade and the customer experience will deteriorate.

With the new integrated terminal set to open in 2029, Auckland Airport is making improvements to the current domestic terminal to improve the passenger experience, including new dwell areas within the existing footprint, as well as boosting wireless connectivity, and introducing new wayfinding signage for a more intuitive airport experience. This work continues into FY25 with the replacement of circulation flooring in the landside areas of the terminal and a refreshed food and beverage offering.

We expect these upgrades to have a positive impact on domestic customer satisfaction once they are open and in place. However, there are limits to the improvements that can be made in the existing constrained terminal facility, particularly as volumes continue to increase.

At the international terminal, FY24 saw Auckland Airport focus on getting the basics right for customers – clean terminal facilities, smooth border processes and supporting travellers through the disruption caused by the Airport's investment programme by ensuring clear wayfinding and delivering temporary spaces of a high standard. Security enhancements are underway in both the domestic and international terminals with the implementation of CTiX C3 scanners for Aviation Security, set to go live by the end of this year.

Additionally, we have collaborated with our airport partners to deliver improvements to border operations through a range of initiatives, and made great gains, while ensuring the integrity of important border processes is maintained. We increased our front-line customer experience staff by 103% over the end of FY23 and beginning of FY24, with 30 new staff. Staffing in these roles is now 41% higher than 2019.

Reported Interruptions

87

reported interruptions in FY24 (70 in FY23, 36 excluding weather events)

87

hours interrupted in FY24 (960 in FY23, 15 excluding weather events)

Airport Service Quality

Domestic Terminal Building 3.9/5.0 (3.8 in FY23)

International Terminal Building 4.1/5.0 (4.0 in FY23)

Reported availability of material services

- 100.000% Runway (FY23 99.990%)
- 100.000% taxiway (FY23 100.000%)
- 100.000% Remote stands and means of embarkation/disembarkation (FY23 100.000%)
- 99.966% Contact stand and air-bridges (FY23 99.641%)
- 99.962% Baggage sortation system on departures (FY23 99.712%)
- 99.999% Baggage reclaim belts (FY23 99.666%)

This reflects outages that are evaluated to meet the criteria of a reportable interruption, in accordance with the Airport Services Information Disclosure Determination 2010

A sustainable airport for our environment and community

Being a sustainable business for Auckland Airport means being in it for the long haul and focusing our efforts around three key themes:

Protect Planet

Auckland Airport recognises aviation contributes to climate change, and increasingly extreme weather affects our airport, travellers, and global communities. We are taking proactive steps to help minimise the impact of our operations on the environment and have a target to reduce direct emissions by 90% from 2019 levels by 2030. The pathway to achieve this decarbonisation target is well defined and integrated into the capital plan. We are already delivering some significant reductions through activities like replacing our traditional gas boiler system with heat pump technology. We have achieved a 25% reduction in our direct carbon emissions compared to 2019, and although this is a slight increase from FY23, we are still closely aligned to the decarbonisation pathway.

The infrastructure programme also presents an opportunity for further carbon reduction across terminal and ground operations. The integrated terminal building includes a selection of features that will deliver carbon savings throughout its construction and operation, including material selection, lighting design and baggage systems, which together deliver a 30% reduction in operational emissions.

As an airport, we are a relatively low carbon emitter. Aircraft emissions are the largest contributor to Auckland Airport's emissions inventory (96%). While these are our indirect emissions we have a role to play in the wider decarbonisation of the sector. We have provided ground power units at our gates for aircraft to connect to and charging facilities for electric ground servicing equipment. The new integrated terminal provides more of this infrastructure.

Looking ahead the Auckland Airport Master Plan, currently being refreshed, future-proofs the precinct for lower-carbon air travel and road transport, with supporting electrification a key part of this. This will ensure the precinct can respond to the adoption longer-term of new technology employed by airlines, particularly in areas of hydrogen, electric and hybrid aircraft.

We continue to work with the Government and airlines on how we decarbonise aviation into the future, and a lot of work is underway across the sector in this space. For long-haul travel, which New Zealand is reliant on, sustainable aviation fuel (SAF) will be the key decarbonisation tool for the future. Auckland Airport supports the Government's efforts to work together with Australia on a regional approach to increase the production and uptake of SAF.

Empower people

Bringing together a team of collaborative and solutions-focused people will help deliver what is Tāmaki Makaurau Auckland's largest private infrastructure programme and meet the airport's ambition to be a thriving aviation precinct.

To achieve this, Auckland Airport is focused on building diversity, equity and inclusion across all parts of the business, including the ambition for 20% of people leaders to come from a Māori or Pasifika background by 2030, in line with the projected ethnicity makeup of Aotearoa New Zealand. Today leadership comprises 8.2% Māori and Pasifika.

There continues to be a strong focus on reducing the gender pay gap and this year saw a 6 percentage point reduction to 21%, compared to 27% the previous year.

There is a high level of female participation in the business, with 50% female representation at Board and Executive levels, and a broader senior leadership team that is nearly 44% female. Auckland Airport has been recognised as a Change Leader for Board representation of women and a Change Maker for Executive Leadership representation of women by Champions for Change in their recent report on 'Seven years of Progress' . Since 2018, Auckland Airport has also closed its participation gap, with women now representing 42% of the total workforce. However, there remains imbalances in some areas that are being addressed in a targeted manner.

The launch of the Wāhine Toa Career Mentorship for Women programme is an initiative to support women into those more senior roles. With an initial 13 participants identified as having potential for career progression, the programme creates an opportunity to accelerate the pipeline for female talent within the business.

People first, safety always

Auckland Airport's goal is to become New Zealand's safest and healthiest airport while also leading the way in safety and risk management.

A new integrated Safety & Risk Team is a critical addition to continuing to drive the airport's commitment to safety, risk, resilience, and compliance into the heart of the business.

In FY24, we strengthened our approach to risk control effectiveness by implementing formal Critical Control Protocols, enhancing our ability to monitor, verify, and improve key controls across our operations. We also launched a proactive audit programme across the airport precinct, working collaboratively with our teams and contractors to identify gaps and share best practices, ultimately embedding a stronger culture of continuous improvement and control assurance.

Additionally, we revitalised our Health & Safety Representative (HSR) programme, bringing new leadership and structure to build HSR capability and highlight the essential role HSRs play in promoting safety. Through targeted training and awareness initiatives, we focused on equipping HSRs with the skills needed to support a proactive

safety culture, increasing awareness across our business of the critical value HSRs contribute to health and safety outcomes.

Supporting the next generation

Auckland Airport has an eye on the future prosperity of its local community and businesses by supporting programmes designed to inspire and unlock the potential of people seeking to upskill and find employment.

For 80 young women from high schools across the region, that involved a look behind the scenes of infrastructure projects as part of the Girls in Infrastructure® programme, encouraging females to consider a career in the sector. Participants from 10 schools visited three project sites and heard from Chief Infrastructure Officer Susana Fueyo Suarez, who was keen to inspire potential future leaders in the field.

The 16–18-year-olds were also welcomed to the Ara Auckland Airport Jobs and Skills Hub to meet women operating heavy machinery in the industry, and to hear about their pathway into the workforce.

Through our support of the Ara Education Charitable Trust, Auckland Airport's jobs and skills hub, we continue to support the development of South Auckland talent and connect people to employers. Future workers may come through several pathways, including a skills-based work experience programme for Year 13 students from local high schools. This was the path taken by Allan Taupau, 18, who says he found a place of belonging at Ara after leaving Ōtāhuhu College.

Under the Ara programme, homes once destined for demolition are getting a second chance through rangatahi youth like Allan, who work on them to hone practical skills. By dismantling and salvaging timber and other building materials, approximately 50 tonnes of construction waste from each house have been saved from going to landfill.

Act Consciously

In the 2024 financial year, with the assistance of an independent consultancy, Oxygen Consulting, Auckland Airport adopted the 2021 Global Reporting Initiative Standards to assess the topics that are most significant to Auckland Airport's stakeholders and inform our approach to sustainability. This process resulted in updating the sustainability strategy which guides our business.

Keeping waste of all kinds out of landfill, in both the regulated aeronautical and commercial aspects of Auckland Airport's business, is a priority and initiatives put in place throughout the airport are delivering less – in the best possible way.

Existing efforts to collect and treat food-waste have gone a step further, to include more food operator kitchens and public food court areas. Starting at the domestic terminal in August 2023, food-waste collection began in the public eating areas in the food court and was extended in October 2023 to include kitchens and back-of-house areas of eight landside food and beverage businesses in the international terminal.

The result was 185 tonnes of food waste being diverted from landfill over the financial year, which made a significant contribution to Auckland Airport's target to reduce aeronautical waste-to-landfill by 20% by 2030 against a 2019 baseline. The food waste is converted into high-quality compost used by produce growers around the country.

Waste reduction is also being achieved by repurposing lost property from the airport and baggage handling providers if it remains unclaimed after three months. Almost 9000kg of suitcases, strollers, clothing, sports gear, books, shoes, umbrellas, toys and homeware were donated to community organisation ME Family Services, that supports families in need.

Bathroom upgrades have also contributed to waste reduction with the installation of hand dryers. At the domestic terminal alone, this has the potential to save up to 10 million paper towels, the equivalent of 40 tonnes of waste, going to landfill each year.

The combination of these initiatives, and more, contributed to a 15% decrease in aeronautical waste sent to landfill against the 2019 baseline. This supports Auckland Airport's commitment to reducing waste produced across the precinct and finding alternative solutions to landfill.

Auckland Airport has set a target to reduce reticulated potable water use by 20% from 2019 levels by 2030. Reduction is proving challenging with such extensive construction works underway. In FY24, performance was a 22% increase from 2019 levels. Key assets including the Domestic Jet Terminal continue to be future proofed by installing a third pipe for a future connection to an alternative water source. A feasibility study of options is underway.

[8] Mixture of cash donations and contributions in kind

FY24 Metrics

Community

$568,943[8]

in support to Ara Education Charitable Trust in FY24

$444,376

granted to the Auckland Airport Community Trust for projects to support learning, literacy and life skills in South Auckland and to meet our obligations to mitigate the impacts of aircraft noise on the community

1,400

households offered noise mitigation packages (above statutory requirements)

Iwi

We work in partnership with local iwi, engaging on tikanga for events within our operations, stages of our infrastructure build, and sharing information and understanding through regular kaitiaki hui covering resource management processes, and future airport development. This has resulted in projects such as the whaariki designs in the terminal precinct area adjacent to the Transport Hub, the Park & Ride South bus shelters, and sourcing of plants from iwi nurseries. We also value the kaitiakitanga role of iwi in developing our environmental and biodiversity plans.

Environment

4,404t

CO^2e scope 1 and scope 2 emissions (25% reduction from 2019 baseline)

2,103t

waste to landfill (15% reduction from the 2019 baseline)

384k

litres potable water used (22% increase from 2019 baseline)

Fair prices for our customers and reasonable returns on investment for our shareholders

As New Zealand's largest international airport, we are a key enabler of travel, trade and tourism, boosting the country's economy as well as employment in the Auckland region. By setting charges that are fair and reasonable, we are ensuring that Auckland Airport delivers an airport for the long-term benefit of consumers.

Economic contribution of Auckland Airport

A recent study from Ernst and Young (EY) showed that Auckland Airport contributed $35.1 billion of economic output to the New Zealand economy in FY24, including $6.8 billion from domestic tourism, and $26.9 billion from international travel, with a further $1.4 billion of economic output supported by employment on the airport precinct. Of this, EY found $3.5 billion of economic output was distributed around the New Zealand regions, and that an average of $1.4 million of economic output is generated for each international landing.

We're proud of the role aviation plays in supporting the ambitions of Kiwi businesses, whether they are making their first steps into exporting or seeking to grow beyond established markets, and the wider economic success of the country.

High value exports and imports saw Auckland Airport facilitate NZ$26.6 billion of trade through its air cargo facilities in FY24 – nearly 20% of New Zealand's total trade of $151.9 billion for the year to 30 June 2024. Together, the ports of Tauranga and Auckland and Auckland Airport account for 67% of New Zealand's total trade. Airfreight is a critical component of New Zealand's infrastructure for international trade and commerce, with Auckland Airport moving 91% of the country's airfreight. The important link between passenger travel to and from New Zealand is underlined by around 75% of trade being carried in the belly-hold of passenger aircraft, the remaining 25% carried by cargo-only freighters.

Aeronautical charges at Auckland remain below those at comparable airports

Domestic and regional charges for FY24 remained lower than other comparable airports in the region. Domestic and regional charges were well below that of Christchurch and Wellington airports.

Our domestic charges make up 4-6% of an airfare, and will remain below or in-line with aeronautical charges at these other airports for the remainder of PSE4. For international charges in the 2024 financial year, Auckland Airport's prices remained below the published prices of Sydney, Melbourne and Brisbane airports.

Profitability for FY24 lower than forecast

Auckland Airport posted a regulatory profit of $157 million for FY24. This was $17 million lower than forecast regulatory profit at the time of setting prices for PSE4. The lower profitability result was driven by revenues being $4 million (or 1%) lower than forecast, with regulatory operating expenses up $30 million (or 19%) on PSE4 forecast.

The flooding event continues to impact on these financial results. Revenue for the year included the receipt of insurance payments. It also contributed to increased operating expenses along with higher personnel costs as Auckland Airport has increased operational staffing to support passenger journeys and manage the impacts of ongoing infrastructure works.

Returns are currently tracking in-line but slightly below the PSE4 forecasts

For FY24, Auckland Airport earned a normalised[9] post-tax IRR of 8.20%, this was 0.24% lower than the PSE4 forecast for regulated activities in FY24 of 8.44%. For the first two-years of PSE4 that have been completed to-date, normalised returns of 5.53% are slightly below the forecast returns of 5.66%.

[9] Normalised post-tax IRR excludes flood related events and brought forward tax losses. See Annual Information Disclosure Commentaries for more detail.

		FY23	FY24	PSE4 to date (actual)	PSE4 to date (forecast)
Capital expenditure	$m	410	673	1,083	1,395
Assets commissioned	$m	210	256	466	697
Total regulatory income	$m	275	476	751	765
Operating expenditure	$m	150	192	341	292
Regulatory profit	$m	59	157	216	241
Post-tax IRR (normalised)	%	2.87%	8.20%	5.53%	5.66%
Post-tax IRR (reported)	%	3.83%	9.00%	6.39%	5.66%

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

Company Name	Auckland International Airport Limited
Disclosure Date	29 November 2024
Disclosure Year (year ended)	30 June 2024
Pricing period starting year (year ended)	30 June 2023

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

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	**Auckland International Airport Limited**
For Year Ended	**30 June 2024**
Pricing period starting year (year ended)	**30 June 2023**

SCHEDULE 1: REPORT ON PROFITABILITY

ref *Version 5.0*

1a: Internal Rates of Return

	Actual for Current Disclosure Year	Forecast for Current Disclosure Year	Variance
Post-tax IRR - pricing period to date (%)	6.39%	5.66%	0.73%
Post-tax IRR - current year (%)	9.00%	8.44%	0.55%

1a(i): Pricing Period to Date IRR

($000 unless otherwise specified)

		Actual for Period to Date	Forecast for Period to Date	Variance
	Opening RAB	1,738,793	1,697,891	40,902
	Opening carry forward adjustment	87,810	87,810	–
	Opening investment value	1,650,982	1,610,081	40,902
plus	Total regulatory income	750,863	764,545	(13,682)
less	Assets commissioned	466,134	697,436	(231,302)
plus	Asset disposals	6,035	–	6,035
less	Operational expenditure	341,336	292,086	49,250
less	Unlevered tax	34,439	86,841	(52,402)
	RAB value	2,053,469	2,214,920	(161,450)
	Closing carry forward adjustment	86,084	86,084	–
	Closing investment value	1,967,385	2,128,836	(161,450)
	Post-tax IRR for pricing period to date (%)	6.39%	5.66%	0.73%

1a(ii): Current Year Annual IRR

($000 unless otherwise specified)

		Actual for Current Disclosure Year	Forecast for Current Disclosure Year	Variance
	Opening RAB	1,878,097	1,858,645	19,452
	Opening carry forward adjustment	87,810	87,810	–
	Opening investment value	1,790,286	1,770,835	19,452
plus	Total regulatory income	476,063	480,191	(4,128)
less	Assets commissioned	255,693	452,331	(196,638)
plus	Asset disposals	523	–	523
less	Operational expenditure	191,551	161,569	29,982
less	Unlevered tax	38,771	62,897	(24,126)
	RAB value	2,053,469	2,214,920	(161,450)
	Closing carry forward adjustment	86,084	86,084	–
	Closing investment value	1,967,385	2,128,836	(161,450)
	Post-tax IRR for current year (%)	9.00%	8.44%	0.55%

Explanation of variances

Consistent with clause 2.3(8), this explains the variance in the Post-tax IRR for pricing period to date and includes explanations for variances disclosed in Schedule 1, 2, 4 and 6 that have a material impact on the variance in the Post-tax IRR for pricing period to date.

Refer to Disclosure Commentary Note 1.

Regulated Airport	Auckland International Airport Limited
For Year Ended	30 June 2024
Pricing period starting year (year ended)	30 June 2023

SCHEDULE 1: REPORT ON PROFITABILITY (cont)

ref *Version 5.0*

1b: Actual IRR Inputs

	Pricing Period Starting Year 30 June 2023	Pricing Period Starting Year + 1 30 June 2024	Pricing Period Starting Year + 2 30 June 2025	Pricing Period Starting Year + 3 30 June 2026	Pricing Period Starting Year + 4 30 June 2027
Closing RAB from 2022 financial year	1,638,341	1,878,097	2,053,469	–	–
Adjustment resulting from cost allocation	100,452	–			
Opening RAB for 2023 financial year	1,738,793	1,878,097	2,053,469	–	–
Opening carry forward adjustment	87,810	86,084	86,084	–	–
Opening investment value	1,650,982	1,792,013	1,967,385	–	–
Total regulatory income	274,800	476,063			
Assets commissioned - 1st month	49,930	82,292			
Assets commissioned - 2nd month	7,067	281			
Assets commissioned - 3rd month	10,303	1,984			
Assets commissioned - 4th month	–	1,130			
Assets commissioned - 5th month	254	15,490			
Assets commissioned - 6th month	11,038	78,605			
Assets commissioned - 7th month	8,541	–			
Assets commissioned - 8th month	46,205	14,614			
Assets commissioned - 9th month	16,871	262			
Assets commissioned - 10th month	14,705	51,126			
Assets commissioned - 11th month	37,236	4,520			
Assets commissioned - 12th month	8,290	5,388			
Asset disposals	5,512	523			
Operational expenditure	149,786	191,551			
Unlevered tax	(4,332)	38,771			
RAB value	1,878,097	2,053,469			
Closing carry forward adjustment	86,084	86,084			
Closing investment value	1,792,013	1,967,385	–	–	–
Post-tax IRR - pricing period to date (%)	3.83%	6.39%			

1c: Carry Forward Balance

	Actual	Forecast	Variance
Opening carry forward adjustment	87,810	87,810	–
Default revaluation gain/loss adjustment	–	–	–
Risk allocation adjustment	–	–	–
Other carry forward adjustment – forecast	(1,726)	(1,726)	–
Other carry forward adjustment – not forecast	–		–
Closing carry forward adjustment	86,084	86,084	–

Commentary on Carry forward balance

Refer to Disclosure Commentary Note 1.

1d: Cash flow timing assumptions

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

Regulated Airport For Year Ended: **Auckland International Airport Limited** — **30 June 2024**

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT

ref *Version 5.0*

2a: Regulatory Profit

($000 unless otherwise specified)

ref			Actual	Forecast	Variance
7	**Income**				
8		Airfield	150,450	166,654	(16,204)
9		Passenger Service Charge	241,568	246,620	(5,052)
10		Check-In	6,330	5,344	986
11			–	–	–
12		Lease, rental and concession income	53,974	61,572	(7,598)
13		Other operating revenue	24,264	–	24,264
14		Net operating revenue	476,586	480,191	(3,605)
15					
16		Gains / (losses) on sale of assets	(523)	–	(523)
17		Other income	–	–	–
18		Total regulatory income	476,063	480,191	(4,128)
19	**Expenses**				
20		Operational expenditure:			
21		Corporate overheads	38,708	52,731	(14,023)
22		Asset management and airport operations	121,141	50,363	70,778
23		Asset maintenance	31,702	58,475	(26,774)
24		Total operational expenditure	191,551	161,569	29,982
25					
26	**Operating surplus / (deficit)**		284,512	318,622	(34,109)
27					
28		Regulatory depreciation	88,079	88,138	(59)
29					
30	*plus*	Indexed revaluation	5,456	6,516	(1,060)
31	*plus*	Periodic land revaluations	–	–	–
32		Total revaluations	5,456	6,516	(1,060)
33					
34	**Regulatory Profit / (Loss) before tax**		201,889	236,999	(35,110)
35					
36	*less*	Regulatory tax allowance	44,456	62,897	(18,441)
37					
38	**Regulatory Profit / (Loss)**		157,433	174,102	(16,669)
39					

Regulated Airport	**Auckland International Airport Limited**
For Year Ended	**30 June 2024**

SCHEDULE 2: REPORT ON THE REGULATORY PROFIT (cont)

ref *Version 5.0*

($000 unless otherwise specified)

2b: Notes to the Report

2b(i): Financial Incentives

		($000)
Pricing incentives	6,408	
Other incentives	2,203	
Total financial incentives		8,611

2b(ii): Rates and Levy Costs

	($000)
Rates and levy costs	3,486

2b(iii): Merger and Acquisition Expenses

	($000)
Merger and acquisition expenses	–

Justification for Merger and Acquisition Expenses

Refer to Disclosure Commentary Note 2.

