



## **NZ Airports Recommended Changes to Information Disclosure Determination November 2010**

### **Decision No. [ ]**

Airports information disclosure determination pursuant to Part 4 of the Commerce Act 1986 (the Act).

**The Commission:**  
**Dr M Berry**  
**PJM Taylor**  
**S Begg**  
**P Duignan**

**Summary of the Determination:** Pursuant to Part 4 of the Act, the Commerce Commission has determined information disclosure requirements that apply to suppliers of specified airport services. The attached determination sets these requirements as required under section 56E of the Act. The determination takes effect on and from 1 January 2011.

Date of Decision: [December 2010]

Regulation Branch  
Commerce Commission  
Wellington  
NEW ZEALAND

11 October 2010  
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## **DRAFT COMMERCE ACT (SPECIFIED AIRPORT SERVICES INFORMATION DISCLOSURE) DETERMINATION 2010**

Pursuant to Part 4 of the Commerce Act 1986, the Commerce Commission makes the following determination:

### **1. Title**

- 1.1 This determination is the *Commerce Act (Specified Airport Services Information Disclosure) Determination 2010*.

### **2. Commencement Date**

- 2.1 This determination comes into force on 1 January 2011.

### **3. Application**

- 3.1 This determination applies to **airports** as suppliers of regulated goods and services under Part 4 of the **Act**.

### **4. Interpretation**

- 4.1 In this determination, unless the context otherwise requires,—

- (a) terms in bold type have the meaning given to those terms in Schedule 1;
- (b) terms used in this determination that are defined in the **Act**, but not in this determination, have the same meanings in this determination as in the **Act**;
- (c) a word which denotes the singular also denotes the plural and vice versa;
- (d) any obligation to do something is deemed to include an obligation to cause that thing to be done;
- (e) financial items must be measured and disclosed in accordance with **GAAP**; and
- (f) non-financial items must be measured and disclosed in accordance with standard industry practice.

- 4.3 If there is any inconsistency between the main body of this determination and any schedule to this determination, the main body of this determination prevails.

### **5. Information Disclosure**

Subject to clauses 14 and 15, from the **commencement date**, every **airport** must comply with the information disclosure requirements set out in this determination and, in particular, must:

- (a) comply with the requirements to disclose financial and other information in accordance with clause 7;
- (b) comply with the requirements to disclose quality information in accordance with clause 8;
- (c) comply with the requirements to disclose forecast total revenue requirements and pricing information in accordance with clause 9; and
- (d) comply with the audit, certification and verification requirements in accordance with clauses 10, 11 and 13.

## 6. **Applicable Input Methodologies**

Every **airport** must apply the following parts of the **IM determination**, when complying with this determination:

- (a) Part 2 – Cost ~~and Asset Value~~ Allocation;
- (b) Part 3 – Asset Valuation; and
- (c) Part 4 – Treatment of Taxation.

## 7. **Annual Disclosure Relating to Financial Information**

7.1 Subject to clause 15, within five **months** after the end of each **disclosure year**, every **airport** must disclose information relating to its financial position by:

- (a) completing each of the following reports by inserting all information relating to the **specified airport services** supplied by the **airport** for that **disclosure year**:
  - (i) the Report on Return on Investment set out in Schedule 2;
  - (ii) the Report on Regulatory Profit set out in Schedule 3;
  - (iii) the Report on Regulatory Tax Allowance set out in Schedule 4;
  - (iv) the Report on Regulatory Asset Base Roll Forward set out in Schedule 5;
  - (v) the Report on Related Party Transactions set out in Schedule 6;
  - (vi) the Report on Actual to Forecast Expenditure set out in Schedule 7;
  - (vi) the Report on Segmented Information set out in Schedule 8;
  - ~~(vii) the Consolidation Statement set out in Schedule 9;~~
  - (viii) the Report on Asset Allocations set out in Schedule 10;

(ix) the Report on Cost Allocations set out in Schedule 11; and

(b) **publicly disclosing** each of those reports.

7.2 Subject to clause 15, within five **months** after the end of each **disclosure year**, every **airport** must **publicly disclose** each land valuation report prepared for the purpose of revaluing land under clause 3.6 of the **IM determination** and included in the Report on Regulatory Asset Base Roll Forward set out in Schedule 5.