Regulated Airport	**Auckland International Airport Limited**	
For Year Ended	**30 June 2024**	

SCHEDULE 3: REPORT ON THE REGULATORY TAX ALLOWANCE

ref *Version 5.0*

3a: Regulatory Tax Allowance

ref					($000)
7		Regulatory profit / (loss) before tax			201,889
8					
9	*plus*	Regulatory depreciation	88,079		
10		Other permanent differences—not deductible	334	*	
11		Other temporary adjustments—current period	17,834	*	
12					106,247
13					
14	*less*	Total revaluations	5,456		
15		Tax depreciation	81,394		
16		Notional deductible interest	20,304		
17		Other permanent differences—non taxable	–	*	
18		Other temporary adjustments—prior period	11,233	*	
19					118,387
20					
21		Regulatory taxable income (loss)			189,750
22					
23	*less*	Tax losses used	30,977		
24		Net taxable income			158,773
25					
26		Statutory tax rate (%)	28.0%		
27		Regulatory tax allowance			44,456
28					
29		Notional interest tax shield	5,685		
30		Unlevered tax			38,771

** Workings to be provided*

31

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).

Refer to Disclosure Commentary Note 3.

3b(ii): Tax Depreciation Roll-Forward

ref			($000)	
48		Opening RAB (Tax Value)	1,285,543	
49	*plus*	Regulatory tax asset value of additions	219,689	
50	*less*	Regulatory tax asset value of disposals	5,061	
51	*plus*	Regulatory tax asset value of assets transferred from/(to) unregulated asset base	–	
52	*less*	Tax depreciation	81,394	
53	*plus*	Other adjustments to the RAB tax value	90	
54		Closing RAB (tax value)		1,418,867

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

ref			($000)	
57		Tax losses (regulated business)—prior period	30,977	
58	*plus*	Current year tax losses	–	
59	*less*	Tax losses used	30,977	
60				
61		Tax losses (regulated business)		–

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

ref		
63	RAB value - previous year	1,878,097
64	Debt leverage assumption (%)	19%
65	Cost of debt assumption (%)	5.69%
66	Notional deductible interest	20,304
67	Tax rate (%)	28.0%
68	Notional interest tax shield	5,685

Regulated Airport: **Auckland International Airport Limited**
For Year Ended: **30 June 2024**

SCHEDULE 4: REPORT ON REGULATORY ASSET BASE ROLL FORWARD

ref			($000)	Actual ($000)	Forecast ($000)	Variance ($000)
8		**RAB value—previous disclosure year**		1,878,097	1,858,645	19,452
10	*less*	Regulatory depreciation		88,079	88,138	(58)
11	*plus*	Total revaluations		5,456	6,516	(1,060)
12	*plus*	Assets Commissioned		255,693	452,331	(196,638)
13	*less*	Asset disposals		523	14,434	(13,910)
14	*plus*	Lost and found assets adjustment		–		
15		Adjustment resulting from cost allocation		2,827	–	2,827
17		**RAB value †**		2,053,469	2,214,920	(161,450)

ref			Unallocated RAB * ($000)	($000)	RAB ($000)	($000)
21		**RAB value—previous disclosure year**		2,134,579		1,878,097
22	*less*					
23		**Regulatory depreciation**		101,277		88,079
24	*plus*					
25		Indexed revaluations	5,456		5,456	
26		Periodic land revaluations	–		–	
27		**Total revaluations**		5,456		5,456
28	*plus*					
29		Assets commissioned (other than below)	527,902		254,946	
30		Assets acquired from a regulated supplier	–		–	
31		Assets acquired from a related party	972		747	
32		**Assets commissioned**		528,874		255,693
33	*less*					
34		Asset disposals (other)	847		523	
35		Asset disposals to a regulated supplier	–		–	
36		Asset disposals to a related party	7,427		–	
37		**Asset disposals**		8,274		523
38						
39	*plus*	**Lost and found assets adjustment**		4,580		–
40						
41		**Adjustment resulting from cost allocation**				2,827
42						
43		**RAB value †**		2,563,938		2,053,469

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

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

Regulated Airport: **Auckland International Airport Limited**
For Year Ended: **30 June 2024**

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

ref *Version 5.0*

($000 unless otherwise specified)

4b: Notes to the Report

4b(i): Regulatory Depreciation

	Unallocated RAB ($000)	RAB ($000)
Standard depreciation	101,277	88,079
Non-standard depreciation	–	–
Regulatory depreciation	101,277	88,079

4b(ii): Non-Standard Depreciation Disclosure

($000 unless otherwise specified)

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

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

($000 unless otherwise specified)

CPI at CPI reference date—previous year (index value)	1,231
CPI at CPI reference date—current year (index value)	1,272
Revaluation rate (%)	3.33%
Asset category revaluation rates	
Land	3.33%
Sealed Surfaces	3.33%
Infrastructure and buildings	3.33%
Vehicles, plant and equipment	3.33%

Revaluations	Unallocated RAB		RAB	
Land	1,608		1,608	
Sealed Surfaces	–		–	
Infrastructure and buildings	3,841		3,841	
Vehicles, plant and equipment	7		7	
Indexed revaluation		5,456		5,456

4b(iv): Works Under Construction

		Unallocated works under construction		Allocated works under construction	
	Works under construction—previous disclosure year		971,276		505,191
plus	Capital expenditure	1,224,917		673,027	
less	Write-offs	–		–	
less	Asset commissioned	528,874		255,693	
plus	Adjustment resulting from cost allocation				(21,935)
	Works under construction		1,667,319		900,590

Regulated Airport: **Auckland International Airport Limited**
For Year Ended: **30 June 2024**

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

ref | Version 5.0

4b(v): Capital Expenditure by Primary Purpose

ref				
101		Capacity growth	532,724	
102	*plus*	Asset replacement and renewal	140,303	
103		Total capital expenditure		673,027

4b(vi): Asset Classes

ref			Land	Sealed Surfaces	Infrastructure & Buildings	Vehicles, Plant & Equipment	Total *
106		RAB value—previous disclosure year	408,698	293,779	1,127,531	48,090	1,878,097
107	*less*	Regulatory depreciation	4	11,767	60,583	15,725	88,079
108	*plus*	Indexed revaluations	1,608	–	3,841	7	5,456
109	*plus*	Periodic land revaluations	–				–
110	*plus*	Assets commissioned	13,627	(4,187)	231,614	14,638	255,693
111	*less*	Asset disposals	–	8	486	30	523
112	*plus*	Lost and found assets adjustment	–	–	–	–	–
113	*plus*	Adjustment resulting from cost allocation	4,004	0	(1,331)	155	2,827
114		RAB value	427,932	277,816	1,300,586	47,136	2,053,469

** Corresponds to values in RAB roll forward calc*

4b(vii): Assets Held for Future Use

ref			($000)	($000)	
117		Assets held for future use opening cost—previous year		469,276	
118	*plus*	Holding costs	40,968		
119	*less*	Assets held for future use net revenue	115		
120	*plus*	Assets held for future use additions	–		
121	*less*	Assets held for future use disposals	66,916		
122	*less*	Transfers to works under construction	–		
123		Assets held for future use closing cost		443,212	
125		Opening base value		167,696	
126	*plus*	Assets held for future use revaluations	203		
127	*plus*	Assets held for future use additions	–		
128	*less*	Assets held for future use disposals	66,916		
129	*less*	Transfers to works under construction	–		
130		Closing base value		100,983	
132	*plus*	Opening tracking revaluations	13,217		
133		Tracking revaluations	13,420		
134		Highest rate of finance applied (%)			8.73%

Regulated Airport	**Auckland International Airport Limited**
For Year Ended	**30 June 2024**

SCHEDULE 5: REPORT ON RELATED PARTY TRANSACTIONS

ref *Version 5.0*

5(i): Related Party Transactions

	($000)
Net operating revenue	–
Operational expenditure	(4)
Related party capital expenditure	22,249
Market value of asset disposals	7,427
Other related party transactions	7,033

5(ii): Entities Involved in Related Party Transactions

Entity Name	Related Party Relationship
Auckland Airport non-regulated business	The part of Auckland Airport that does not supply specified airport services subject to this information disclosure regime.
Fulton Hogan	One of Auckland Airport's directors is also a director at Fulton Hogan. Auckland Airport incurs costs relating to engineering services / works provided by Fulton Hogan. All transactions were on an arms-length commercial basis, without special privileges.
Other - key management personnel	Key management personnel.
Other - Auckland International Airport Marae Ltd	Two members of Auckland Airport's senior management team are on the board of Auckland International Airport Marae Ltd. No fees were paid in relation to these appointments.

5(iii): Related Party Transactions

Entity Name	Description of Transaction	Average Unit Price ($)	Value ($000)
Fulton Hogan (Operational expenditure)	Engineering services for the regulated business	N/A	(4)
Fulton Hogan (Capital expenditure)	Engineering services for the regulated business	N/A	22,249
Auckland Airport non-regulated business	Transfer of 32,494 sqm of land (previously held for future use in the	128	4,165
Auckland Airport non-regulated business	Transfer of 22,907 sqm of land (previously held for future use in the	128	2,936
Auckland Airport non-regulated business	Transfer of 2,647 sqm of land (previously held as ITB space rule	71	189
Auckland Airport non-regulated business	Transfer of 3,519 sqm of land (previously held as Airfield direct in	38	134
Auckland Airport non-regulated	Transfer of 39 sqm of land	68	3
Auckland Airport non-regulated	Transfer of 1,824 sqm of investment	453	826
Auckland Airport non-regulated	Transfer of 1,436 sqm of investment	102	146
Key management personnel	Remuneration of directors	N/A	1,178
Key management personnel	Remuneration of the senior	N/A	4,845
Auckland International Airport Marae	Maintenance and occupancy costs	N/A	38

Commentary on Related Party Transactions

Refer to Disclosure Commentary Note 5.

Regulated Airport For Year Ended: **Auckland International Airport Limited** — **30 June 2024**

SCHEDULE 6: REPORT ON ACTUAL TO FORECAST PERFORMANCE

ref *Version 5.0*

6a: Actual to Forecast Expenditure

($000)

Expenditure by Category	Actual for Current Disclosure Year (a)	Forecast for Current Disclosure Year* (b)	% Variance (a)/(b)-1	Actual for Period to Date (a)	Forecast for Period to Date* (b)	% Variance (a)/(b)-1
Capacity growth	532,724	750,090	(29.0%)	852,974	1,112,648	(23.3%)
Asset replacement and renewal	140,303	152,354	(7.9%)	230,017	282,197	(18.5%)
Total capital expenditure	673,027	902,444	(25.4%)	1,082,990	1,394,845	(22.4%)
Corporate overheads	38,708	52,731	(26.6%)	74,745	95,328	(21.6%)
Asset management and airport operations	121,141	50,363	140.5%	212,534	91,046	133.4%
Asset maintenance	31,702	58,475	(45.8%)	54,058	105,712	(48.9%)
Total operational expenditure	191,551	161,569	18.6%	341,336	292,086	16.9%
Key Capital Expenditure Projects						
Terminal Integration - enabling & airport resilience	359,787	411,305	(12.5%)	554,999	614,346	(9.7%)
Terminal Integration - Domestic Processor	61,901	102,762	(39.8%)	104,179	139,767	(25.5%)
Terminal Integration - Transport Hub	55,297	61,683	(10.4%)	90,087	100,217	(10.1%)
Domestic Terminal Building Upgrades	26,898	23,974	12.2%	34,754	33,234	4.6%
Aeronautical Programme	8,019	55,828	(85.6%)	29,842	74,547	(60.0%)
Contingent Runway	3,383	4,295	(21.2%)	5,037	6,918	(27.2%)
Roading Programme	32,418	77,584	(58.2%)	51,383	118,154	(56.5%)
Utilities Programme	4,449	9,182	(51.5%)	15,306	21,990	(30.4%)
Renewals – airfield pavement and ground lighting	71,746	59,506	20.6%	101,967	93,063	9.6%
Renewals - other	47,600	92,848	(48.7%)	93,906	189,135	(50.3%)
		3,475	(100.0%)		3,475	(100.0%)
		–	Not defined		–	Not defined
		–	Not defined		–	Not defined
		–	Not defined		–	Not defined
		–	Not defined		–	Not defined
		–	Not defined		–	Not defined
		–	Not defined		–	Not defined
		–	Not defined		–	Not defined
		–	Not defined		–	Not defined
		–	Not defined		–	Not defined
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		–	Not defined		–	Not defined
		–	Not defined		–	Not defined
		–	Not defined		–	Not defined
		–	Not defined		–	Not defined
		–	Not defined		–	Not defined
		–	Not defined		–	Not defined
		–	Not defined		–	Not defined
Other capital expenditure		–	Not defined		–	Not defined
Total capital expenditure	671,498	902,444	(25.6%)	1,081,459	1,394,845	(22.5%)

Explanation of Variances

Please refer Disclosure Commentary Note 6.

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

** Disclosure year coincides with Pricing Period Starting Year + 1.*

Regulated Airport For Year Ended: **Auckland International Airport Limited** — **30 June 2024**

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

Version 5.0

6b: Forecast Expenditure

From most recent disclosure following a price setting event

Starting year of current pricing period (year ended): 30 June 2023

Expenditure by Category	for year ended	Pricing Period Starting Year 30 Jun 23	Pricing Period Starting Year + 1 30 Jun 24	Pricing Period Starting Year + 2 30 Jun 25	Pricing Period Starting Year + 3 30 Jun 26	Pricing Period Starting Year + 4 30 Jun 27
Capacity growth		362,558	750,090	1,123,527	1,043,481	1,082,586
Asset replacement and renewal		129,843	152,354	143,173	133,720	114,817
Total forecast capital expenditure		492,401	902,444	1,266,700	1,177,201	1,197,403
Corporate overheads		42,597	52,731	56,474	57,827	61,887
Asset management and airport operations		40,683	50,363	53,938	55,230	59,108
Asset maintenance		47,237	58,475	62,626	64,126	68,629
Total forecast operational expenditure		130,517	161,569	173,038	177,183	189,624

Key Capital Expenditure Projects	for year ended	Pricing Period Starting Year 30 Jun 23	Pricing Period Starting Year + 1 30 Jun 23	Pricing Period Starting Year + 2 30 Jun 23	Pricing Period Starting Year + 3 30 Jun 26	Pricing Period Starting Year + 4 30 Jun 27
Terminal Integration - enabling & airport resilience		203,041	411,305	515,001	267,544	115,738
Terminal Integration - Domestic Processor		37,005	102,762	288,837	502,483	565,824
Terminal Integration - Transport Hub		38,533	61,683	13,623	–	10,301
Domestic Terminal Building Upgrades		9,260	23,974	40,937	44,997	29,129
Aeronautical Programme		18,719	55,828	134,841	91,484	208,352
Contingent Runway		2,623	4,295	4,666	36,329	39,805
Roading Programme		40,570	77,584	45,793	–	–
Utilities Programme		12,808	9,182	10,769	9,661	14,938
Renewals – airfield pavement and ground lighting		33,557	59,506	71,965	68,968	50,771
Renewals - other		96,287	92,848	71,209	64,752	64,046
Cargo Precinct		–	3,475	69,060	90,983	98,498
Other capital expenditure						
Total forecast capital expenditure		492,401	902,444	1,266,700	1,177,201	1,197,403

Regulated Airport: **Auckland International Airport Limited**
For Year Ended: **30 June 2024**

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

Version 5.0

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

Proposed risk allocation adjustment	Units used	Actual for Current Disclosure Year (a)	Forecast for Current Disclosure Year* (b)	% Variance (a)/(b)-1	Actual for Period to Date (a)	Forecast for Period to Date* (b)	% Variance (a)/(b)-1	Estimated present value of the proposed risk allocation adjustment ($000)
[Proposed adjustment 1]				Not defined			Not defined	
[Proposed adjustment 2]				Not defined			Not defined	
[Proposed adjustment 3]				Not defined			Not defined	
[Proposed adjustment 4]				Not defined			Not defined	
[Proposed adjustment 5]				Not defined			Not defined	
[Proposed adjustment 6]				Not defined			Not defined	
[Proposed adjustment 7]				Not defined			Not defined	
[Proposed adjustment 8]				Not defined			Not defined	
[Proposed adjustment 9]				Not defined			Not defined	

**include additional rows if needed*

Total proposed risk allocation adjustments: –

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

Refer to Disclosure Commentary Note 6.

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

* *Disclosure year Pricing Period Starting Year .*

Regulated Airport **Auckland International Airport Limited**
For Year Ended **30 June 2024**

SCHEDULE 7: REPORT ON SEGMENTED INFORMATION

ref *Version 5.0*

	Specified Passenger Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business* ($000)
Airfield	–	150,450	–	150,450
Passenger Service Charge	241,568	–	–	241,568
Check-In	6,330	–	–	6,330
0	–	–	–	–
Lease, rental and concession income	23,597	443	29,934	53,974
Other operating revenue	21,266	1,218	1,780	24,264
Net operating revenue	292,761	152,111	31,714	476,586
Gains / (losses) on asset sales	(435)	(81)	(8)	(523)
Other income	–	–	–	–
Total regulatory income	292,326	152,030	31,707	476,063
Total operational expenditure	138,220	45,463	7,868	191,551
Regulatory depreciation	59,996	24,492	3,591	88,079
Total revaluations	–	–	5,456	5,456
Regulatory tax allowance	22,048	18,686	3,722	44,456
Regulatory profit/ loss	72,062	63,389	21,982	157,433
RAB value	1,113,740	754,591	185,138	2,053,469

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

Commentary on Segmented Information

Refer to Disclosure Commentary Note 7.

Regulated Airport For Year Ended: **Auckland International Airport Limited** — **30 June 2024**

SCHEDULE 8: CONSOLIDATION STATEMENT

ref *Version 5.0*

8a: CONSOLIDATION STATEMENT

($000)

	Airport Businesses	Regulatory/ GAAP Adjustments	Airport Business– GAAP	Unregulated Activities– GAAP	Airport Company– GAAP
Net income	476,063	524	476,587	412,548	889,135
Total operational expenditure	191,551	717	192,268	87,950	280,218
Operating surplus / (deficit) before interest, depreciation, revaluations and tax	284,512	(193)	284,319	324,598	608,917
Depreciation	88,079	49,770	137,849	30,560	168,409
Revaluations	5,456	(18,577)	(13,121)	(13,196)	(26,317)
Tax expense	44,456	(8,450)	36,006	31,931	67,937
Net operating surplus / (deficit) before interest	157,433	(60,090)	97,343	248,911	346,254
Property plant and equipment	2,053,469	3,366,723	5,420,192	3,331,170	8,751,352

8b: NOTES TO CONSOLIDATION STATEMENT

8b(i): REGULATORY / GAAP ADJUSTMENTS

($000)

Description of Regulatory / GAAP Adjustment	Affected Line Item	Regulatory / GAAP Adjustments *
Net income is higher under Regulatory (vs GAAP) due to the Regulatory gain on disposals value.	Net income	524
The regulatory/GAAP adjustment of [$0.7m] is attributable to the Airport Business GAAP related to capital project impairments reported at note 5 of the annual report. The impairments have not been recognised for regulatory purposes as they are unrealised and may reverse in future periods. Further information can be found in the accompanying commentary document for schedules 2 and 8.	Total operational expenditure	717
Depreciation is higher under GAAP (vs Regulatory) due to a combination of the following: 1) Depreciation starts immediately under GAAP, but the year following commissioning for Regulatory. 2) Valuation methodologies differ between GAAP and Regulatory reporting. Further information on this can be found in the accompanying commentary document.	Depreciation	49,770
The difference in revaluations between GAAP and Regulatory is due to the different valuation methodologies used, as described in the accompanying commentary document.	Revaluations	(18,577)
The regulatory/GAAP adjustment of $8.5m includes the prior year tax losses utilised of $31.0m and deferred tax "income" of $18.9m that is recognised in Airport Business GAAP.	Tax expense	(8,450)
For "The Airport Business", GAAP PP&E is higher than Regulatory PP&E due to the following reasons: 1) GAAP asset revaluations have resulted in higher values than the Regulatory revaluations (note that assets within the Land category were revalued in FY22). 3) Future Use assets and Work in Progress are excluded from "The Airport Business" for Regulatory (RAB) but included in "The Airport Business" for GAAP. Further information on this can be found in the accompanying commentary document.	Property plant & equipment	3,366,723
	[Select one]	

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

Commentary on the Consolidation Statement

Refer to Disclosure Commentary Note 8.

Regulated Airport: **Auckland International Airport Limited**
For Year Ended: **30 June 2024**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS

ref *Version 5.0*

9a: Asset Allocations

($000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Land						
Directly attributable assets	354	298,769	49,876	348,998		348,998
Assets not directly attributable	73,728	4,744	462	78,934	63,458	142,393
Total value land				427,933		
Sealed Surfaces						
Directly attributable assets	45	277,500	77	277,622		277,622
Assets not directly attributable	195	2	0	197	46	243
Total value sealed surfaces				277,819		
Infrastructure and Buildings						
Directly attributable assets	140,653	109,634	119,168	369,456		369,456
Assets not directly attributable	870,792	45,795	14,543	931,130	442,518	1,373,648
Total value infrastructure and buildings				1,300,586		
Vehicles, Plant and Equipment						
Directly attributable assets	9,038	11,603	124	20,765		20,765
Assets not directly attributable	18,933	6,545	888	26,366	4,446	30,812
Total value vehicles, plant and equipment				47,132		
Total directly attributable assets	150,091	697,505	169,245	1,016,842		1,016,842
Total assets not directly attributable	963,649	57,086	15,893	1,036,628	510,469	1,547,096
Total assets	1,113,740	754,591	185,138	2,053,469	510,469	2,563,938

Asset Allocators

Asset Category	Allocator*	Allocator Type	Rationale	Asset Line Items
Buildings	ITB (sub)spaces	Proxy Cost Allocator	Assets that service the ITB are allocated based on relevant terminal areas. Relevant spaces include overall space, forecourt, Pier B, expanded arrivals, 1st floor redevelopment (fixed) and the residual 'core' which includes Pier A.	Primarily Buildings within the terminals.
Buildings	DTB (sub)spaces	Proxy Cost Allocator	Assets that service the DTB are allocated based on relevant terminal areas. DTB spaces include overall space and forecourt.	Primarily Buildings within the terminals.
Infrastructure	Charged Usage	Causal Relationship	(Notional) Charged Usage are based on meter readings which directly relate to utilisation of the assets. In the case of internal usage, a notional charge is calculated based on tariff rates and measured usage.	Utility distribution networks (end point assets allocated based on end point user) including electricity, potable & waste water outside buildings and gas.
Infrastructure	Space	Causal Relationship	Rain water not absorbed into the ground enters the storm water network. An assessment of land covered by sealed surfaces by the land's usage reasonably estimates utilisation of the storm water assets. Roading allocation is done where roads cannot be directly attributed they are considered to be shared across the business. Lightning, pavement, signage outside buildings are allocated based on the respective analysis associated with the business unit or use.	Stormwater distribution network (end point assets allocated based on end point user), roadng and adjacent Infrastructure, lightning, pavement - mainly for parking other than roading and footpaths, signage outside the buildings including traffic lights.
Infrastructure	Company-wide rule	Proxy Cost Allocator	The communications network provides benefit to the broader business. No specific usage/billing analysis available.	Communications network outside buildings
Land	Space	Causal Relationship	Land under the terminal is allocated to regulated and non-regulated activities on the same basis as building structure – i.e. based on the share of terminal space.	Land under terminals
Vehicles, Plant & Equipment	FTE Analysis	Causal Relationship	Staff time directly impacts the utilisation of the asset. The use is identified by the indication done by staff in the operating cost business analysis.	Motor Vehicles used by Aeronautical management

37	Vehicles, Plant & Equipment	Internal R&M Analysis	Causal Relationship	Assets allocated based on corresponding allocated opex. Allocation of (repairs and maintenance) opex is determined at a business unit level (directly or using the above allocators).	Assets (motor vehicles and plant) relating to Engineering Support Services who are responsible for repairs and maintenance
38	Vehicles, Plant & Equipment	Space	Proxy Cost Allocator	Plant and equipment which is not directly attributed is allocated on the same basis as buildign structure - based on the share of terminal space.	Plant
39	Vehicles, Plant & Equipment	Company-wide rule	Proxy Cost Allocator	Where Plant and Equipment cannot be directly attributed and provides benefit to the broader business the company-wide rule is used to allocate these assets.	Plant and equipment primarily IT related
40			[Select one]		
41			[Select one]		
42			[Select one]		
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					

Regulated Airport: **Auckland International Airport Limited**
For Year Ended: **30 June 2024**

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

ref *Version 5.0*

Asset Allocators (cont)

	Asset Category	Allocator*	Allocator Type	Rationale	Asset Line Items
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]		
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102			[Select one]		
103			[Select one]		
104			[Select one]		
105			[Select one]		
106			[Select one]		
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112			[Select one]		
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115			[Select one]		
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117			[Select one]		
118			[Select one]		
119			[Select one]		
120			[Select one]		
121			[Select one]		
122			[Select one]		
123			[Select one]		
124			[Select one]		
125			[Select one]		
126			[Select one]		
127			[Select one]		
128			[Select one]		

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

Regulated Airport	Auckland International Airport Limited
For Year Ended	30 June 2024

SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)

Version 5.0

9b: Notes to the Report

9b(i): Changes in Asset Allocators

($000)

			Effect of Change		
			CY-1 30 Jun 23	Current Year (CY) 30 Jun 24	CY+1 30 Jun 25
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Asset category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–

Commentary on Asset Allocations

Regulated Airport: **Auckland International Airport Limited**
For Year Ended: **30 June 2024**

SCHEDULE 10: REPORT ON COST ALLOCATIONS

Version 5.0

10a: Cost Allocations

($000)

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Airport Business	Unregulated Component	Total
Corporate Overheads						
Directly attributable operating costs	355	–	–	355		355
Costs not directly attributable	23,827	12,514	2,013	38,353	9,717	48,071
Asset Management and Airport Operations						
Directly attributable operating costs	61,044	6,316	981	68,340		68,340
Costs not directly attributable	33,010	16,149	3,641	52,800	70,591	123,391
Asset Maintenance						
Directly attributable operating costs	10,133	6,430	727	17,290		17,290
Costs not directly attributable	9,850	4,055	506	14,411	7,276	21,687
Total directly attributable costs	71,531	12,746	1,708	85,985		85,985
Total costs not directly attributable	66,688	32,717	6,160	105,565	87,584	193,149
Total operating costs	138,219	45,463	7,868	191,551	87,584	279,134

Cost Allocators

Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items
Asset Maintenance	Split by R&M charges to internal BUs & then by BU allocation rules	Proxy Cost Allocator	Predominately employee costs associated with maintenance of airport assets. The allocation of these costs are estimated by management based on time spent on activities in each segment. It would be inefficient and immaterial to systemise the monitoring of time spent across each segment.	All costs lines within the 'Maintenance Services', 'Building and Terminal Services' and 'Electronic Systems' business units except specific object codes carved out as per cost allocation process.
Asset Management & Airport Operations	Internal charges weighted by internal BU rules & external charges coded commercial direct	Causal Relationship	Metered usage deemed to be the causal factor for generating the associated revenues and costs	All cost lines within the 'Electricity' business unit except electricity internal charges and other specific object codes carved out as per cost allocation process
Asset Management & Airport Operations	Internal charges weighted by internal BU rules & external charges coded commercial direct	Causal Relationship	Metered usage deemed to be the causal factor for generating the associated revenues and costs	All cost lines within the 'Water' business unit except water internal charges and other specific object codes carved out as per cost allocation process
Asset Management & Airport Operations	Internal charges weighted by internal BU rules & external charges coded commercial direct	Causal Relationship	Metered usage deemed to be the causal factor for generating the associated revenues and costs	All cost lines within the 'Gas' business unit except internal gas charges and other specific object codes carved out as per cost allocation process
Asset Management & Airport Operations	Weighted average of stormwater and wastewater rules based on NBV of assets: Stormwater = weighted average of rules applied to sealed areas. Wastewater = weighted average of rules applied to meters	Causal Relationship	Impermeable area and metered usage deemed to be causal factors for generating the associated revenues and costs	All costs lines within the 'Stormwater & Wastewater' business unit except other specific object codes carved out as per cost allocation process
Asset Management & Airport Operations	Internal charges weighted by internal BU rules	Causal Relationship	Metered usage deemed to be the causal factor for generating the associated revenues and costs	Internal electricity charges within the 'Electricity (Incl Reticulation & Power Ctrs)' business unit
Asset Management & Airport Operations	Internal charges weighted by internal BU rules	Causal Relationship	Metered usage deemed to be the causal factor for generating the associated revenues and costs	Internal water charges within the 'Water (Incl Reticulation, Reservoirs & Pump Station)' business unit
Asset Management & Airport Operations	Internal charges weighted by internal BU rules	Causal Relationship	Metered usage deemed to be the causal factor for generating the associated revenues and costs	Internal gas charges within the 'Gas (Incl Reticulation)' business unit

31		Asset Management & Airport Operations	Company-wide (terminal space & aeronautical revenue splits)	Proxy Cost Allocator	These functions support all segments and the proxy rule efficiently captures the relative scale of each segment. It is inefficient and immaterial to systemise the monitoring and recording of time spent across each segment	All costs lines within the business units listed below except specific object codes carved out as per cost allocation process 'Ground Care' 'Skygate Security' 'Master Planning' 'Master Planning - Transport'
32		Asset Management & Airport Operations	Employee time split	Proxy Cost Allocator	Predominately employee related costs which are estimated by management based on time spent on activities in each segment. It would be inefficient and immaterial to systemise the monitoring of time spent across each segment. The proxy rule efficiently captures the relative scale of each segment	All costs lines within the (Aero) 'Commerical Management' and 'Transport Management' business units except specific object codes carved out as per cost allocation process
33		Asset Management & Airport Operations	Employee time split	Proxy Cost Allocator	These functions support all aeronautical segments and it is inefficient and immaterial to systemise the monitoring of time spent across each segment. The proxy rule efficiently captures the relative scale of each segment	All costs lines within the 'Aero Management' and 'Fuel Recovery' business units except specific object codes carved out as per cost allocation process
34		Asset Management & Airport Operations	Aeronautical revenues/costs split excluding aircraft and freight revenues/expenses	Proxy Cost Allocator	These managerial functions support both Airfield and Passenger Terminal operations management and it is inefficient and immaterial to monitor time spent across each segment. The proxy rule efficiently captures the relative scale of each segment	All costs lines within the 'Airside Operations Management' and 'Slots Coordination' business units except specific object codes carved out as per cost allocation process
35		Asset Management & Airport Operations	Aeronautical revenues split	Proxy Cost Allocator	These managerial functions support all aeronautical segments and it is inefficient and immaterial to monitor time spent across each segment. The proxy rule efficiently captures the relative scale of each segment	All costs lines within the 'Rescue Fire Admin', 'Aero Performance & Planning' And 'Operation Capricorn' business units except specific object codes carved out as per cost allocation process
36		Asset Management & Airport Operations	Rules applying to individual assets within this BU weighted by NBV	Proxy Cost Allocator	Costs associated with maintaining roads in the airport district. AIAL management are in the process of gathering vehcile movement and roading network usage data to refine the allocation of costs to maintain roading assets	All costs lines within the 'Roadways' business unit except specific object codes carved out as per cost allocation process
37		Asset Management & Airport Operations	Share of area between aeronautical and non-aeronautical activities	Proxy Cost Allocator	Property is used for both aeronautical and administrative purposes. It would be inefficient and immaterial to monitor costs incurred by each segment. The proxy rule efficiently captures the relative scale of each segment	All costs lines within the 'Transport Hub' and 'International Jetbase' business units except specific object codes carved out as per cost allocation process
38		Asset Management & Airport Operations	Share of rental revenues between aeronautical and non-aeronautical revenues	Proxy Cost Allocator	BU dominated by rental revenue so costs are split by rental revenue associated with each segment. It would be inefficient and immaterial to monitor costs incurred by each segment. The proxy rule efficiently captures the relative scale of each segment	All costs lines within the 'ITB Tenancies-Administrative' and 'DHL' business units except specific object codes carved out as per cost allocation process
39		Asset Management & Airport Operations	Space based split based on area of building occupied by AIAL and external tenants	Proxy Cost Allocator	Costs related to the Quad 5 Building including the AIAL Management Offices. It would be inefficient and immaterial to monitor costs incurred by each segment. The proxy rule efficiently captures the relative scale of each segment	All costs lines within the 'Quad 5' business unit except specific object codes carved out as per cost allocation process
40		Asset Management & Airport Operations	Split by R&M charges to internal BUs & then by BU allocation rules	Proxy Cost Allocator	Predominately employee costs associated with maintenance of airport assets. The allocation of these costs are estimated by management based on time spent on activities in each segment. It would be inefficient and immaterial to systemise the monitoring of time spent across each segment.	All costs lines within the 'Asset Data Services' business unit except specific object codes carved out as per cost allocation process.
41		Corporate Overheads	Split by R&M charges to internal BUs & then by BU allocation rules	Proxy Cost Allocator	Predominately employee costs associated with maintenance of airport assets. The allocation of these costs are estimated by management based on time spent on activities in each segment. It would be inefficient and immaterial to systemise the monitoring of time spent across each segment.	All costs lines within the 'Engineering Support Services' business unit except specific object codes carved out as per cost allocation process.
42		Corporate Overheads	Aeronautical revenues split	Proxy Cost Allocator	The split of aeronautical revenues fairly distributes between aeronautical activities. This is used to attribute airline consultation cost between airfield and terminal which efficiently captures the relative scale of each segment	All costs lines within the 'Aeronautical Pricing' and 'Economic Regulation' business units except specific object codes carved out as per cost allocation process

43	Corporate Overheads	Mix of aeronautical revenues split and company-wide rule	Proxy Cost Allocator	Marketing incentive costs are associated with aeronautical activities (airfield and passenger terminal), all other costs support the entire company. The proxy rule efficiently captures the relative scale of each segment	All costs lines within the 'China Plan' business units except specific object codes carved out as per cost allocation process
44	Corporate Overheads	Employee time split	Proxy Cost Allocator	These functions support all aeronautical segments and it is inefficient and immaterial to systemise the monitoring of time spent across each segment. The proxy rule efficiently captures the relative scale of each segment	All costs lines within the 'Integrated Terminal Facility' and 'Policy Management' business units except specific object codes carved out as per cost allocation process
45	Corporate Overheads	Employee time split	Proxy Cost Allocator	Predominately employee related costs which are estimated by management based on time spent on activities in each segment. It would be inefficient and immaterial to systemise the monitoring of time spent across each segment. The proxy rule efficiently captures the relative scale of each segment	All costs lines within the 'Retail Management', 'Marketing and Branding' and 'Insight' business units except specific object codes carved out as per cost allocation process
46	Corporate Overheads	Company-wide (terminal space & aeronautical revenue splits)	Proxy Cost Allocator	These functions support all segments and the proxy rule efficiently captures the relative scale of each segment. It is inefficient and immaterial to systemise the monitoring and recording of time spent across each segment	All costs lines within the business units listed below except specific object codes carved out as per cost allocation process 'General Counsel & Co Secretary' 'Corporate Relations' 'Community Relations' 'Marae' 'Accounting' 'Business Intelligence' 'CEO' 'Human Resources' 'Corporate Office' 'Procurement' 'Health and Safety' 'Digital Marketing' 'Business Architecture' 'BT Outsourced'
47			[Select one]		
48					

Regulated Airport: **Auckland International Airport Limited**
For Year Ended: **30 June 2024**

SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)

Version 5.0

Cost Allocators (cont)

ref	Operating Cost Category	Allocator*	Allocator Type	Rationale	Operating Cost Line Items
57	Asset Management & Airport Operations	Mix of aeronautical revenues split and company-wide rule	Proxy Cost Allocator	Marketing incentive costs are associated with aeronautical activities (airfield and passenger terminal), all other costs support the entire company. The proxy rule efficiently captures the relative scale of each segment	All costs lines within the 'Route Development' business units except specific object codes carved out as per cost allocation process
58	Asset Management & Airport Operations	Company-wide (terminal space & aeronautical revenue splits)	Proxy Cost Allocator	These functions support all segments and the proxy rule efficiently captures the relative scale of each segment. It is inefficient and immaterial to systemise the monitoring and recording of time spent across each segment	All costs lines within the business units listed below except specific object codes carved out as per cost allocation process 'IT Systems' 'Business Solutions'
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]		
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107			[Select one]		
108			[Select one]		
109			[Select one]		
110			[Select one]		
111			[Select one]		
112			[Select one]		
113			[Select one]		
114			[Select one]		
115			[Select one]		
116			[Select one]		

117			[Select one]			
118			[Select one]			
119			[Select one]			
120			[Select one]			
121			[Select one]			
122	** A description of the metric used for allocation, e.g. floor space.*					
123						Page 19

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

ref *Version 5.0*

10b: Notes to the Report

10b(i): Changes in Cost Allocators

			CY-1 30 Jun 23	Current Year (CY) 30 Jun 24	CY+1 30 Jun 25
			Effect of Change		**($000)**
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–
Operating cost category					
Original allocator or components		Original			
New allocator or components		New			
Rationale		Difference	–	–	–

Commentary on Cost Allocations

Refer to Disclosure Commentary Note 10.

Regulated Airport: **Auckland International Airport Limited**
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SCHEDULE 11: REPORT ON RELIABILITY MEASURES

ref | *Version 5.0*

ref		Number	Total Duration Hours	Total Duration Minutes
6	**Runway**			
7	The number and duration of interruptions to runway(s) during disclosure year by party primarily responsible			
8	Airports	–	–	–
9	Airlines/Other	–	–	–
10	Undetermined reasons	–	–	–
11	Total	–	–	–
12	**Taxiway**			
13	The number and duration of interruptions to taxiway(s) during disclosure year by party primarily responsible			
14	Airports	–	–	–
15	Airlines/Other	–	–	–
16	Undetermined reasons	–	–	–
17	Total	–	–	–
18	**Remote stands and means of embarkation/disembarkation**			
19	The number and duration of interruptions to remote stands and means of embarkation/disembarkation during disclosure year by party primarily responsible			
20	Airports	–	–	–
21	Airlines/Other	–	–	–
22	Undetermined reasons	1	–	23
23	Total	1	–	23
24	**Contact stands and airbridges**			
25	The number and duration of interruptions to contact stands during disclosure year by party primarily responsible			
26	Airports	55	61	31
27	Airlines/Other	14	1	16
28	Undetermined reasons	9	2	22
29	Total	78	65	09
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	3	3	51
33	Airlines/Other	–	–	–
34	Undetermined reasons	4	12	58
35	Total	7	16	49
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	1	–	37
41	Total	1	–	37
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	15	13	3
45	Airlines/Other	4	8	11
46	Undetermined reasons	4	3	53
47	Total	23	25	7

Regulated Airport	**Auckland International Airport Limited**
For Year Ended	**30 June 2024**

SCHEDULE 11: REPORT ON RELIABILITY MEASURES (cont)

ref *Version 5.0*

Fixed electrical ground power availability (if applicable)

The percentage of time that FEGP is unavailable due to interruptions*	0.399%

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

Commentary concerning reliability measures

Refer Disclosure Commentary Note 11.

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

Regulated Airport: **Auckland International Airport Limited**
For Year Ended: **30 June 2024**

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

ref *Version 5.0*

Runway

		Runway #1	Runway #2	Runway #3
Description of runway(s)	Designations	23L/05R	N/A	N/A
	Length of pavement (m)	3,635	N/A	N/A
	Width (m)	45	N/A	N/A
	Shoulder width (m)	30	N/A	N/A
	Runway code	4F	N/A	N/A
	ILS category	Category III B	N/A	N/A
Declared runway capacity for specified meteorological condition	VMC (movements per hour)	45	N/A	N/A
	IMC (movements per hour)	38	N/A	N/A

Taxiway

		Taxiway #1	Taxiway #2	Taxiway #3	Taxiway #4
Description of main taxiway(s)	Name	Alpha	Bravo	Delta	Lima
	Length (m)	3,220	2,587	370	673
	Width (m)	45	24	23	25
	Status	Full length	Part length	Part length	Part length
	Number of links	11	10	4	4

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	18	4	26
	Domestic jet	9	2	–
	Domestic turboprop	–	13	6
Total parking stands		27	19	32

Busy periods for runway movements

	Date
Runway busy day	7 March 2024
Runway busy hour start time (day/month/year hour)	12 May 2024 4 pm

Aircraft movements

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

		Contact stand–airbridge	Contact stand–walking	Remote stand—bus	Total
Air passenger services	International	127	–	5	132
	Domestic jet	118	4	1	123
	Domestic turboprop	–	176	20	196
	Total	245	180	26	451
Other (including General Aviation)					43
Total aircraft movements during the runway busy day					494

Number of aircraft runway movements during the runway busy hour: 37

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

Refer Disclosure Commentary Note 12.

Regulated Airport: **Auckland International Airport Limited**
For Year Ended: **30 June 2024**

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

Version 5.0

ref	Outbound (Departing) Passengers	International terminal	Domestic terminal	Common area †
	Landside circulation (outbound)			
	Passenger busy hour for landside circulation (outbound)—start time (day/month/year hour)	07/01/2024 - 20	3/12/2023 - 19	N/A
	Floor space (m²)	3,843	1,675	N/A
	Passenger throughput during the passenger busy hour (passengers/hour)	1,956	1,358	N/A
	Utilisation (busy hour passengers per 100m²)	51	81	N/A
	Check-in			
	Passenger busy hour for check-in—start time (day/month/year hour)	07/01/2024 - 20	3/12/2023 - 19	N/A
	Floor space (m²)	4,132	841	N/A
	Passenger throughput during the passenger busy hour (passengers/hour)	1,956	1,358	N/A
	Utilisation (busy hour passengers per 100m²)	47	162	N/A
	Baggage (outbound)			
	Passenger busy hour for baggage (outbound)—start time (day/month/year hour)	07/01/2024 - 20	3/12/2023 - 19	N/A
	Make-up area floor space (m²)	8,443	3,261	N/A
	Notional capacity during the passenger busy hour (bags/hour)*	3,060	2,000	N/A
	Bags processed during the passenger busy hour (bags/hour)*	1,886	1,046	N/A
	Passenger throughput during the passenger busy hour (passengers/hour)	1,956	1,358	N/A
	Utilisation (% of processing capacity)	62%	52%	N/A
	** Please describe in the capacity utilisation indicators commentary box how notional capacity and bags throughput have been assessed.*			
	Passport control (outbound)			
	Passenger busy hour for passport control (outbound)—start time (day/month/year hour)	07/01/2024 - 20		
	Floor space (m²)	1,379		
	Number of emigration booths and kiosks	21		
	Notional capacity during the passenger busy hour (passengers/hour) *	2,496		
	Passenger throughput during the passenger busy hour (passengers/hour)	1,956		
	Utilisation (busy hour passengers per 100m²)	142		
	Utilisation (% of processing capacity)	78%		
	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			
	Security screening			
	Passenger busy hour for security screening—start time (day/month/year hour)	07/01/2024 - 20	11/02/2024 - 12	
	Facilities for passengers excluding international transit & transfer			
	Floor space (m²)	2,074	679	
	Number of screening points	6	5	
	Notional capacity during the passenger busy hour (passengers/hour) *	1,800	1,350	
	Passenger throughput during the passenger busy hour (passengers/hour)	1,956	1,047	
	Utilisation (busy hour passengers per 100m²)	94	154	
	Utilisation (% of processing capacity)	109%	78%	
	Facilities for international transit & transfer passengers			
	Floor space (m²)	204		
	Number of screening points	2		
	Notional capacity during the passenger busy hour (passengers/hour)*	540		
	Estimated passenger throughput during the passenger busy hour (passengers/hour)	316		
	Utilisation (busy hour passengers per 100m²)	155		
	Utilisation (% of processing capacity)	59%		
	** Please describe in the capacity utilisation indicators commentary box how the notional capacity has been assessed.*			

Regulated Airport: **Auckland International Airport Limited**
For Year Ended: **30 June 2024**

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

Version 5.0

ref		International terminal	Domestic terminal	Common area †
61				
62	**Airside circulation (outbound)**			
63	Passenger busy hour for airside circulation (outbound)—start time			
64	(day/month/year hour)	7/01/2024 - 20	3/12/2023 - 19	
65	Floor space (m²)	12,674	2,273	
66	Passenger throughput during the passenger busy hour (passengers/hour)	2,272	1,358	
67	Utilisation (busy hour passengers per 100m²)	18	60	
68	**Departure lounges**			
69	Passenger busy hour for departure lounges—start time (day/month/year hour)	7/01/2024 - 20	3/12/2023 - 19	
70	Floor space (m²)	8,126	2,922	
71	Number of seats	3,990	1,076	
72	Passenger throughput during the passenger busy hour (passengers/hour)	2,272	1,358	
73	Utilisation (busy hour passengers per 100m²)	28	46	
74	Utilisation (passengers per seat)	0.6	1.3	
75	**Inbound (Arriving) Passengers**			
76	**Airside circulation (inbound)**			
77	Passenger busy hour for airside circulation (inbound)—start time			
78	(day/month/year hour)	4/01/2024 - 9	23/07/2023 - 18	N/A
79	Floor space (m²)	12,566	2,298	N/A
80	Passenger throughput during the passenger busy hour (passengers/hour)	1,974	1,475	N/A
81	Utilisation (busy hour passengers per 100m²)	16	64	N/A
82	**Passport control (inbound)**			
83	Passenger busy hour for passport control (inbound)—start time			
84	(day/month/year hour)	4/01/2024 - 9		
85	Floor space (m²)	1,660		
86	Number of immigration booths and kiosks	37		
87	Notional capacity during the passenger busy hour (passengers/hour) *	2,522		
88	Passenger throughput during the passenger busy hour (passengers/hour)	1,926		
89	Utilisation (busy hour passengers per 100m²)	116		
90	Utilisation (% of processing capacity)	76%		
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)	4/01/2024 - 9	23/07/2023 - 18	N/A
95	Floor space (m²)	1,513	1,675	N/A
96	Passenger throughput during the passenger busy hour (passengers/hour)	1,926	1,475	N/A
97	Utilisation (busy hour passengers per 100m²)	127	88	N/A
98	**Baggage reclaim**			
99	Passenger busy hour for baggage reclaim—start time (day/month/year hour)	4/01/2024 - 9	23/07/2023 - 18	
100	Floor space (m²)	6,676	1,081	
101	Number of reclaim units	6	2	
102	Notional reclaim unit capacity during the passenger busy hour (bags/hour)*	1,990	938	
103	Bags processed during the passenger busy hour (bags/hour)*	1,857	1,136	
104	Passenger throughput during the passenger busy hour (passengers/hour)	1,926	1,475	
105	Utilisation (% of processing capacity)	93%	121%	
106	Utilisation (busy hour passengers per 100m²)	29	136	
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)	4/01/2024 - 9		
111	Floor space (m²)	2,405		
112	Notional MAF secondary screening capacity during the passenger busy hour	2,200		
113	(passengers/hour)*			
114	Passenger throughput during the passenger busy hour (passengers/hour)	1,926		
115	Utilisation (% of processing capacity)	88%		
116	Utilisation (busy hour passengers per 100m²)	80		
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)	4/01/2024 - 9	23/07/2023 - 18	N/A
120	Floor space (m²)	1,621	260	N/A
121	Passenger throughput during the passenger busy hour (passengers/hour)	1,926	1,475	N/A
122	Utilisation (busy hour passengers per 100m²)	119	566	N/A
123				

Regulated Airport: **Auckland International Airport Limited**
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SCHEDULE 13: REPORT ON CAPACITY UTILISATION INDICATORS FOR SPECIFIED PASSENGER TERMINAL ACTIVITIES (cont 2)

ref *Version 5.0*

		International terminal	Domestic terminal	Common area †
131	**Total terminal functional areas providing facilities and service directly for passengers**			
132	Floor space (m^2)	67,316	14,692	N/A
133	Number of working baggage trolleys available for passenger use			
134	at end of disclosure year	4,050	450	N/A

135 **Commentary concerning capacity utilisation indicators for Passenger Terminal Activities**

136 Refer to Disclosure Commentary Note 13.

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: **Auckland International Airport Limited**
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SCHEDULE 14: REPORT ON PASSENGER SATISFACTION INDICATORS

ref *Version 5.0*

Survey organisation

Survey organisation used	ACI
If "Other", please specify	

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

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

International terminal	*Quarter for year ended*	**1 30 Sep 23**	**2 31 Dec 23**	**3 31 Mar 24**	**4 30 Jun 24**	**Annual average**
Ease of finding your way through an airport		4.3	4.1	4.2	4.2	4.2
Ease of making connections with other flights		3.9	3.9	4.0	4.3	4.0
Flight information display screens		4.3	4.2	4.2	4.2	4.2
Walking distance within and/or between terminals		4.0	3.9	3.9	3.9	3.9
Availability of baggage carts/trolleys						
Courtesy, helpfulness of airport staff (excluding check-in and security)		4.3	4.2	4.4	4.2	4.3
Availability of washrooms/toilets		4.3	4.1	4.1	4.2	4.2
Cleanliness of washrooms/toilets		4.2	4.1	4.2	4.2	4.1
Comfort of waiting/gate areas		4.0	3.9	3.9	3.8	3.9
Cleanliness of airport terminal		4.2	4.2	4.2	4.2	4.2
Ambience of the airport		4.1	4.1	4.1	4.1	4.1
Passport and visa inspection waiting time		4.3	4.2	4.3	4.4	4.3
Security inspection waiting time		4.1	3.9	4.1	4.1	4.1
Check-in waiting time		4.2	4.2	4.3	4.1	4.2
Feeling of being safe and secure		4.3	4.2	4.3	4.3	4.3
Average survey score		4.2	4.1	4.2	4.1	4.1

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

Commentary concerning report on passenger satisfaction indicators

Refer to Disclosure Commentary Note 14

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: **Auckland International Airport Limited**
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SCHEDULE 15: REPORT ON OPERATIONAL IMPROVEMENT PROCESSES

ref *Version 5.0*

Disclosure of the operational improvement process

Please refer Disclosure Commentary Note 15.

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.

Regulated Airport: **Auckland International Airport Limited**
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SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS

ref *Version 5.0*

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)
Boeing 787-900	6,535	1,657,104
Boeing 777-300ER	3,017	1,041,431
Airbus A330-200	1,513	353,298
Airbus 321neo	3,474	325,484
Airbus A380-800 Passenger	495	283,839
Airbus 350-900	1,018	279,344
Boeing 737-800 Passenger	3,422	265,512
Airbus 350-1000	518	163,652
Airbus A330-300	673	159,203
Airbus A320	1,814	139,765
Airbus A320neo	1,230	96,942
Boeing 777-200 / 200ER	208	60,170
Boeing 737 MAX 8	400	32,876
Boeing 787-800	63	14,360
Gulfstream G650	35	1,549
Airbus A330-900neo	6	1,470
Airbus A319	19	1,435
Bombardier BD-700 Global Express	28	1,231
Gulfstream V	19	772
Billing AT75	30	676
Boeing 737-300 Passenger	8	491
Dassault Falcon 50 / 900	17	371
Bombardier Global 7000	6	305
Airbus A340-300	1	277
Boeing 737 All Pax Models	4	262
Embraer 190	4	195
Dassault Falcon 7X	6	191
Saab 340	13	168
HERCULES 130	2	141
Billing AT76	6	138
Boeing 737-400 Passenger	2	129
Canadair CL-600 / 601 / 604 Challenger	6	124
Embraer E190-E2	2	113
Dassault Falcon 2000	5	97
Gulfstream G-7 G600	2	86
Gulfstream IV	2	68
Dassault Falcon 8X	2	66
British Aerospace 125-1000 series / Hawker/Raytheon 1000	4	51
Billing GL5T	1	42
Cessna Citation Sovereign	3	41
Gulfstream Aerospace (Grumman) Gulfstream II / III	2	36
Learjet	3	32
Embraer EMB-505 Phenom 300	3	24
De Havilland DHC-8-300 Dash 8 / 8Q	1	20
Cessna Citation CJ 3	3	19
Embraer Legacy 600	1	19
Learjet 35	1	8
Daher TBM-940	1	3
Eurocopter EC 130	1	3
Other	4	149
Total	24,633	4,883,778

Regulated Airport: **Auckland International Airport Limited**
For Year Ended: **30 June 2024**

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont)

Version 5.0

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

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

Aircraft type	Total number of landings	Total MCTOW (tonnes)
Airbus A320	19,070	1,389,300
Airbus 321neo	428	38,866
Airbus A320neo	152	12,008
Boeing 787-900	9	2,290
Bombardier BD-700 Global Express	25	1,119
Gulfstream G650	11	490
Embraer E190-E2	3	169
Gulfstream V	4	165
Bombardier Global 7000	3	156
Boeing 737 All Pax Models	1	70
Gulfstream IV	1	34
Dassault Falcon 7X	1	32
Other	2	85
Total	19,710	1,444,785

(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)
Billing AT76	11,975	275,425
De Havilland DHC-8-300 Dash 8 / 8Q	10,813	210,897
Saab 340	1,680	21,531
Billing AT75	657	15,010
Cessna 208 light aircraft	3,557	14,118
Fairchild SA26 / SA226 / SA227 / Metro / Merlin / Expediter	309	2,311
Douglas DC-3	15	183
Billing BE9L	8	37
Metro III	4	29
Cessna Citation Sovereign	2	27
Embraer EMB-505 Phenom 300	3	24
Canadair CL-600 / 601 / 604 Challenger	1	22
Dassault Falcon 50 / 900	1	21
Dassault Falcon 50	1	18
Gulfstream Aerospace (Grumman) Gulfstream II / III	1	18
Cessna Citation CJ 4	1	8
Billing BE40	1	7
Cessna Citation CJ 3	1	6
BEECHCRAFT TWIN TURBO PROP	1	6
Cessna Citation CJ 1	1	6
Cessna Citation Mustang	1	4
Daher TBM-940	1	3
Total	29,034	539,711

Regulated Airport For Year Ended: **Auckland International Airport Limited** — **30 June 2024**

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 2)

Version 5.0

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

	Total number of landings	Total MCTOW (tonnes)
Air passenger service aircraft less than 3 tonnes MCTOW	3	7
Freight aircraft	3,129	430,166
Military and diplomatic aircraft	11	853
Other aircraft (including General Aviation)	2,588	44,114

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

	Total number of landings	Total MCTOW (tonnes)
Total	79,108	7,343,415

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	50,798	–	2,028	52,826
Domestic jet air passenger service movements	42,724	890	–	43,614

** 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†	4,270,905	5,066,260	9,337,165
Outbound passengers†	4,204,245	4,993,008	9,197,253
Total (gross figure)	8,475,150	10,059,268	18,534,418
less estimated number of transfer and transit passengers		753,923	753,923
Total (net figure)			17,780,495

† 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 Chathams	Air Caledonie International
Air New Zealand	Air Canada
Barrier Air	Air Chathams
Jetstar Airways	Air China
	Air New Zealand
	Air Tahiti Nui
	Air Vanuatu
	AirAsia X
	American Airlines
	Batik Air
	Cathay Pacific
	China Airlines
	China Eastern Airlines
	China Southern Airlines
	Delta Air Lines
	Emirates
	Fiji Airways
	Hainan Airlines
	Hawaiian Airlines
	Jetstar Airways
	Korean Air
	LATAM Airlines
	Malaysia Airlines
	Qantas
	Qatar Airways
	Singapore Airlines
	United Airlines

Regulated Airport: **Auckland International Airport Limited**
For Year Ended: **30 June 2024**

SCHEDULE 16: REPORT ON ASSOCIATED STATISTICS (cont 3)

ref *Version 5.0*

Airline statistics (cont)

Domestic	International

16e: Human Resource Statistics

	Specified Terminal Activities	Airfield Activities	Aircraft and Freight Activities	Total
Number of full-time equivalent employees	398	189	14	602
Human resource costs ($000)				66,316

Commentary concerning the report on associated statistics

Please refer Disclosure Commentary Note 16.

Regulated Airport: **Auckland International Airport Limited**
For Year Ended: **30 June 2024**

SCHEDULE 17: REPORT ON PRICING STATISTICS

ref *Version 5.0*

17a: Components of Pricing Statistics

	($000)
Net operating charges from airfield activities relating to domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	8,136
Net operating charges from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	34,966
Net operating charges from airfield activities relating to international flights	109,009
Net operating charges from specified passenger terminal activities relating to domestic passengers	41,468
Net operating charges from specified passenger terminal activities relating to international passengers	211,283

	Number of passengers
Number of domestic passengers on flights of 3 tonnes or more but less than 30 tonnes MCTOW	2,522,079
Number of domestic passengers on flights of 30 tonnes MCTOW or more	5,947,378
Number of international passengers	10,059,268

	Total MCTOW (tonnes)
Total MCTOW of domestic flights of 3 tonnes or more but less than 30 tonnes MCTOW	539,711
Total MCTOW of domestic flights of 30 tonnes MCTOW or more	1,444,785
Total MCTOW of international flights	5,209,020

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	3.23	15.07
Average charge from airfield activities relating to domestic flights of 30 tonnes MCTOW or more	5.88	24.20
Average charge from airfield activities relating to international flights	10.84	20.93

	Average charge ($ per domestic passenger)	Average charge ($ per international passenger)
Average charge from specified passenger terminal activities	4.90	21.00

	Average charge ($ per domestic passenger)	Average charge ($ per international passenger)
Average charge from airfield activities and specified passenger terminal activities	9.99	31.84

Commentary on Pricing Statistics

Please refer Disclosure Commentary Note 17.

Regulated Airport: ckland International Airport Limit
For Year Ended:

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

ref *Version 5.0*

25: Regulatory Asset Base Value for Land

	Unallocated RAB ($000)	RAB ($000)
Estimated value of land assets for the 2009 year		
Capital expenditure on land for disclosure year 2010		
Value of disposed assets on land for disclosure year 2010 (negative amount)		
Estimated value of land assets for the 2011 year		
Capital expenditure on land for disclosure year 2011		
Value of disposed assets on land for disclosure year 2011 (negative amount)		
Initial RAB value	–	

Commentary

Auckland Airport

Annual Information Disclosure Commentaries

30 June 2024

Table of Contents

Introduction

Background

The purpose of annual Information Disclosure ("**ID"**), under the Commerce Act 1986 (the "**Act**"), is for Auckland Airport to provide sufficient information to enable interested parties to assess the performance of Auckland International Airport Limited ("**Auckland Airport"**) in meeting the purpose of Part 4 of the Act. It also allows the Commerce Commission (the "**Commission"**) to analyse performance over time and compare it with other airports.

This disclosure is the second disclosure relating to the price setting event that applied from 1 July 2022 to 30 June 2027 (FY23 – FY27). This is the fourth price setting event subject to the Part 4 ID regime and is referred to as Price Setting Event Four ("**PSE4"**).

Context of the Information Disclosure Commentaries

In accordance with its ID obligations, Auckland Airport describes its performance for the year to 30 June 2024 in the Regulatory Performance Summary and the associated ID schedules. To assist the reader, the explanatory notes for the ID schedules have been collated in this report providing further explanation of how Auckland Airport has performed.

To assist with usability, the numbering of sections within this report is consistent with the disclosure schedule numbers.

Glossary

ACI	Airport Council International
Act	The Commerce Act 1986
Airways	Airways Corporation of New Zealand Limited
ASQ	Airport Service Quality (a global service quality certification body)
Auckland Airport	Auckland International Airport Limited
AvSec	Aviation Security Service
BHS	Baggage handling system
CCTV	Close circuit television
Commission	The Commerce Commission
CPI	Consumer Price Index
DJT	Domestic Jet Terminal
FEGP	Fixed electrical ground power
FTE	Full time equivalent
GAAP	Generally Accepted Accounting Practice
GBMD	George Bolt Memorial Drive
HVAC	Heating, ventilation and air conditioning
ICS	Individual carrier system
ID	Information Disclosure
IM	Input Methodologies
IRR	Internal rate of return
ITB	International Terminal building
LHFU	Land held for future use
MCTOW	Maximum certified take-off weight
MVAU	Market value alternative use
OTD	On-time departure
PFAS	Perfluoroalkyl and Polyfluoroalkyl Substances
PSE3	Price Setting Event 3 – FY18-FY22
PSE4	Price Setting Event 4 – FY23-FY27
PSE5	Price Setting Event 5 – FY28–FY32
RAB	Regulatory asset base
VIP	Very important person(s)

1. Report on Profitability

1.1 Commentary on the Internal Rate of Return

Schedule 1 reports on Auckland Airport's post tax internal rate of return on its regulated activities for the year ended 30 June 2024 compared to forecast, and for the PSE4 period to date versus the forecast at the time of setting aeronautical charges.

Across all of PSE4, Auckland Airport is targeting an average post tax return of 8.73% on 'priced aeronautical activities' (for which landing, passenger, check-in and aircraft parking charges are levied on the airlines) and 7.79% for all regulated activities (i.e., also including the Aircraft & Freight segment, VIP lounges, airlines offices, and Duty Free collection facilities for off airport purchases, all of which are not levied on airlines, rather are subject to commercial arrangements).

Normalised IRR

Table 1: Internal rates of return

	FY23	FY24	Actual PSE4 to date	Forecast PSE4 to date
Post-tax IRR (normalised)	2.87%	8.20%	5.53%	5.66%
Post-tax IRR (reported)	3.83%	9.00%	6.39%	5.66%

For the year to 30 June 2024, Auckland Airport earned a post-tax IRR of 9.00%, 0.55% higher than that forecast at the time of setting prices for PSE4. Adjusting for the carry forward tax losses, the normalised post-tax IRR for the year was 8.20%, 0.24% lower than the PSE4 pricing forecast.

Auckland Airport recorded just over $70 million of regulatory tax losses in the 2021 and 2022 disclosure years, reflecting the more than $500 million shortfall in revenues caused by COVID-19 versus the PSE3 price setting forecast. Auckland Airport's PSE3 aeronautical prices provided no mechanism to recover any of the COVID-19 revenue losses experienced. Therefore, when Auckland Airport set prices for PSE4, the required aeronautical revenues to achieve our target return were not offset by historic tax losses carried forward from PSE3. To carry tax losses forward from PSE3 would result in forecast PSE4 cash returns being well below our target return, as the full benefit of historic COVID-related tax losses would be transferred directly to airlines, effectively resulting in Auckland Airport 'paying twice' for COVID-19 losses.

Variance analysis

Clause 2.3(8) of the ID Determination requires Auckland Airport to explain any variances from forecast that have a material impact on the IRR. The key drivers over the IRR variance for the first two years of PSE4 are set out in Table 2 below.

Table 2: Key drivers of IRR variance for PSE4

	Actual $m	Forecast $m	Variance $m	Impact on IRR
Forecast IRR				**5.66%**
Opening RAB	1,739	1,698	41	(0.23)%
Assets commissioned	469	697	(228)	1.10%
Other changes in investment value	(153)	(179)	26	0.14%
Regulatory income	751	765	(14)	(0.38)%
Operating expenditure	341	292	49	(1.38)%
Unlevered tax	65	87	(22)	0.62%
Normalised IRR				**5.53%**
Unlevered tax (offset by tax losses from PSE3)	(30)		(30)	0.86%
Reported IRR				**6.39%**

Lower than forecast assets commissioned and unlevered tax increased IRR by 1.10% and 0.62% respectively versus forecast. This was partly offset by lower regulatory income and higher operating expenditure that reduced IRR by 0.38% and 1.38% respectively.

Per the prescribed IRR calculation, all RAB increases (or decreases) result in an increase (or decrease) in IRR, even if they simply relate to allocation rule updates. As Auckland Airport already owns those shared assets, all that is changing is the proportionate usage of those shared assets for regulated aeronautical purposes. Accordingly, for the purpose of calculating the IRR, Auckland Airport offset the RAB increases of $100 million (asset allocation rule adjustments of $87.5 million and asset split movements of $13.0 million) in the 2023 financial year by an equal and opposite increase in the opening RAB for the 2023 financial year so as to not create a windfall increase in the RAB.

The components of the "other changes in investment value" are shown in Table 3 below.

Table 3: Components of other changes in *investment value*

	Actual $m	Forecast $m	Variance $m	Impact on IRR
Other changes in investment value				
Depreciation	(162)	(160)	(2)	0.00%
Revaluations	14	15	(2)	(0.03)%
Asset disposals	(6)	(36)	30	0.16%
Change in carry forward adjustment	2	2	-	-
Total other changes in investment value	(153)	(179)	26	(0.14)%

Revaluations

Consistent with prior years, Auckland Airport has chosen not to revalue "priced aeronautical assets" (i.e. the assets used to provide Terminal and Airfield services that are charged to airlines via passenger, landing, check-in, and aircraft parking charges and are subject to the five yearly aeronautical price setting consultation process).[1]

Wash up mechanism for priced activities

For the first time, in PSE4, Auckland Airport introduced two wash-up mechanisms. The first is a one-way capital expenditure wash-up mechanism which compensates airlines to the extent that commissioned capital investment is 7.5% or more below forecast, and excess returns of 0.75 percentage points or more above the target return are achieved on priced activities. The second washup is a two-way regulated revenue wash-up mechanism which will compensate airlines (or Auckland Airport) to the extent there is an actual revenue surplus (or shortfall) versus forecast of 15% or more on priced activities and excess returns of 0.75 percentage points or more above the target return are achieved on priced activities.

Table 4 below sets out relevant values for the 2024 disclosure year that will eventually be required to make a future assessment of whether any wash-up mechanism is triggered for PSE4.

Table 4: Tracking of key PSE4 washup metrics

Priced activities – PSE4	PSE4 pricing forecast ($m)	Actual ($m)	Difference ($m)
Revenue for services applicable to price setting event	656.3	623.3	(33.0)
Actual Commissioned Capex	575.2	395.7	(179.5)
Cash flow from asset disposals	0	4.1	4.1
Operational expenditure	261.0	302.7	41.7
Unlevered tax	69.8	49.5	(20.3)
Depreciation	131.4	130.8	0.6

[1] In 2006 (PSE1), for the purpose of setting aeronautical prices, Auckland Airport implemented a moratorium on asset revaluations for at least 10 years (PSE1 and PSE2) for the Airfield and Terminal Assets subject to the five yearly aeronautical price setting process. For PSE3 we chose to continue that practice and the decision was supported by the airlines. Since FY18 the Commission's updated disclosure schedules have allowed Auckland Airport to eliminate the previous mismatch between "pricing" and regulatory" asset values. i.e. the "carry-forward" mechanism removed the impact of revaluations between the start of the moratorium in 2006 and the start of the information disclosure regime in 2010. Further explanation is provided in the FY18 disclosures.

2. Regulatory Profit

2.1 Commentary on FY24 Regulatory Profit

In FY24, Auckland Airport reported a regulatory profit of $157 million, $17 million lower than the forecast regulatory profit at the time of setting prices for PSE4. Drivers of this unfavourable variance include:

- regulatory net operating revenues of $477 million were down $4 million or 1% on forecast, when including insurance receipts related to the flood event ($19 million). Normalised revenues (excluding insurance receipts which were not forecast) were down on forecast by $23 million or 4.8% reflecting the lower passenger volume and aircraft movements;
- regulatory operating expenses of $192 million were $30 million or 19% higher than forecast, reflecting flood related expenses and additional personnel and staff costs to support customers during the recovery in aviation. Normalised operating expenses (excluding flood expenses, which were not forecast) were $17 million, or 10% higher than forecast. Higher than forecast cost inflation in the broader economy continues to remain a headwind to meeting PSE4 operating cost forecasts;
- regulatory depreciation was in line with forecast; and
- regulatory tax allowance of $44 million was $18 million lower than forecast at the time of pricing reflecting the utilisation of regulatory tax losses from PSE3.

3. Regulatory Tax Allowance

3.1 Disclosure of permanent differences and temporary adjustments

Other permanent difference – not deductible

This is related to costs incurred for non-deductible entertainment expenses and movement in long-term incentives. These expenses are not tax deductible.

Other temporary adjustments – current period

These relate to expenditure accruals and provisions made at year-end for estimated expenses that are not deductible for tax purposes (until actually incurred) including:

- employee related provisions ($5.7 million) for employee leave, redundancy, ACC levies, fringe benefit tax and staff incentives; and
- other accruals and provisions ($16.2 million) including provision for the clean-up of contamination caused by Perfluoroalkyl and Polyfluoroalkyl Substances ("**PFAS**") ($13.4 million).

These provisions will reverse during the year and be replaced with actual incurred deductible expenditure. The temporary adjustments also include fixed asset timing differences of $6.0 million, related to the disposal of fixed assets.

Other temporary adjustments – prior period

The prior period temporary adjustments reverse last year's current period temporary adjustments, i.e., employee related provisions ($4.8 million) and other accruals and provisions ($6.2 million) including provision for the clean-up of contaminated foam (PFAS) of ($7.1 million), offset by tax deductible agency and third-party fees paid to tenants prior to the lease start date ($3.4 million).

3.2 Regulatory tax asset value of additions

During FY24, $219.7 million of regulatory assets were added to the tax register. This is lower than the $255.7 million of assets added to the regulatory asset base ("**RAB**"). The difference is related to holding costs equal to the target return that are capitalised to the RAB but cannot be capitalised to the tax fixed assets register.

3.3 Regulatory tax asset value of assets transferred

Other adjustments to the RAB tax value relate to lost and found assets and adjustments resulting from cost allocation as described in Section 4.2.

3.4 Regulatory taxable income (loss)

Auckland Airport made a regulatory taxable profit of $189.8 million for the 2024 financial year. There are regulatory tax losses carried forward from prior years of $31.0 million which have been offset against tax on the FY24 regulatory taxable profit.

4. Regulatory Asset Base Roll Forward

4.1 Valuation

The table below provides an overview of Auckland Airport's approach to asset values and revaluations in the regulatory asset base, as well as for land held for future use which is not included in the RAB.

Table 5: Asset values and revaluations

Segment	Land assets		Non-land assets	
	Base value	Revaluations included in RAB?	Base value	Revaluations included in RAB?
Airfield	2010 per hectare MVAU values	No	2009 disclosed value (or cost at commissioning)	No
Terminal	2010 per hectare MVAU values	No	2009 disclosed value (or cost at commissioning)	No
Aircraft and Freight	2010 per hectare MVAU values	Yes – 2011 MVAU revaluation and indexed at CPI since 2011	2009 disclosed value (or cost at commissioning)	Yes (CPI)
Land held for future use **("LHFU")**	2009 MVAU value	Yes – revaluation included to bring land value to 2010 MVAU values (consistent with RAB). Plus holding costs (target return) capitalised annually to LHFU carrying value	-	-

Calculation of revaluation rate and indexed revaluation of fixed assets

Consistent with amendments to the IMs in December 2016, and with Auckland Airport's pricing decision for PSE2, PSE3 and PSE4, the only revaluations booked to the disclosure schedules for FY24 are indexed revaluations for assets directly allocated to Aircraft and Freight activities. These activities are "non-priced", i.e., they're not subject to the 5-yearly aero pricing consultation cycle undertaken before resetting "priced" passenger, landing, aircraft parking and check-in charges.

CPI revaluations of 3.33% were booked in FY24 for Aircraft and Freight assets, consistent with Auckland Airport's market-based approach to setting charges associated with these assets (all covered by leases negotiated at arms-length with individual customers).

There are no revaluations booked to the disclosure schedules for Airfield or Terminal assets in FY24, consistent with Auckland Airport's decision to continue its moratorium on asset revaluations for pricing purposes over PSE4.

4.2 Lost and found assets and adjustments resulting from cost allocation

Lost and found assets adjustment

A capital expenditure project typically enters the fixed assets register initially as a single item (representing the project). Following detailed analysis, it is later split into its component assets. This process can result in capital expenditure projects later being split into both aeronautical and non-aeronautical assets. These splits can result in assets being transferred into or out of both unallocated and allocated RAB.

The logical place to record these asset split movements in Schedule 4 is in row 41, entitled "Adjustment resulting from cost allocation". However, because row 41 does not contain an area to input movements in unallocated RAB, we have shown the $4.6 million unallocated RAB increase due to asset splits and transfers in row 39, under the "Lost and found assets adjustment".

This unallocated RAB adjustment does not alter the allocated RAB.

Adjustments resulting from cost allocation

The adjustment relating to cost allocation in row 41 reflects an increased allocation to the RAB per this year's updated allocation rules versus the prior year, equating to $2.8 million (see Table 6)

Table 6: Changes to opening book value relating to asset allocation

Allocation rule	FY24 RAB allocation	FY23 RAB allocation	Variance %	Variance $m
ITB Core	83%	82%	1%	$2.6m
Transport Hub	22%	19%	2%	$1.4m
ITB Space	84%	84%	<1%	$1.2m
Stormwater	65%	67%	(2)%	$(1.4)m
Electricity	16%	19%	(3)%	$(1.2)m
Other allocation changes				$0.2m
Total changes in opening book value relation to asset allocation				**$2.8m**

4.3 Assets held for future use

Assets held for future aeronautical use are not included in the RAB and earn no cash return. Instead, assets held for future use sit outside the RAB and accumulate an annual holding cost equal to the target return which is later recovered though aeronautical charges once the asset is commissioned and used for aeronautical purposes.

4.4 Works under construction

No write-offs were made during the financial year.

5. Related Party Transactions

5.1 Transactions with related parties

All trading with related parties, including and not limited to license fees, rentals and other sundry charges, has been made on an arms-length commercial basis, without special privileges, except for:

- the provision of accounting and advisory services to the Auckland International Airport Marae Ltd at no charge; and
- transactions with Auckland Airport's non-regulated business which have been recorded in accordance with the Input Methodologies Determination.

No guarantees have been given or received in the year.

For the year ended 30 June 2024, the disclosure has been revised to remove Auckland Council, Downer and Hawkins as related parties. Auckland Council no longer meets the threshold of having "significant influence" following their decision to reduce their shareholdings in Auckland Airport to circa 10% in September 2023. Downer and Hawkins have been removed as the group stopped sharing common directorship from January 2023.

The Board actively manages potential conflicts of interest and directors remove themselves from any discussions or decisions regarding entities that they have an interest in.

Auckland International Airport Marae Ltd

Auckland International Airport Marae Ltd has two members of the Auckland Airport's senior management team on its board. During the year to 30 June 2024, maintenance and occupancy costs of $0.04 million (FY23: $0.04 million) were incurred in relation to the marae by Auckland Airport.

Auckland Airport's non-regulated business

As mentioned in Section 4.2 above, land transfers may occur between non-regulated and regulated businesses from time to time. Details of the transfers are shown in Schedule 5.

During the year to 30 June 2024, a total of 3,260 sqm of land was transferred into Assets Held for Future Use at an average rate of $298 per square metre. As determined by the Input Methodologies, this transfer was based on the prescribed market value existing use methodology in accordance with GAAP. Land transfers from non-regulated business uses are first transferred into Assets Held for Future Use and then into Works Under Construction per Schedule 4 and Schedule 6. Then, immediately following commissioning for use by aeronautical customers, the land is transferred into the RAB. $1.0 million of land (FY23: $12.8 million) was transferred into the Assets Held for Future Use during FY24, with $66.9m subsequently commissioned into the RAB per Schedule 4.

During the year to 30 June 2024, a total of 61,606 sqm of land was transferred out of the RAB at an average rate of $121 per square metre amounting to $7.4 million of land (2023: $1.0 million). This land has been transferred in accordance with clause 1.4(3) of the Information Disclosure Determination for assets disposed to a related party.

Fulton Hogan

A director of Auckland Airport is also a director of Fulton Hogan. In the year to 30 June 2024 Auckland Airport incurred charges relating to engineering services/works provided by Fulton Hogan, totalling $22.2 million in relation to the airport business (2023: $18.6 million). The current year charges are included in Works Under Construction.

Associate and joint venture entities

Auckland Airport's related parties include an associate entity, Queenstown Airport Corporation, and two joint venture entities being the two Tainui Auckland Airport Hotel Limited Partnerships. There were no regulated aeronautical transactions between the airport and any of the associate or joint venture entities during the year.

One of Auckland Airport's directors is also a director of Tainui Group Holdings, the joint venture partner in the above hotel partnerships.

Queenstown Airport Corporation has a member of the Auckland Airport senior management team on its board.

6. Actual to Forecast Expenditure

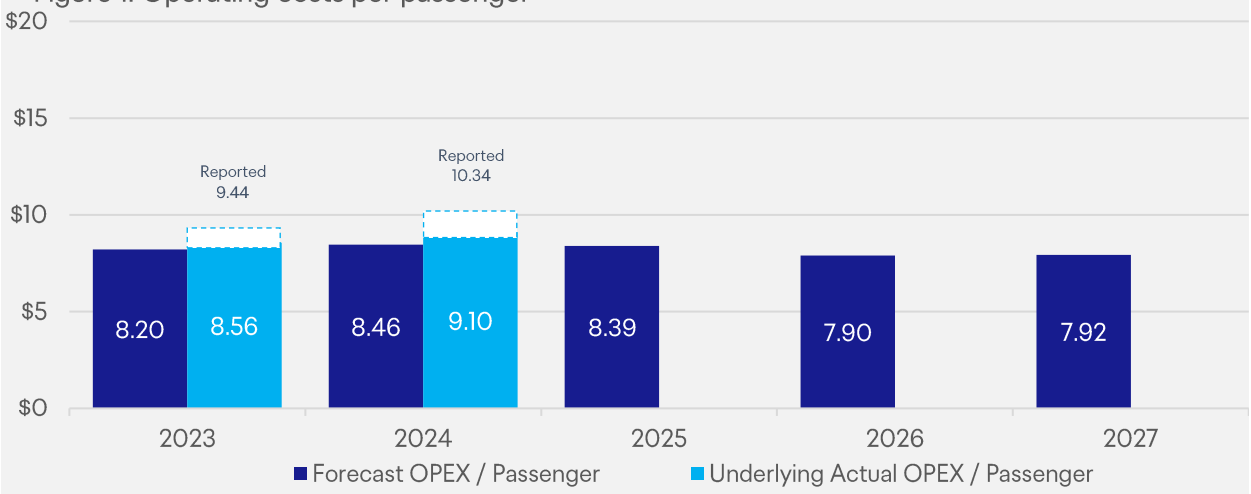
6.1 Operating expenditure

In the year to 30 June 2024 total regulated operating expenses were $192 million, $30 million (19%) above the PSE4 pricing forecast. A key driver of this variance was the additional costs associated with managing the January 2023 flood event (not forecast as part of PSE4) adding $13 million of operational cost for the year. Excluding flood expenses, operational costs were $17 million higher than forecast.

Other increases in operating costs were associated with additional personnel and outsourced operations reflecting the continued scaling up of the business. Operational staff including guest services were increased during the year to deliver an appropriate customer experience as international traffic recovered. In addition, further resourcing was also required to manage airport operations during the ongoing investment programme.

Regulated operating expenditure per passenger was $10.34 in FY24. Once normalised for flood related expenses, this reduces to $9.10 per passenger, a 6.3% increase on FY23, marginally above but broadly in-line with the non-tradable inflation in New Zealand for FY24 of 5.4%.

Figure 1: Operating costs per passenger



General cost inflation in the broader economy continues to remain a headwind in managing overall operational cost, with non-tradeable inflation continuing to remain higher than was forecast by the New Zealand Treasury when prices were set for PSE4[2].

The components of operating expenditure making up the variance to forecast for the second year of PSE4 are shown in Table 7 below:

[2] Non-tradeable inflation forecasts were a driver of the operational cost forecasts used for PSE4. The PSE4 forecasts assumed non-tradeable inflation in FY24 of 3.3%

Table 7: Components of variance in operating expenses for FY24

	2024			PSE4 to date		
	Actual $m	Forecast $m	Variance $m	Actual $m	Forecast $m	Variance $m
Total operating expenses	192	162	30	341	292	49
Flood related expenses	13	-	13	21		21
Additional personnel costs	10	-	10	16	-	16
Underlying operating expenses	169	162	7	305	292	13

Unusual costs incurred in the year:

- Auckland Airport incurred operating costs of $13 million in the year relating to the January 2023 flood event. Auckland Airport's insurers agreed to a further payment of $19.0 million in FY24 to cover the cost of the remediation of the impact of flooding on the airport. As required by GAAP, Auckland Airport has recognised the insurance proceeds as income. Any further flood related expenses are expected to be partly or fully offset by insurance recoveries; and
- With the recovery in international travel during the year, at times passengers experienced an elevated level of disruption to their journeys as the international system built back to a normal operating cadence. Staffing shortages and new processes all created friction in the system which was often compounded by the increased proportion of off-scheduled flight arrivals. Recognising this, Auckland Airport has increased its operational staffing to support the passenger journey whilst also being able to assist in the management of the on-going infrastructure works across the precinct.

The main factors contributing to the increase in underlying operating expenditure compared to the forecast for the year include:

- Outsourced Operations costs ($3.8 million) from overlapping contracted baggage handling systems costs during the service provider transition, increase in security presence to cover peak periods, increased trolley services to support elevated passenger numbers, and higher than expected Strata Lounge costs driven by greater demand for service;
- Consultancy, Audit and Legal costs ($2.8 million) largely attributed to master planning and spatial consultancy, external support for operations resource planning reviews, and ongoing consultancy related support for Auckland Airport's aeronautical pricing for PSE4; and
- Repairs and maintenance ($3.6 million) driven largely by additional maintenance costs associated with the airfield ground lighting acquired from Airways.

6.2 Capital expenditure

Terminal Integration is underway in earnest

In 2024 Auckland Airport's regulated capital expenditure increased 64% to $673 million compared to 2023 ($410 million) underpinned by extensive physical works on the Terminal Integration Programme, a multibillion-dollar programme which will deliver an integrated

international and domestic jet terminal to create new capacity and resilience. The Terminal Integration Programme will enable growth for Auckland and benefit the wider domestic and regional aviation network. Terminal Integration related activity represents 71% ($477 million) of total activity in 2024.

Auckland Airport began transitioning from primarily design and enabling activity on the Terminal Integration Programme to construction activity in 2023 with this trend continuing in 2024 with the majority of the programme transitioning to physical works, with some components being commissioned in the year.

At 30 June 2024 the only remaining elements of the Terminal Integration Programme not in construction were the vertical works associated with the Domestic Jet Terminal and the Check-in Expansion. Subsequent to year end, construction work began on the new Domestic Jet Terminal.

In addition to terminal integration related activity in 2024, Auckland Airport continued to invest in the upgrade and renewal of core infrastructure such as airfield slabs, fuel network, roading upgrades as well as both physical and digital utility networks to safeguard airport resilience and improve customer experience.

Key capital works in 2024 financial year included:

- East Terminal Enabling which involves the construction of the 'stitch', a new structure which will connect the existing International Terminal to the new Domestic Processor. The ground floor houses the new Eastern Bag Hall, and the upper levels will provide passenger areas and airline lounges. This project is commissioning incrementally with the new East Bag Hall completed in 2024;
- physical works on the West Terminal Enabling project which delivers a new truck dock, new power centre and upgrades to the arrivals hall with completion of the new truck dock scheduled for delivery in 2025;
- construction activity on the new inner terminal road located between the International Terminal building and the Transport Hub and associated common services trench which provides the utility pathway to the Domestic Processor;
- ongoing development of the remote stands to the northwest of the International Terminal. Once completed this will provide required aircraft stand capacity whilst the new domestic jet pier is under construction, and in the longer term provide a net increase in stand capacity needed to meet growth in international demand. This project is scheduled for completion in 2026;
- completion of the ground floor of the Transport Hub for Public Pick Up and Drop Off ("**PUDO**"). The Transport Hub will serve as the main PUDO and primary car park for international and domestic jet passengers post terminal integration;
- design and enabling activity on the Domestic Processor and the Check-in Expansion projects;
- upgrades and renewals to existing facilities in the current Domestic Terminal building including bathroom and wayfinding refresh, development of new airside dwell area and renewal of fire systems;

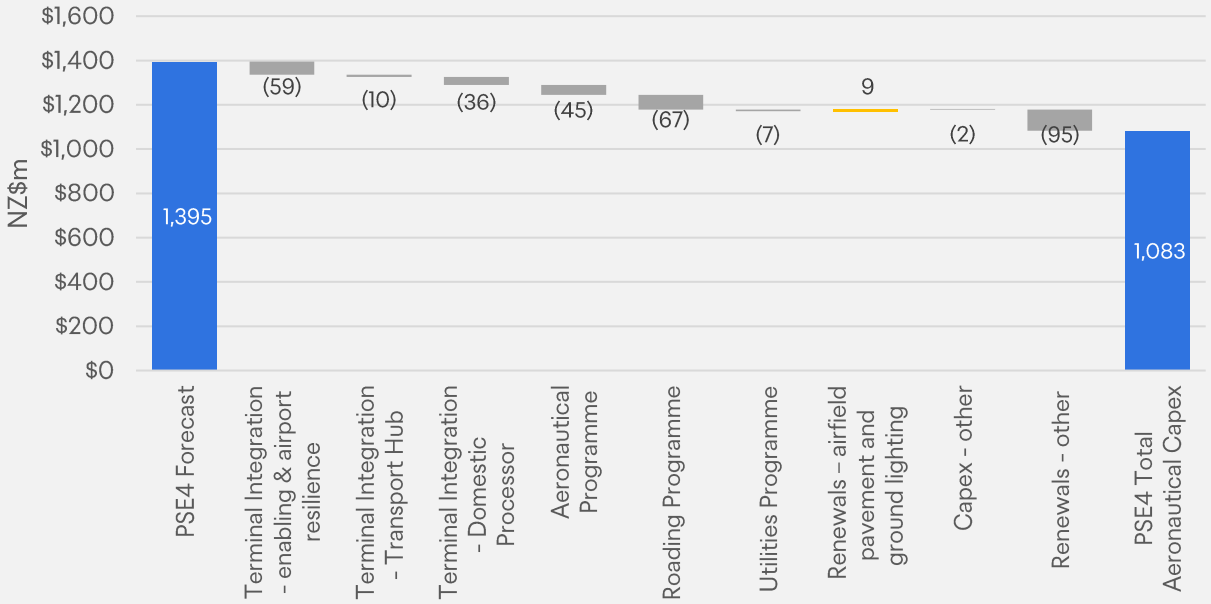
- completion of the Te Ara Kōrako Drive, linking George Bolt Memorial Drive with Nixon Road, and terminal-bound transit lanes on Laurence Stevens Drive. Construction activity on upgrading the roundabout at the intersections of Puhinui Road, Tom Pearce Drive and Hape Drive with works completing in September 2024;
- significant investment in renewal activity of runway slabs and airfield pavement and aircraft ground lighting totalling $72 million in the year, up from $30 million in 2023, and
- ongoing renewal of core terminal, utility, roading and precinct assets such including upgrades to power centres, landside roading rehabilitation projects and upgrades to airport operating systems.

6.3 Variance analysis

Auckland Airport invested $673 million on regulated aeronautical infrastructure in FY24, $229 million or 25% below the regulatory forecast for the second year of PSE4. For PSE4 period to date Auckland Airport has invested $1,083 million, $312 million or 22% below the regulatory forecast.

The variance in capital expenditure to forecast for the first two years of PSE4 is shown in Figure 2 below:

Figure 2: PSE4 capital expenditure versus forecast to date (commissioned and uncommissioned)



Variance to date

Of the $312 million variance in capital spend to date, $73 million relates to projects that are planned to be commissioned in PSE5 or later and therefore not reflected in PSE4 aeronautical charges. Of the residual $239 million, Auckland Airport anticipates that a significant portion is likely to be caught up in the remaining three years of PSE4 as construction activity on the Terminal Integration Programme ramps up.

In addition to the above, in PSE4 Auckland Airport planned to invest $262 million in the Cargo Precinct development. While the intention remains to undertake the works, the timing of the

development is uncertain at present as consultation continues external parties. While this is treated as regulated aeronautical investment, it is not recovered through aeronautical charges.

Table 8 below provides explanations of material programme variances (greater than $20 million) in Schedule 18 of the PSE4 Price Setting Disclosure (figures in brackets denote underspend).

Table 8: Capital projects – variance analysis to PSE4 Price Setting Disclosure

Terminal Integration - Enabling & Airport resilience	
2024 actual: $359.8 million 2024 variance: ($51.5 million)	*Aims and objectives / description* The Terminal Integration comprises a series of projects to prepare the Airport precinct for delivery of the integrated Domestic Jet Terminal ("**DJT**"). This programme of work addresses a number of legacy infrastructure elements, prepares the existing International Terminal for integration as well as the development of the new terminal facilities. The aims of this programme are to: • prepare the existing International Terminal for integration including expanded check-in facilities and baggage systems to service both domestic and international passengers and relocation and upgrading of terminal facilities; • provide infrastructure more efficiently – create efficiency in the delivery of key infrastructure upgrades through timing the upgrade of facilities to reduce overall cost; • facilitate the planned opening of the DJT which will enable the effective operation of the Contingent Runway when the main runway upgrades are required in at the end of the current decade.
PSE4 actual: $555.0 million PSE4 variance: ($59.3 million)	*Progress in PSE4* The majority of projects within this programme are in now in delivery phase with the first element being the Eastern Bag Hall now commissioned with completion of the upper levels continued in 2024. Taxiway Mike and Pier B North Stands projects are in construction and scheduled for completion in 2025. The adverse PSE4 variance to date is primarily driven by two projects: • the Façade & Check-in Extension delivers an expanded check-in area for both international and domestic jet passengers. This is one of the most challenging and complex projects of the Terminal Integration programme which will require close coordination with stakeholders to minimise disruption. Auckland Airport had originally planned that this project would commence physical works in FY24, however, due to its complexity, further planning and design is underway with construction now scheduled to commence in FY25; • the West Terminal Enabling projects involves two distinct scope elements, the delivery of a Western Truck Dock and a reconfiguration and expansion of the airside and landside arrivals areas. This project moved into its delivery phase later than initially planned due to extensive consultation, however construction is underway with the Western Truck Dock scheduled for completion in 2025 and arrivals expected in PSE4.

Terminal Integration - Domestic Processor	
2024 actual: $61.9 million 2024 variance: ($40.9 million)	*Aims and objectives / description:* The objective of integrating domestic jet and international operations in a single terminal has been a core part of Auckland Airport's masterplan since 2012. Delivery of the Domestic Processor will deliver an enhanced customer experience for domestic travel, provide additional capacity, resilience and efficiency, whilst unlocking expansion pathways to enable long-run growth at Auckland Airport.
PSE4 actual: $104.2 million PSE4 variance: ($35.6 million)	*Progress in PSE4* Auckland Airport has completed the detailed design of the Domestic Processor and entered into contracts for long lead items such as structural steel for the development and begun site preparation including piling. Despite the slower than planned start to the programme, FY25 will see a significant acceleration in activity with the contract for construction of the headhouse and pier entered into in September 2025.
Aeronautical Programme	
2024 actual: $8.0 million 2024 variance: ($47.8 million)	*Aims and objectives / description:* The aims of this programme are to deliver specific projects that meet a varied number of needs required by the aeronautical business, to ensure that aeronautical operations at Auckland Airport meets operational, capacity, customer experience and compliance requirements. Material projects within the programme include Pier A Reconfiguration, Airfield Jet Fuel Ringmains, development of a new GSE facility and the development of a new Regional Terminal.
PSE4 actual: $29.8 million PSE4 variance: ($44.7 million)	*Progress in PSE4:* To date projects within the programme are driving the variance, namely: • the shape of the future Regional Terminal solution remains in consultation with airline partners. While planned for PSE4, the development was not due to commission until PSE5. Auckland Airport will continue to engage with airlines on the requirements and scope of future regional development; • the Pier A Reconfiguration project entails two distinct scope items, an upgrade of International-to-International screening requirements mandate by AVSEC and a refresh and upgrade of facilities on Pier A of the ITB including gate lounges and decarbonisation objectives such as replacing gas fuelled boilers with electric ones. The International-to-International screening upgrade completed in August 24, however activity on Pier A gate lounges and other elements has not progressed as planned. This is primarily a timing issue, and the full project scope now planned to be delivered across FY25-27 as opposed to FY24-25. The delivery of the project will be staged to minimise disruption to passengers.

Roading Programme	
2024 actual: $32.4 million 2024 variance: ($45.2 million)	*Aims and objectives / description* There are two major physical components within the PSE4 roading programme, the South-Eastern Access project, and the Eastern Ring Route project. The South-Eastern Access project addresses the need to accommodate forecast traffic growth utilising southern access routes to the airport. The programme also addresses the need to support the use of public transport, high occupancy vehicle usage, mass rapid transit and pedestrian, cycling, and recreational activities. The programme also mitigates traffic congestion and construction disruption through the provision of a direct connection from remote parking located at Park and Ride South. The Eastern Ring Route project addresses the need to accommodate forecast traffic growth utilising both northern and southern access routes to the airport. The programme also addresses the need to support the use of public transport, mass rapid transit and other means of land transport.
PSE4 actual: $51.4 million PSE4 variance: ($66.8 million)	*Progress in PSE4* Activity in PSE4 to date has primarily involved upgrade works to Laurence Stevens Drive, a key arterial route serving the airport precinct when entering or exiting from State Highway 20B. The first stage of works was completed in FY23 with the second stage well underway and will complete in August 2024. In addition, Te Ara Korako Drive was completed in the year creating a new four-lane road connecting George Bolt Memorial Drive ("**GBMD**") to Nixon Road in the east. The PSE4 variance to date is primarily driven by the decision to defer the delivery of the Laurence Stevens Drive Stage 3 project to PSE5 to align with likely timing of future regional terminal development. This deferral is offset by bringing forward the Inner Terminal Road West project from PSE5 into PSE4, this project is included in the Terminal Integration segment. Other drivers of the PSE4 to date variance are timing of work on Laurence Stevens Drive Stage 2, lower anticipated close out costs on the primarily PSE3 Northern Network transport project and lower activity than planned on the Airport Surface Access Network which includes investigation and feasibility works for the future development of a new Puhinui Bridge, Landing Drive/GBMD intersection upgrade and the development of the Eastern Ring Road.

Renewals - other	
2024 actual: $47.6 million 2024 variance: ($45.2 million)	*Aims and objectives / description:* The primary aim of this programme is to ensure that Auckland Airport's existing assets are fit for purpose, safe to operate and enable the efficient day to day operation of the business. This programme covers Terminal Renewals, Enterprise Technology, Dedicated Operations Technology and Systems, Utility Networks, Roading and Airport Emergency Services. The PSE4 and PSE5 renewals programme includes a catch-up on renewal activity which was deferred due to capex management across 2020 to 2022 caused by COVID-19. The primary elements within the programme are: • Terminal Renewals includes renewal of assets located in both terminals such as HVAC, lifts, escalators, lighting, airbridges, fire and baggage systems; • Enterprise Technology includes renewal of hardware, software, network cabling and systems that support the entire operation of Auckland Airport such as payroll or finance systems; • Dedicated Operations Technology includes renewal and upgrades of technology systems used primarily for operating the terminals and including the Airport Operating System, CCTV, check-in kiosks etc; • utility renewals includes renewal of the core physical networks across the campus such as electricity, potable, storm and waste-water, fuel and roading networks; and • airside renewals includes renewal of Airfield assets excluding runway and apron pavement and airfield ground lighting. Specific inclusions are seawall rehabilitation, airside roading renewals and investment in wildlife initiatives to reduce the risk of a bird strikes such as additional drainage to prevent ponding on the airfield which can attract birdlife.
PSE4 actual: $93.9 million PSE4 variance: ($95.2 million)	*Progress in PSE4:* Activity in PSE4 has included the purchase of existing airfield ground lighting assets from Airways Corporation of New Zealand Limited, installation of airside electric vehicle charging infrastructure, renewal activity of airfield, terminal, utility assets such as bathrooms, fire systems, airbridges, CCTV, lighting and roading renewals. In addition, Auckland Airport has invested in specialist disabled aircraft recovery equipment which can be used to recover an aircraft in the result of a runway excursion. Investment has also been undertaken to renew and upgrade existing operational and enterprise systems such as the Airport Operating System, the Emergency Services turn-out system, and the Incident Management system. The PSE4 variance to plan is driven by a combination of factors, namely:

Renewals - other	
	• The extreme weather event experienced in February 2023 diverted terminal project resources to flood response activities. • Supply chain delays both in regard to availability of supplier and contractors to undertake planned works and in regard to technology procurement which has delayed a number of initiatives including completion of the aircraft nose in guidance system upgrade and networks upgrades; Design activity taking longer than anticipated to ensure optimal solutions are developed for some of the larger one-off renewal projects including the new Airport Emergency Services Live Fire Training Ground, International Terminal roof remediation and remediation of stormwater ponds. The variances associated with Renewals are considered primarily one of timing and are expected to catch-up across the remainder of PSE4.

Note: Figures in brackets denote underspend

7. Segmented Information

7.1 Specified Passenger Terminal Activities

Revenue from Passenger Terminal activities was $293 million in the year to 30 June 2024, an increase of $131 million or 81% versus FY23. The significant increase in revenue reflects the rise in travel activity seen during the year, particularly international, as a number of airlines commenced new services to Auckland or increased the frequency of existing services. In addition, aeronautical charges increased in the year reflecting the first year of higher charges in Price Setting Event 4 ("**PSE4**") following the price freeze that was implemented in FY23. Other operating revenue increased 250% to $21 million in the year to 30 June 2024, driven by $19.0 million of flood-related income, up from $5.0 million in the year prior.

Operational expenditure related to Terminal activities was $138 million for the year, up $34 million or 23% from FY23. This increase was driven by a scaling up of activity-based costs, significant flood remediation expenses, and higher staff costs.

The higher operating revenue, partly offset by higher operating expenditure, resulted in a regulatory profit of $72 million for Passenger Terminal activities for the financial year.

7.2 Airfield Activities

Revenue from Airfield activities was $152 million in the year to 30 June 2024, an increase of $64 million or 73% reflecting the increase in aircraft movements from the prior year.

Airfield operational expenditure (excluding depreciation) of $45 million was $8 million or 22% higher than FY23.

This resulted in a regulatory profit of $63 million for Airfield activities.

7.3 Aircraft and Freight Activities

Aircraft and Freight activities generated $32 million of revenue in the year to 30 June 2024, up $2 million on FY23, mainly reflecting an increase in income from ground rent on aeronautical leases in the year.

Operational expenditure of $8 million was $1 million or 13% lower than FY23.

Revaluations of $5 million were booked to the regulatory accounts, a decrease of $3 million on FY23 due to a lower CPI indexation for the year. This resulted in a regulatory profit of $22 million in FY24.

8. Consolidation Statement

Schedule 8 provides a consolidated view of the airport business segment regulatory income and expenses reported in Schedule 2 reconciled against the regulated airport business segment reported under Generally Accepted Accounting Principles ("**GAAP**") and versus the full company results under GAAP inclusive of unregulated activities.

8.1 Depreciation

Part of the difference between regulatory and GAAP depreciation is due to a requirement under GAAP, for statutory reporting purposes, to depreciate assets from their commissioning date, resulting in depreciation expenses for part years in relation to new assets. The IMs do not allow new assets to be depreciated in the year they are commissioned for regulatory disclosure purposes, resulting in lower regulatory depreciation than GAAP depreciation for those assets.[3]

Another major factor for the difference is due to differences in the revaluation policies for GAAP versus regulatory reporting. Under GAAP, fixed assets have been regularly revalued for financial reporting purposes, which has increased the value of non-land assets and in turn increased the depreciation expense on those assets for financial reporting. For regulatory purposes, the Airport business does not revalue all non-land assets. Only the non-priced Aircraft and Freight assets are revalued as they are not subject to the moratorium on revaluations that applies to Terminal and Airfield assets for pricing purposes. This leads to a difference in asset valuation and depreciation expenses between financial and regulatory reporting.

8.2 Revaluations

As indicated above, the revaluations for the Airport businesses comprise only a CPI roll-forward for Aircraft and Freight assets as at 30 June 2024 - consistent with the IM determination and Auckland Airport's pricing approach for PSE4. There are no revaluations for Airfield and Terminal assets in the regulatory accounts.

The statutory consolidated accounts include building revaluation movements within the property, plant and equipment portfolio ($11.0 million decrease) and unregulated investment property ($15.3m decrease). No other assets were revalued in the statutory accounts at 30 June 2024. The revaluations booked to the statutory accounts are not used for regulatory reporting nor setting aeronautical prices.

The valuation approach for determining fair value of an asset under GAAP for statutory reporting is determined, where possible, by reference to market-based evidence such as sales of comparable assets. Where fair value of the asset is not able to be reliably determined using market-based evidence, discounted cash flows, or optimised depreciated replacement cost is used to determine fair value. Assets acquired or constructed after the date of the latest revaluation are carried at cost, which approximates fair value.

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[3] The updated 2023 Input Methodologies include changes to allow for assets to be depreciated in the year they are commissioned on a pro-rated basis. This change will be applied from reporting year 2026.

8.3 Tax expense

The regulatory disclosures adopt a tax payable approach (per the IM determinations). Since Auckland Airport has tax losses available from prior periods, in FY24 the regulatory tax expense was $44.5m.

The GAAP expense on the other hand includes deferred tax income, arising from the loss, partially offset by normal deferred tax expense related to tax timing differences. The tax loss for the Airport Businesses also includes a notional interest deduction as calculated in Schedule 3(b)(iv), whereas the GAAP tax expense reflects actual interest revenue and expenses incurred.

8.4 Property, plant and equipment

As noted above, the GAAP values for property, plant and equipment are carried at fair value including periodic revaluations.

As noted above in 8.2, for regulatory purposes, only Aircraft and Freight assets are revalued using a CPI roll-forward approach. There are no revaluations for Airfield and Terminal assets.

A difference also arises in relation to assets held for future use, which are excluded from "Airport Businesses" but included in "Airport Businesses - GAAP" column. The final differences relate to depreciation differences noted in 8.1 above.

8.5 Total operating expenditure – write-offs, impairment, and termination costs

The impact of impairments booked through the statutory financial statements is excluded from regulatory operating expenses on the basis that they are unrealised and may reverse in future.

Statutory financial statements impairment costs of $0.7 million, recognised at 30 June 2024, are disclosed as ‘regulatory/GAAP adjustments’ in Schedule 8 (30 June 2023: $1.9 million).

9. Asset Allocations

9.1 Methodology

Auckland Airport's asset allocation methodology involves the following key steps:

- reviewing assets initially at the business unit level and then by exception at the asset type level. The business unit provides insight into the activities or services enabled by the asset;
- identifying business units whose assets are directly attributable to Specified Airport Activities and directly attributing their assets accordingly; and
- identifying business units whose assets are indirectly attributable to Specified Airport Activities (i.e., that are common or shared) and allocating a share of those assets to Specified Airport Services using causal or proxy cost allocators.

The Asset Allocators table in Schedule 9a of the disclosure schedules summarises the common assets that have been shared across two or more regulated activities, or across both regulated and non-regulated activities.

9.2 Activity in 2024

There has been no material change from prior year asset allocations.

10. Cost Allocation

10.1 Principles of cost allocation

The key principles of the cost allocation methodology involved direct allocation of costs in the first instance, and the allocation of common costs using causal or proxy allocators. Asset categories help ensure asset related costs are matched to the users of those assets in the charging structure. Where assets have a shared use, these are allocated using allocation rules that are based on space, usage or revenue.

Costs that are directly attributable to non-regulated activities, e.g. investment property, retail and car parking, including the specific management overhead associated with those activities, are not allocated in any proportion to regulated aeronautical activities.

10.2 Methodology

Auckland Airport's financial reporting system groups costs into several business units reflecting the various aeronautical and non-aeronautical business activities undertaken. For the purposes of allocating costs in the disclosure reports, Auckland Airport has apportioned each business unit's operating expenses across both regulated and non-regulated activities. This was performed as follows:

- identified the activities undertaken by each business unit;
- identified business units whose costs are attributable to a single regulated aeronautical activity and directly attributed those costs to those activities accordingly;
- identified business units whose costs are shared across more than one regulated activity and/or between regulated and non-regulated activities and allocated a share of those costs per bullets (i) and (ii);
- used causal allocators where appropriate to allocate common costs across regulated and/or non-regulated activities; and
- allocated the remainder of common costs using proxy allocators.

The report on cost allocations lists the costs and describes the allocators used for those business units whose costs are either shared within regulated activities or shared across both regulated and non-regulated activities. A more detailed description of key cost allocators follows:

- the company-wide rule is used to apportion the shared costs of business unit activities that support both regulated and non-regulated activities. This rule comprises the following two components:
- the first component uses the share of the International Terminal building space to proxy a fair share of regulated costs and non-regulated costs; and
- the second component splits the regulated costs across Terminal and Airfield activities based on the aeronautical revenues split rule;

- the aeronautical revenues split rule is used to apportion shared aeronautical costs across the three regulated activities. This rule is calculated based on the split of directly attributed aeronautical revenues from the three regulated activities;
- Airfield and Terminal revenues are used to share costs associated within regulated activities that are common to Airfield and Terminal activities, but not to Aircraft and Freight (for example for aeronautical pricing purposes);
- the employee time split rule is used to apportion the shared costs of business units whose expenses are dominated by employee-related costs. The apportioning between regulated and non-regulated activities is based on salary-weighted time splits and it differs between business units reflecting the differing responsibilities and activities of staff within each business unit;
- the utilities rule allocates electricity, water and gas charges that are booked to internal business units across regulated and non-regulated activities based on those business units' individual allocation rules. All external utilities charges are classified commercial direct (non-regulated activities). The assets and costs of the utilities business units are split according to the same proportions;
- the stormwater and wastewater rules are only used to allocate the operating cost of the stormwater and wastewater business unit. This is necessary because operating expenditure is not managed discretely between stormwater and wastewater. Therefore, a weighted average combination of the underlying asset rules is used to allocate the operating expenses of this business unit. The key steps are as follows:
  (i) the stormwater rule examines sealed (impermeable) surface area usage between regulated and non-regulated activities;
  (ii) the wastewater rule examines metered water usage between regulated and non-regulated activities; and
  (iii) the two rules are combined based on the relative book value of the stormwater versus the wastewater assets and the underlying rules in order to allocate the operating expenses associated with this business unit.
- roadways are apportioned across regulated and non-regulated activities based on the regulatory coding of individual roading assets. Individual roading assets comprising the roading network (e.g., paved areas, curb side and footpaths) have been given regulatory codes, in most cases reflecting the location and primary usage of those assets. Operating expenses associated with roads that primarily carry traffic to and from the International Terminal are allocated across a range of regulated and non-regulated activities using the roadways rule;
- engineering and support services costs are allocated across regulated and non-regulated activities based on a two-step process:
  (i) first, the internal repairs and maintenance charges to business units are summed by internal business unit; and
  (ii) second, the allocation rule is calculated based on the product of the charge by business unit and the default rule associated with each business unit (e.g., direct or otherwise).

10.3 Activity in 2024

There has been no material change to the approach of cost allocations from the prior year.

Costs directly attributable to airport business increased to $86 million in FY24, up from $68 million in FY23. This reflects the scaling up of operations to support the recovery in travel demand.

The majority of the movement in directly attributable costs resides in the Asset Management & Airport Operations category. Variable costs such as contracted services (outsourced operations, consultancy, and repairs & maintenance) grew as activity at the airport increased.

11. Reliability Measures

11.1 Reliability

To provide readers with the most relevant context, Auckland Airport defines reliability as the percentage of time its essential services are operational. For the year ending 30 June 2024, Auckland Airport saw an increase in service availability when compared with the prior year. Refer Table 9 below:

Table 9: Reliability measures

Service	FY24	FY23
Runway	100.000%	99.990%
Taxiway	100.000%	100.000%
Remote stands and means of embarkation/disembarkation	100.000%	100.000%
Contact stands and air bridges	99.966%	99.640%
Baggage sortation system on departure	99.962%	99.712%
Baggage reclaim belts	99.999%	99.666%

11.2 Interruptions

Auckland Airport monitors and records service outages using its fault management system. Each outage is evaluated by management to determine if it meets the criteria for a reportable interruption. This assessment is conducted in accordance with "Appendix C: Reliability Conditions for Disclosure" from the Information Disclosure (Airport Services) Reasons Paper, published by the Commission on 22 December 2010.

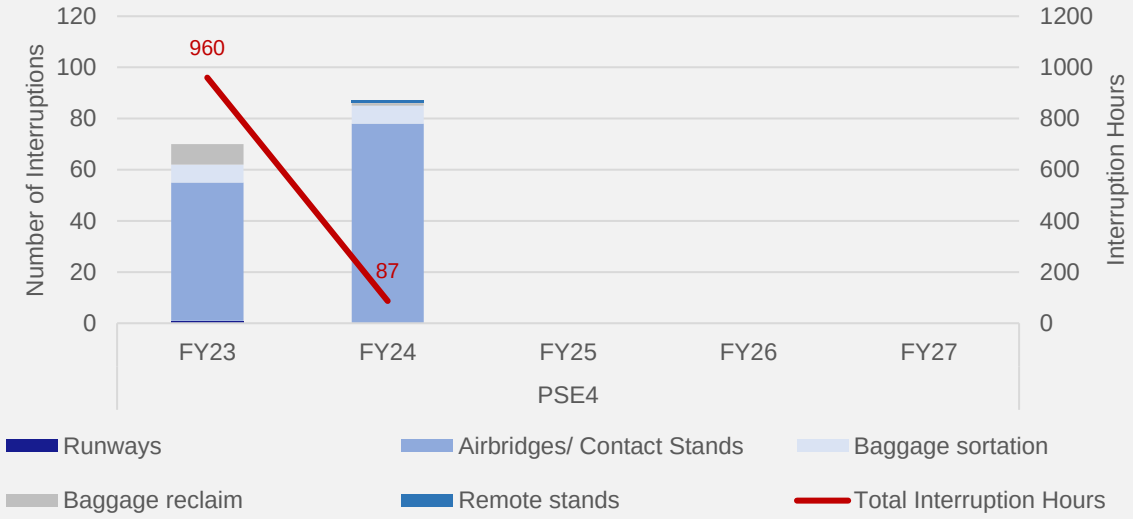
Auckland Airport is required to report interruptions for the following material services:

- runway;
- taxiway;
- remote stands and means of embarkation/disembarkation;
- contact stands and air-bridges;
- baggage sortation system on departures; and
- baggage reclaim belts.

The number of reportable interruptions in the year to 30 June 2024 totalled 87 (resulting in 87 interruption hours), compared to 70 interruptions in the prior year (960 interruption hours, including flooding events). The increase in interruptions is attributable to mainly Airbridge issues, driven by increased operational demand.

Refer Figure 3 below that outlines the number of interruptions at Auckland Airport and their associated cumulative duration.

Figure 3: Interruption count and duration



Details of interruptions for each material service are discussed in the following sections.

Runway and taxiway performance

In FY24 there were no unplanned interruptions of runways and taxiways, and in the case of runways, an improvement on the prior year.

Contact stand and air-bridge performance

There were 78 interruptions to contact stands and airbridges in the year causing 20 on time departure ("**OTD**") delays for total 17-hours in FY24.

The 78 interruptions equated to a duration of 69.1 hours. Of these, Auckland Airport was responsible for 55 interruptions totalling 61.5 hours.

Baggage sortation

There were 7 interruptions for total 16.8 hours causing 2 OTD delays totalling 1.53 hours total delay in FY24.

Baggage reclaim belts

There was 1 interruption for total 37 minutes causing no OTD delays due baggage reclaim being in international arrivals.

Remote stands or means of embarkation/disembarkation

There was 1 interruption for total 23 minutes causing 1 OTD delay for 37 minutes total delay in FY24.

11.3 On-time departure delays

The Determination defines OTD delays for the purposes of information disclosure reporting as occurring when a scheduled service has been delayed by more than 15 minutes, primarily as a result of an interruption to specified airport services. The OTD delays reported are therefore only

a subset of all on-time departure delays that occur as it excludes any delays to arrivals and flights impacted by less than 15 minutes.

OTD delays relating to interruptions have been captured in Auckland Airport's fault management system. All OTD delays that are visible to the apron tower are logged in the system. Management conducts regular reviews to ensure that OTD delays are correctly captured.

As with the interruption reporting, upgrades to the fault management system and the Airport Operation System have improved the accuracy of OTD delay information, by making it easier to determine whether a flight was on-schedule or off-schedule.

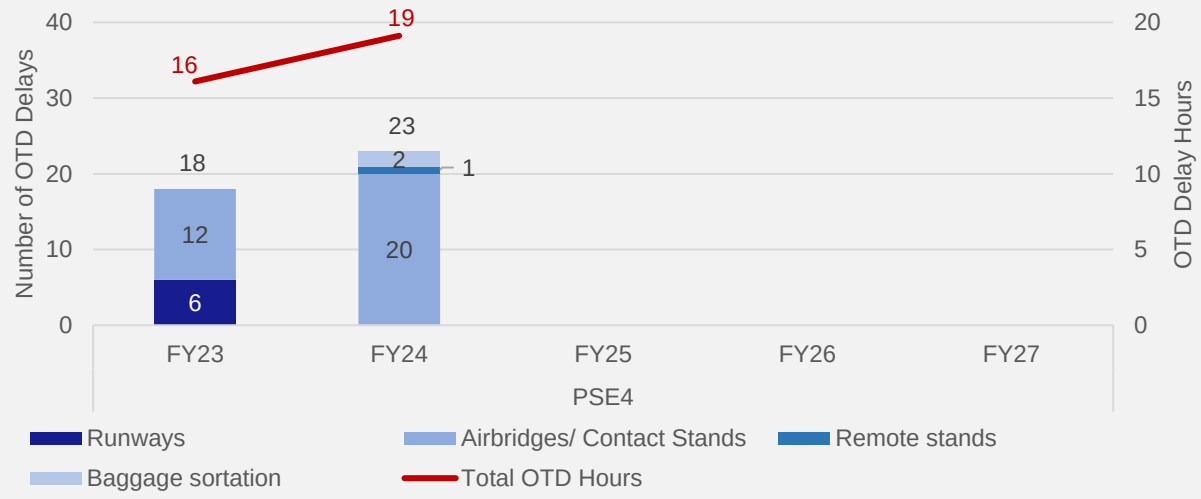
In the year to 30 June 2024, Auckland Airport had 23 OTD delays caused by either Auckland Airport or a third party. Refer Table 10 below for a summary the OTDs by asset category.

Table 10: OTD delays caused by interruption

	Responsibility			
	Airport		Airlines / Others	
	Flight count	OTD hours	Flight count	OTD hours
Baggage sortation	-	-	2.0	1.5
Contact stand / airbridge	15.0	13.0	5.0	3.9
Remote stands or means of embarkation/disembarkation	-	-	1.0	0.6
Runways	-	-	-	-

Figure 4 below outlines the composition of the 23 OTD delays totalling 19 hours in FY24.

Figure 4: OTD delay count and duration



Auckland Airport was responsible for 15 of these 23 OTD delays representing 13 OTD hours in total, accounting for 65.2% and 68.3% of the total OTD count and duration respectively.

Total OTD delays of 23 for FY24 and average PSE4 period to date of 20.5 are well down on the PSE3 annual average of 56.

11.4 Fixed electrical ground power units

Fixed electrical ground power units ("**FEGP"**) interruptions have been captured by matching the outage data from the fault management system with data on when airlines were using stands with FEGPs. If an outage over 15 minutes coincided with a time when the FEGP was required by an airline, it was recorded as an interruption.

The percentage of time FEGP's were available in FY24 was 99.601%.

12. Capacity utilisation indicators for aircraft, freight and airfield activities

Summary

The runway busy hour[4] for the year to 30 June 2024 had 37 runway movements, 1 more than in the prior year, but still below the declared runway capacity of 45 movements per hour. Total aircraft movements on the FY24 busy day reached 494, marking an increase of 26 movements over the prior year.

The year to 30 June 2024 saw an increase in both international (25%) and domestic (3%) aircraft movements compared to the prior year.

Declared Runway Capacity

The declared runway capacity for FY24 remains unchanged, with rates set at 45 movements per hour under visual meteorological conditions, 38 under instrument meteorological conditions, and 24 under low visibility conditions.

Auckland Airport is supporting Airways to introduce a Divergent Missed Approach Protection System, which, through some minor changes to flight paths, allows for predictable, planned, and published procedures.

[4] Runway busy hour represents the 85th percentile of the highest number of flights processed per hour on the runway in any hour of the year

13. Capacity utilisation indicators for specified passenger terminal facilities

Summary

FY24 saw 18.5 million passenger movements through the terminals, up from 15.9 million in in the prior year. International passenger movements (including transits) increased to 10.1 million and domestic passenger movements increased to 8.5 million.

Terminal zones

There were no significant changes in FY24 to terminal zone configurations at either the international or domestic terminals.

Floor space

There were minor changes to the International Terminal floor space caused by construction in arrivals and some changes to the bulk screening area. These changes caused a 246m2 difference to the inbound floor space, down from 67,562m2 in FY23 to 67,316m2 in FY24.

Baggage Throughput

For FY24, baggage throughput has been calculated based on the average bags per passenger for the last 3 months of FY24 (April 2024-June 2024) as no data was available for the preceding nine months as a result of the operator transition.

14. Passenger Satisfaction Indicators

Auckland Airport is dedicated to continuously improving the passenger experience by enhancing the quality and variety of services it offers. Schedule 14 reports passenger service indicator which are one measure of Auckland Airport's ability to provide services of the quality and range expected by consumers. Complementing this, Schedule 15 highlights the operational enhancements undertaken by the airport to further enrich the passenger journey. Together, these schedules demonstrate Auckland Airport's focus on providing a seamless and enjoyable travel experience.

14.1 Survey methodology

Auckland Airport's primary independent measure of passenger satisfaction is the Airport Service Quality Survey ("**ASQ"**).

Auckland Airport conducted in-terminal surveys throughout the year in line with the sampling guidelines prescribed by Airport Council International ("**ACI**"). These guidelines outline the procedures to be followed when implementing the sample plan and conducting traveller interviews. A reference to the copy of the field work requirements can be found on Auckland Airport's website located at:

https://corporate.aucklandairport.co.nz/news/publications/regulatory-disclosures

Auckland Airport collects completed survey responses from 250 travellers at the Domestic Terminal and 250 travellers at the International Terminal each quarter of the year.

Traveller responses to each question in the ASQ survey are gathered according to a five-point scale as follows:

1 = poor, 2 = fair, 3 = good, 4 = very good, 5 = excellent.

Overall, the surveys have a margin of error, therefore, as a general principle, year on year score changes of less than 3% are deemed statistically insignificant. Changes above 3% are only analysed if they reveal meaningful or actionable insights. In addition, some key indicator scores are sensitive to seasonality reflecting the timing of holidays and passenger volumes which may affect the weighted average scores for FY24.

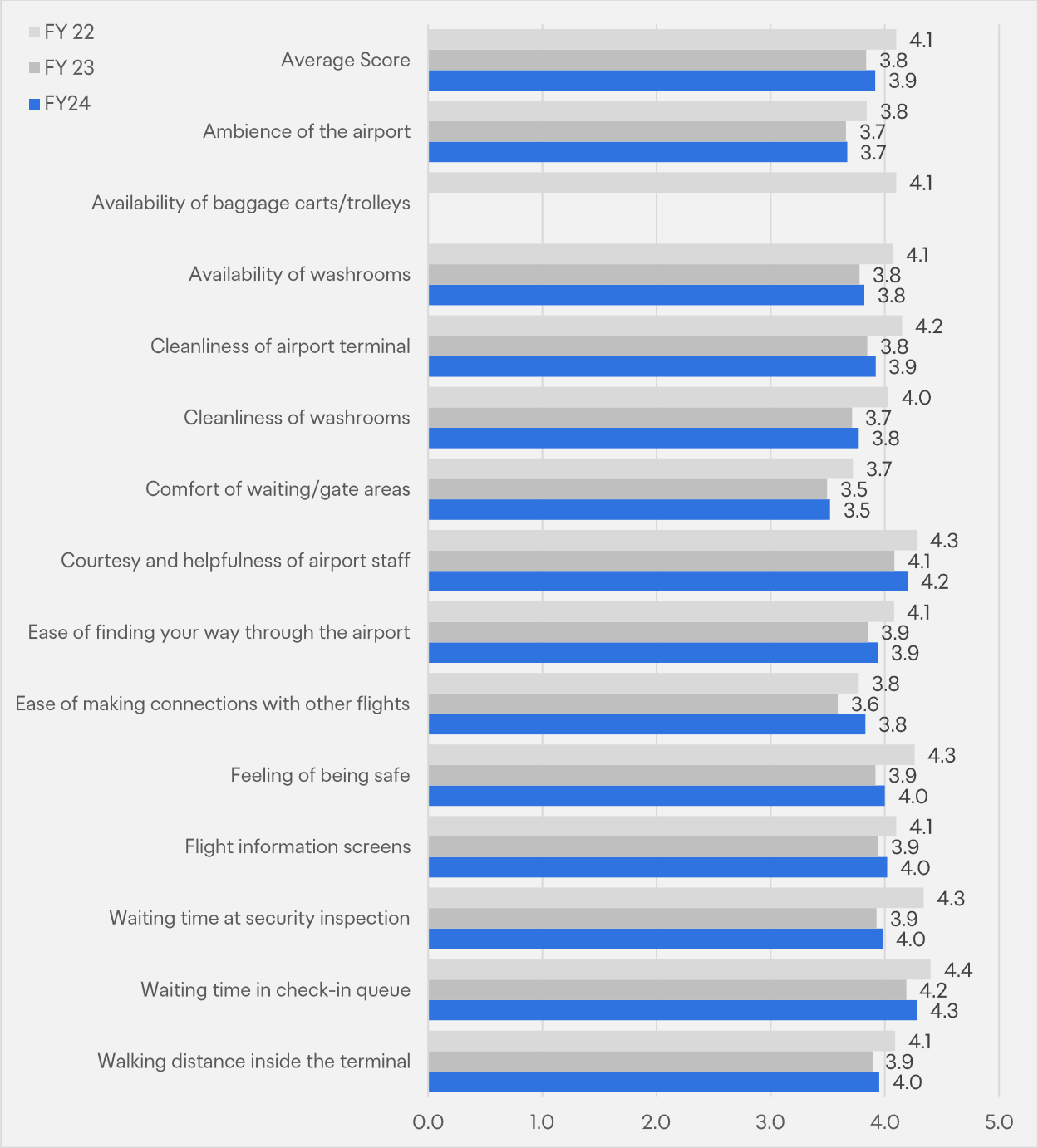
Each quarter Auckland Airport undertakes a detailed review of the survey scores. The results are fed into business activities and process improvement initiatives through an internal Customer Experience Steering Group. For regulatory purposes the Commission requires Auckland Airport to report on 14 indicators that are specific to the domestic passenger journey and 15 key indicators that are specific to the international passenger journey.

14.2 Domestic Terminal surveys

Auckland Airport's 58-year-old Domestic Terminal continues to not meet the expectations of travellers despite a 2.6% increase since FY23 (Global Benchmark = 4.21). With the Domestic Terminal now reaching capacity, development of a new domestic terminal is essential to deliver on customer expectations. Without this continued investment, the airport system will degrade, and

the customer experience will deteriorate. Figure 5 below sets out the Domestic Terminal's 14 regulated indicator scores.

Figure 5: Time series of ASQ scores - Domestic Terminal



The average ASQ score for the Domestic Terminal has remained relatively stable, indicating consistent overall satisfaction. Other trends of note in FY24 observed were:

- ease of making connections with other flights saw the most significant improvement, increasing by 6.8% from FY23 to FY24.
- courtesy and helpfulness of airport staff improved by 2.9%

- several aspects improved, including check-in waiting time, security inspection waiting time, feeling of being safe and secure, cleanliness of washrooms/toilets, and cleanliness of airport terminal.

The above results indicate a general improvement in customer experience across multiple touchpoints at the Domestic Terminal from FY23 to FY24.

Benchmarking

Auckland Airport compares its ASQ scores in the Domestic Terminal to the score average of our peer group of 22 other airports. The set of comparator airports was updated after the pandemic to ensure comparison with airports in three broad categories:

- airports with similar characteristics (CHC, WLG, SYD, ADL, DUB, CPH, YUL, ZRH, MXP, YVR);
- much larger airports (LHR, MUC, MAD, SFO); and
- key destinations from AKL (IAH, BKK, KUL, PVG, PKX, CAN).

Figure 6 compares average scores of the Auckland Airport Domestic Terminal with the average scores of the custom panel.

Figure 6: FY24 Benchmarking – Domestic

The FY24 performance results show that the Domestic Terminal did not meet benchmarks across all 13 categories[5], highlighting areas where improvements are required to meet travellers' expectations. Whilst awaiting completion of the new domestic facility, efforts to address these gaps will focus on ongoing improvements to current services, streamlining operations, and upgrading amenities. For specific details on operational improvement processes implemented in FY24, please refer to Section 15. The categories that underperformed most severely are:

- comfort of waiting/gate areas scored 14.5% lower than the panel average;
- ambience of the airport scored 13.6% lower than the panel average;
- availability of washrooms scored 9.2% lower than the panel average;
- courtesy and helpfulness of airport staff scored 3.3% lower than the panel average; and
- cleanliness of washrooms scored 8.2% lower than the panel average.

In summary, the panel consistently received higher ratings compared to the Domestic Terminal experience, with notable differences in the comfort of waiting areas and the airport's ambience.

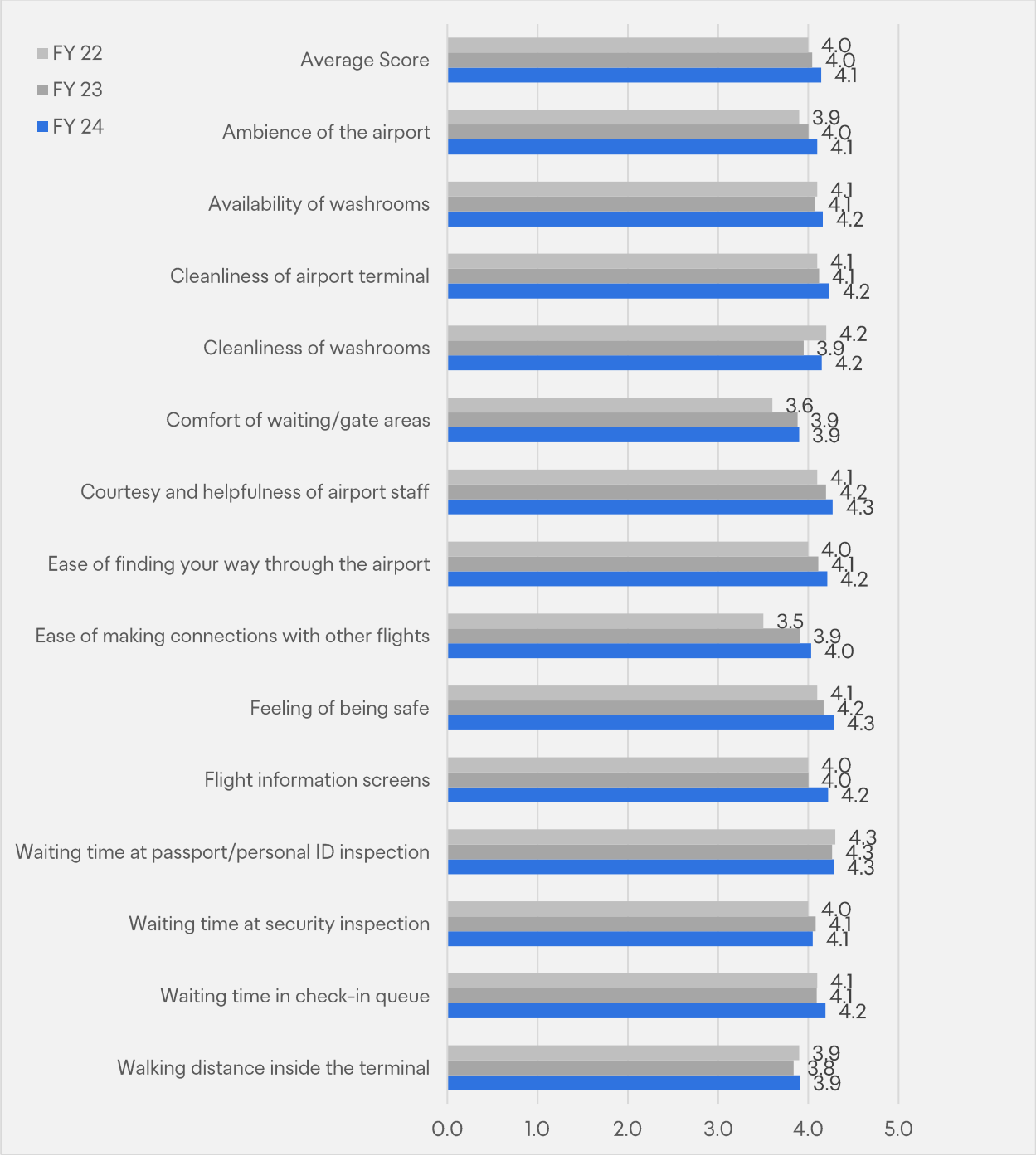
Whilst waiting for the completion of the new Domestic Jet Terminal, in FY24, Auckland Airport initiated a programme to enhance the Domestic Terminal experience by improving signage, refreshing washrooms, increasing dwell spaces, and enhancing the comfort of waiting areas. This work continues into with the replacement of circulation flooring in the landside areas of the terminal and a refreshed food and beverage offering. Additionally, security enhancements are underway with the implementation of CTiX C3 scanners for Aviation Security, set to go live by the end of this year. By addressing these areas, AKL aims to close the gap with the panel average and deliver an improved experience for domestic travellers.

[5] The availability of baggage carts/trolleys is not reported on as part of the ASQ departures survey, so comparisons for the metric are unavailable.

14.3 International Terminal

Figure 7 below sets out the International Terminal's 14 regulated indicator scores and compares that to the prior two years. In summary, travellers have rated it at an average ASQ score of 4.1 out of 5.0 in FY24, 2.5% higher than the prior year average.

Figure 7: Time series of ASQ scores - International Terminal



The data for the International Terminal reveals a generally positive trend in customer satisfaction.

- cleanliness of washroom/toilets saw the most significant improvement, increasing by 5.1% from FY23 to FY24; and
- several aspects such as courtesy and helpfulness of airport staff, and Flight Information display screens showed improvements by 5.5%.
- ease of making connections increased by 3.2%

However, not all areas have seen continuous improvement.

- waiting time at security inspection: This aspect was steady at 4.1 from FY23 to FY24;
- waiting time at passport/personal ID inspection: This aspect was steady at 4.3 from FY23 to FY24;
- comfort of waiting/gate areas also remained steady at 3.9 in FY24.

These changes indicate a general improvement in customer experience across multiple touchpoints at the International Terminal from FY23 to FY24.

Benchmarking

Auckland Airport compares its ASQ scores in the International Terminal to the score average of our peer group of 22 other airports. The set of comparator airports was updated after the pandemic to ensure comparison with airports in three broad categories:

- airports with similar characteristics (CHC, WLG, SYD, ADL, DUB, CPH, YUL, ZRH, MXP, YVR);
- much larger airports (LHR, MUC, MAD, SFO); and
- key destinations from AKL (IAH, SIN, BKK, KUL, HKG, PVG, PKX, CAN).

Figure 8 below compares average scores of the Auckland Airport International Terminal with the average scores of the custom panel.

Figure 8: FY24 Benchmarking - International Terminal

The International Terminal underperformed relative to the benchmarks in FY24 on all 14 categories[6]. The categories that underperformed most severely are:

- waiting time at security scored 8.1% lower than the panel average;
- ease of making connections with other flights scored 6.5% lower than the panel average;
- waiting time at passport/personal ID inspection scored 5.4% lower than the panel average;
- cleanliness of airport terminal scored 3.1% lower than the panel average; and
- ease of finding your way through the airport scored 3.3% lower than the panel average.

FY24 saw Auckland Airport focus on getting the basics right – clean terminal facilities, smooth border processes and supporting travellers through the disruption caused by the Airport's investment programme by ensuring clear wayfinding and delivering temporary spaces of a high standard. CTiX C3 security scanning machines were rolled out at the International Terminal in

[6] The availability of baggage carts/trolleys is not reported on as part of the ASQ departures survey, so comparisons for the metric are unavailable.

April providing a welcome improvement for travellers as items can now be left in carry-on baggage during the screening process.

A number of our public bathrooms were upgraded to a new, modern design reflecting the evolved airport brand with further upgrades to be completed in FY25. The airport also made improvements to special allocations to create better dwell space for travellers.

15. Operational improvement processes

With the recovery in travel underway, Auckland Airport's operational focus in the year to 30 June 2024 has continued to be on safely operating the airport during the ramp up in aviation activity and infrastructure build, and the actions that scaling operations necessitates.

Whilst noticeably improved on 2023, Auckland Airport has noted at times during the year to 30 June 2024 that the airport system has been challenged to operate to the standards that we and our customers expect. Recognising this, Auckland Airport, in conjunction with our airport partners continue to undertake a range of activities to improve the airport system, which are resulting in improvements to the traveller experience.

15.1 Enhancing system performance

Baggage Handling System

In October 2023, three new carousels were commissioned in the Eastern Bag Hall as part of Auckland Airport's new baggage handling system ("**BHS**"). This area, designed to accommodate future growth in international baggage, is a key component of the airport's integrated domestic and International Terminal. The project includes an early installation of the individual carrier system ("**ICS**"), an innovative solution that enhances baggage processing efficiency while supporting the airport's sustainability goals.

Unlike traditional BHS, the ICS offers increased reliability, flexibility, and energy efficiency. Each bag is placed directly into a carrier equipped with RFID tracking, ensuring 100% traceability throughout the sorting and scanning process until it reaches the aircraft. This system significantly reduces the equipment footprint compared to conventional conveyor belts, lowering capital expenditure on infrastructure.

Additionally, the ICS is up to five times faster, enabling quicker connections between flights. Studies from other airports using this system have demonstrated a 30-70% reduction in operational and maintenance staff costs, along with energy savings of around 30%. The overall design leads to substantial long-term cost reductions and aligns with Auckland Airport's commitment to sustainability and efficient operations.

Digital Baggage Screening

In May 2024, Aviation Security Service ("**AVSEC**") introduced an enhanced digital baggage screening system, supported by Auckland Airport, which has significantly improved processing times in the AVSEC area of departures.

This enhanced screening system leverages modern technology to streamline the screening process, enabling faster and more efficient handling of passenger baggage while maintaining stringent security standards. The result has been a smoother, quicker experience for travellers as they pass through security checkpoints.

Expansion of eGate eligibility at NZ Customs

In FY24, New Zealand Customs expanded its eGate eligibility by incorporating six new nationalities. Additionally, the minimum age for access has been lowered from 12 to 10 years. These changes have enhanced processing times and streamlined the travel experience for a larger number of passengers.

Low-Risk Biosecurity Arrivals Pathway

The Low-Risk Biosecurity Arrivals Pathway express lane has been introduced to benefit airport travellers by significantly reducing wait times in Customs, thereby enhancing the overall travel experience. By allocating more resources to higher-risk travellers, processing for the majority becomes more efficient while maintaining safety standards. As a result, passengers enjoy quicker and smoother transitions through the international arrivals process.

15.2 Customer experience

Transport Hub

Auckland Airport's first stage of the Transport Hub opened in April 2024, providing a significant upgrade to the arrival and departure experience. Located next to the International Terminal, the new facility provides 320m of new undercover kerbside drop off and pick up – a 200 per cent increase on what was previously available out front of the International Terminal.

The ground floor of the Transport Hub covers over 14,000m^2 with separate lanes for public and commercial traffic creating an efficient and modern arrival and departure experience for those using public transport and scheduled buses, being dropped off or picked up by friends and family, or being dropped off by taxis, rideshares and shuttles.

Directly alongside the Transport Hub, new office spaces for the airport's operational teams and partner organisations are under construction, designed to a 5-Star Green rating. A 1.2-megawatt rooftop solar array will help power the office building and the EV charging available in the car parks on the upper levels of the building.

Roading

Auckland Airport implemented several improvements to travel routes around the precinct to enhance traffic flow and connectivity. The newly opened Te Ara Kōrako now provides an alternative route for freight-related traffic, linking George Bolt Memorial Drive with Nixon Road. This is a significant upgrade aimed at easing congestion on main roads and improving efficiency for freight transport.

In December 2023, terminal-bound transit lanes on Laurence Stevens Drive were opened as part of the first stage of upgrades to the southern connections, ensuring smoother access to the terminal.

Further upgrades are underway, with the roundabout at Puhinui Road, Tom Pearce Drive, and Hape Drive set to be replaced by a signalised intersection in late August/early September 2024.

Travel between Terminals

An estimated 24,000 travellers use the walkway between Auckland Airport's domestic and international terminals each week. In June 2024, the 'green line' walk was re-routed to make way for construction of the integrated Domestic Jet Terminal.

While inter-terminal buses still operate, the airport has designed a safe and welcoming environment for people wanting to take the 950m pathway. A collaboration with the Department of Conservation saw imagery of some of Aotearoa New Zealand's beautiful walks put on display.

Arrivals Process Improvements

Auckland Airport considers the work done to reduce queuing times to be a good example of collaborative innovation. Most airports around the world do not have the same level of biosecurity requirements as New Zealand limiting the extent to which Auckland Airport is able to draw on international best practice to improve the experience.

Auckland Airport engaged in efforts to innovate and collaborate with the Ministry of Primary Industries, particularly through the implementation of a low-risk biosecurity arrivals pathway. The pathway's impact was evident in the final seven months of the financial year, with queue times down 28% compared to July-Nov 2023 when it was not in place.

Domestic Terminal Improvements

Changes to navigating around the Domestic Terminal, upgrades to Wi-Fi, and better management in passenger processing at the International Terminal have helped deliver an improved customer experience from front door to gate lounges this year.

Ahead of moving domestic jet operations to the new integrated terminal, the airport has used existing space within the Domestic Terminal to create additional dwell areas, as well as boosting wireless connectivity, and introducing new wayfinding signage for a more intuitive airport experience.

With approximately 20,000 people passing through the doors daily, the almost 60-year-old domestic terminal is at capacity during peak times. The way people navigate their way through the terminal has been overhauled to simplify the check-in and departure process, starting with clearly marked entry portals to the terminal.

Bathroom Upgrades

The recent bathroom upgrades at Auckland International Airport represent a significant step forward in enhancing the passenger experience and supporting sustainability efforts. New bathroom blocks and increased dwell space in the domestic departures area, along with refreshed facilities in the International Terminal, provide a more modern and comfortable environment for travellers.

A key feature of these upgrades is the installation of hand dryers, which reduce the need for paper towels. At the Domestic Terminal alone, this could prevent up to 10 million paper towels—equivalent to 40 tonnes of waste—from ending up in landfills each year. This initiative not only improves convenience for passengers but also underscores the airport's commitment to reducing its environmental footprint.

15.3 Health, safety and wellbeing

Safety & Risk Team

In the year Auckland Airport has introduced a new integrated Safety & Risk Team as part of its commitment to becoming New Zealand's safest airport and a leader in safety and risk management. This team is pivotal in embedding safety, risk, resilience, and compliance at the core of the airport's operations.

The team serves a dual role: first, supporting business units in achieving optimal outcomes in their daily operations by implementing robust systems and processes, while also enhancing knowledge and capability. Second, it acts as the airport's second line of defence in managing risk.

This initiative is vital to cultivating a strong culture of health, safety, and wellbeing, equipping staff with the tools and expertise they need to work safely and efficiently, ensuring safety is always a top priority in all airport activities.

Leadership Walks

The Senior Leader Walk Programme at Auckland Airport, designed to capture key insights for fostering a safer and healthier work environment, became more efficient this year with the introduction of a mobile app. Replacing the previous intranet-based reporting system, the new app allows leaders to capture insights in real time during their walks. These insights are then shared with teams and Health & Safety Representatives, streamlining feedback and promoting timely improvements in workplace safety and wellbeing.

Dignity Initiative

The People Experience team and Airport Emergency Services at Auckland Airport have collaborated to introduce period products in 11 employee bathrooms this year. In partnership with the social enterprise Dignity, the initiative provides complimentary products to employees, supporting wellbeing, diversity, and inclusion while addressing barriers to accessing essential items, particularly for women working in airside environments.

This initiative reflects Auckland Airport's dedication to fostering an inclusive workplace by actively supporting the health and wellbeing of all employees.

15.4 Sustainability

Carbon Accreditation

Auckland Airport is at the forefront of innovation in airport sustainability. Its efforts to reduce carbon emissions have earned the airport a Level 4 Airport Carbon Accreditation from Airports Council International ("**ACI**"), positioning it among the world's leading airports in sustainability initiatives.

Heat Pump Technology

Auckland Airport is making a significant shift in its energy strategy by replacing six natural gas boilers, which provide a total of 6.5 megawatts of heating, with electric air-source heat pumps. This transition features innovative heat pump technology that can simultaneously heat and cool air within a single unit—marking one of the first large-scale installations of its kind in New Zealand.

Solar Arrays

Auckland Airport's Transport Hub and Mānawa Bay feature expansive solar arrays on their rooftops, designed to inject more renewable energy into the grid. This initiative aligns with the airport's sustainability goals and enhances its commitment to renewable energy sources.

Additionally, in 2024, Auckland Airport achieved a significant milestone by having its electricity supply certified as 100% renewable.

Stormwater Infrastructure Upgrades

Auckland Airport has accelerated its investment in stormwater infrastructure following the major flooding event in January 2023, demonstrating a commitment to futureproofing against extreme weather.

As part of the remote stands development in 2024, more than three kilometres of new stormwater pipes are being installed. While stormwater improvements were always part of the project design, the flooding prompted significant upgrades: the pipes and manholes were upsized, overland flow paths were regraded to direct water away from the terminal, and existing retention ponds were expanded.

These enhancements ensure the airport is better equipped to handle severe weather events, minimising disruption and safeguarding critical operations.

16. Associated statistics: Demand and FTEs

16.1 Passenger demand

Passenger movements for the year to 30 June 2024 broadly tracked the passenger forecasts prepared at the time of setting aeronautical pricing for PSE4. Table 11 below summarises actual passenger movements versus those forecast when prices were set for PSE4.

Table 11: Passenger movements, variance to PSE4 forecasts

	2024			PSE4 To Date		
	Actual	Forecast	Δ%	Actual	Forecast	Δ%
International	10,059,268	9,756,203	3.1%	17,832,823	17,543,495	1.6%
Domestic	8,475,150	8,509,045	(0.4)%	16,562,860	16,628,932	(0.4)%
Total	18,534,418	18,265,248	1.5%	34,395,683	34,172,427	0.7%

16.2 Aircraft movement statistics

Aircraft movements and maximum certified take-off weight ("**MCTOW**") for the year to 30 June 2024 broadly tracked the forecasts prepared at the time of setting aeronautical pricing for PSE4. Table 12 below details changes in aircraft movements and MCTOW volumes in FY24 versus those forecast when prices were set for PSE4.

Table 12: FY24 aircraft movements and MCTOW statistics

	2024			PSE4 To Date		
	Actual	Forecast	Δ%	Actual	Forecast	Δ%
Aircraft movements						
International aircraft movements	53,024	55,938	(5.2)%	95,447	98,503	(3.1)%
Domestic aircraft movements	105,161	102,705	2.4%	207,159	204,564	1.3%
Total aircraft movements	**158,185**	**158,643**	(0.3)%	302,606	303,067	(0.2)%
MCTOW (tonnes)						
International MCTOW	5,209,032	5,396,071	(3.5)%	9,252,739	9,433,087	(1.9)%
Domestic MCTOW	2,134,383	2,099,400	1.7%	4,160,316	4,209,436	(1.2%)
Total MCTOW	**7,343,415**	**7,495,470**	(2.0)%	13,413,055	13,642,522	(1.7%)

16.3 Human resource statistics

The total full-time equivalent employees ("**FTE"**) of the regulated aeronautical business were 602 for FY24, reflecting a significant increase of 126 FTEs or 26% compared to FY23. This growth was primarily driven by increases in the Operations and Infrastructure teams which together added 95 FTEs to meet the demands of increased activity volume, improved airport operations as well as supporting ongoing infrastructure projects.

Additionally, smaller but strategic increases in the Procurement, Corporate, and Sustainability & Masterplanning as well as the Safety & Risk teams reflect a broader effort to strengthen support functions and enhance the company's ability to execute long-term strategic planning and sustainability initiatives.

Section 6.1 of this report provides further information on the impact of the increased FTE on operating expenditure in the year.

17. Pricing Statistics

To support airlines during the post COVID recovery Auckland Airport held aeronautical prices constant in the first financial year of PSE4 with the final year of PSE3. From 1 July 2023, aeronautical prices rose to reflect the combined effects of the significant aeronautical capital investment to be delivered during the period, a higher target return than the previous pricing period, and recovering the $100 million-plus shortfall in aeronautical revenues in year one due to the price freeze.

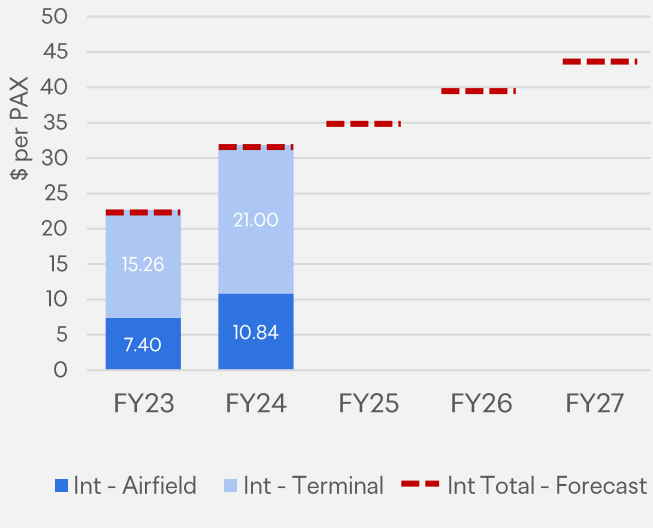
17.1 International effective charge per passenger

Average effective charges per passenger reflect total aeronautical revenues from both Airfield activities (landing, parking and ground leases) and Terminal activities (passenger service charges, counter rentals and office rentals) in accordance with the definition in Schedule 17, displayed on a per passenger basis.

As set out in Figure 9 opposite, the average effective total charge per international passenger rose to $31.84 in FY24 from $22.66 in the prior year reflecting the first year of higher aeronautical charges associated with PSE4, partly offset by higher volume of passenger movements.

The average effective airfield charge per international passenger increased to $10.84 from $7.40 in the prior year with the average effective terminal charge also increasing to $21.00 from $15.26 in the prior year for the same reasons.

Figure 9: Effective International charge per PAX



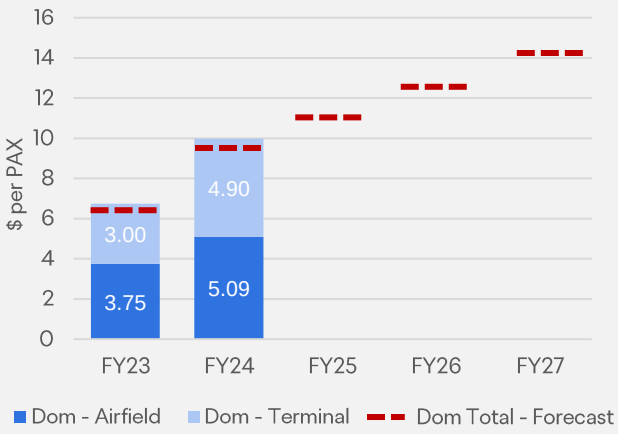
17.2 Domestic effective charge per passenger

As set out in Figure 10 opposite, the average effective total charge per domestic passenger rose to $9.99 per passenger in FY24 from $6.75 in the prior year reflecting the first year of higher aeronautical charges associated with PSE4, partly offset by higher volume of passenger movements.

The average effective airfield charge per domestic passenger increased to $5.09 per passenger from $3.75 in the prior year, and the average effective terminal charge per domestic passenger also increased from $3.00 to $4.90 in the prior year for the same reasons.

The difference between effective charges to forecast can be attributed to jet traffic (which has higher landing charges) making up a greater proportion of overall domestic traffic than was forecast when charges were set.

Figure 10: Effective Domestic charge per PAX



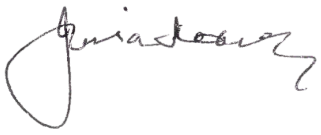
SCHEDULE 20

CERTIFICATION FOR DISCLOSED INFORMATION

Clause 2.7(1)

We, Julia Hoare and Grant Devonport, being directors of Auckland International Airport Limited certify that, having made all reasonable enquiry, to the best of our knowledge the following attached audited information of Auckland International Airport Limited, prepared for the purposes of clauses 2.3(1) and 2.4(1) of the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010 complies with that determination.

Signed on behalf of the Board by:



Julia Hoare
Director, Chair of the Board

Grant Devonport
Director, Chair of the Audit and Financial Risk Committee

28 November 2024

Deloitte.

Independent Assurance Report

To the Board of Directors of Auckland International Airport Limited and to the Commissioners of the New Zealand Commerce Commission

Opinion

We have undertaken a reasonable assurance engagement on the compliance of the attached Airport Services Information Disclosure Schedules, comprised of Schedules 1 to 17 of Auckland International Airport Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 30 June 2024 (the 'Schedules'), with the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010 ('Determination').

In our opinion:

- subject to Clause 2.6(3) of the Determination, proper records have been kept by the Group to enable the complete and accurate compilation of required information, as far as appears from our examination of those records;
- the historical financial information included in Schedules 1 through to 10 has been prepared in all material respects in accordance with the Determination;
- subject to clause 2.6(3) of the Determination, the historical non-financial information included in Schedules 11 through to 17 complies in all material respects with the requirements of the Determination, including guidance issued pursuant to the Determination, and the information is based on the records provided by the Group.

Basis for opinion

We conducted our engagement in accordance with Standard on Assurance Engagements 3100 (Revised) Compliance Engagements ('SAE 3100 (Revised)') issued by the New Zealand Auditing and Assurance Standards Board.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors' responsibilities for the Schedules

The directors are responsible on behalf of the Group for the preparation and presentation of the Schedules in accordance with the Determination. This responsibility includes identification of the risks that threaten the compliance requirements identified above being met and the design, implementation, and maintenance of internal controls relevant to mitigating those risks and monitoring ongoing compliance with the requirements of the Determination.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) ('PES-1') issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies Professional and Ethical Standard 3: Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Other than in our capacity as auditor, our firm carries out other assignments for the Group in the area of greenhouse gas inventory assurance reporting and trustee reporting. We also performed non-assurance services in relation to the integrity of the aeronautical pricing model, non-assurance services in the form of a climate related disclosure assurance readiness assessment, as well as non-assurance services provided to the Corporate Taxpayers Group of which the Company is a member. These services have not impaired our independence as auditor of the Company and Group. In addition to this, partners and employees of our firm deal with the Company and Group on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries. The firm has no other relationship with, or interest in, the Company or any of its subsidiaries.

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Our responsibility

Our responsibility is to express an opinion on whether the Schedules comply, in all material respects, with the requirements of the Determination. SAE 3100 (Revised) requires that we plan and perform procedures to obtain reasonable assurance about whether the Group has complied, in all material respects, with the requirements of the Determination for the year ended 30 June 2024.

An assurance engagement to report on the Group's compliance with the requirements of the Determination involves planning and performing procedures to obtain evidence about the compliance activity and controls implemented to ensure the Schedules meet the requirements of the Determination. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with the requirements of the Determination.

Our procedures included:

- identifying key inputs to the information in the Schedules and reconciling or agreeing them to source documents and systems, subject to clause 2.6(3) of the Determination; and,
- considering the methodologies used in preparing the Historical Non-Financial information included in Schedules 11 through to 17 and confirming that they are in accordance with the guidance issued pursuant to the Determination.

In respect of the historical financial information, we note that the Determination requires the Group to provide historical financial information relating only to its specified airport services. This information has been extracted from the underlying accounting records of the Group, which we have previously audited. For the purposes of this engagement, our work on the historical financial information was limited to:

- obtaining an understanding of how the Group has determined its allocation methodology in accordance with the Determination, in order to allocate revenue, expenses and assets to the Specified Airport Services;
- evaluating how the allocation methodology has been applied by testing the allocation of revenue, expenses and assets to the Specified Airport Services on a sample basis; and,
- agreeing the Historical Financial Information in the Schedules to the Group's underlying records, and to the company's audited annual financial statements, where appropriate.

These procedures have been undertaken to form an opinion as specified above.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of internal control, there is unavoidable risk that fraud, error or non-compliance by the Group may occur and not be detected even though the engagement is properly planned and performed in accordance with SAE 3100 (Revised).

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 Schedules 11 to 17 agreed to the third-party records provided to us.

Our procedures on the forecast information in Schedules 6, 9 and 10 were limited to agreeing that information to the forecast information prepared by the Group and required by the Determination to be included in Schedule 18. Schedule 18 is published by the Group in a separate document. These procedures do not provide assurance that forecast information was accurate or reasonable at the time it was prepared, or that it subsequently was (or will be) proved to be accurate.

Further, a reasonable assurance engagement for the year ended 30 June 2024 does not provide assurance on whether compliance with the requirements of the Determination will continue in the future.

Restriction on use

This report is provided solely for your use and the use of the Commerce Commission for the purpose of complying with the Determination. Our report is not to be used for any other purpose. We accept or assume no duty, responsibility, or liability to any party, other than you, in connection with the report or this engagement including without limitation, liability for negligence in relation to the opinion expressed in our report.

Deloitte Limited

Auckland, New Zealand
28 November 2024