## 8. Annual Disclosure of Quality and Statistics

8.1 Subject to clause 15, within five **months** after the end of each **disclosure year**, every **airport** must disclose information relating to the quality of its **specified airport services** by:

(a) subject to clause 8.2, completing each of the following reports by inserting all information relating to the **specified airport services** supplied by the **airport** for that **disclosure year**:

(i) the Report on Reliability Measures set out in Schedule 12;

(ii) the Report on Capacity Utilisation Indicators for Aircraft and Freight Activities and Airfield Activities set out in Schedule 13;

(iii) the Report on Capacity Utilisation Indicators for Specified Passenger Terminal Activities set out in Schedule 14;

(iv) the Report on Passenger Satisfaction Indicators set out in Schedule 15;

(v) the Report on Associated Statistics set out in Schedule 16;

(vi) the Report on Operational Improvement Processes set out in Schedule 17; and

(vii) the Report on **Pricing Specified Airport Revenue** Statistics set out in Schedule 18; and

(b) **publicly disclosing** each of those reports.

8.2 Every three **months**, for the purpose of completing and **publicly disclosing** the Report on Passenger Satisfaction Indicators set out in Schedule 15, every **airport** must complete a **passenger** satisfaction survey by questionnaire for each of the following **passenger** types, in accordance with clauses 8.3 and 8.4:

(a) **passengers** about to board a domestic flight; and

(b) **passengers** about to board an international flight.

8.3 Each passenger survey must conform to the following requirements:

- (a) each respondent must be a **passenger** about to board a flight;
- (b) each survey questionnaire must be completed by one respondent only;
- (c) the margin of error of the surveyed responses to each question, and in respect of each survey, must be no greater than 5% with a 95% confidence level;
- (d) the survey design must account for any selection bias arising out of the respondent's choice of destination, airline and date of travel to the extent that such selection bias does not materially affect the accuracy of the results;
- (e) the process for undertaking fieldwork in a manner that avoids bias must be documented, and that documented process must be made available to all individuals undertaking fieldwork;
- (f) survey questionnaires must invite the respondent to assess the quality of each of the service aspects on a five point rating scale, where:

1 = "very dissatisfied" or "poor";

2 = "somewhat dissatisfied" or "fair";

3 = "neither satisfied or dissatisfied" or "good";

4 = "satisfied" or "very good"; and

5 = "very satisfied" or "excellent"; and

- (g) the quarterly score  $S$  disclosed for each question in the passenger survey is a weighted average calculated using the following formula:

$$S = \frac{\sum_{I=1}^5 (I \times R(I))}{\sum_{I=1}^5 R(I)}$$

where:

- (i) each of the five possible responses are sequentially labeled with an integer value  $I$ , ranging from 1 to 5 in accordance with clause 8.3(f) above; and
- (ii)  $R(I)$  is the number of respondents that returned, in answer to the question, the response labeled  $I$ .

8.4 If the design of the passenger survey, including fieldwork and result compilation procedures, changes to the extent that it may materially affect the comparability of

results from one disclosed quarter to the next, the nature of the change and the effect of that change on the comparability of the survey must be noted in the survey comments box contained in the Report on Passenger Satisfaction Indicators set out in Schedule 15.

- 8.5 The fieldwork documentation required pursuant to clause 8.3(e) above must be made publicly available at the same time as the Report on Passenger Satisfaction Indicators set out in Schedule 15 is **publicly disclosed**. The Internet address of the site containing this documentation must be noted in the survey comments box contained in the Report on Passenger Satisfaction Indicators set out in Schedule 15.

## 9. Disclosure Following Price Setting Event

- 9.1 ~~Within 20 working days~~ At the time of the disclosure of annual financial information first due under this determination following a decision to fix or alter prices as part of a **price setting event**, or within five consecutive years of the previous disclosure under this clause, an **airport** must disclose information relating to its forecast total revenue requirement by:

- (a) completing each of the following reports by inserting all information relating to the **specified airport services** supplied by the **airport** for that **disclosure year**:
  - (i) the Report on Forecast Total Revenue Requirements set out in Schedule 19;
  - (ii) the Report on Demand Forecasts set out in Schedule 20; and
- (b) **publicly disclosing** each of those reports; and
- (c) in respect of each of the following components of the Report on the Forecast Total Revenue Requirements set out in Schedule 19:
  - (i) **forecast value of assets employed;**
  - (ii) **forecast cost of capital;**
  - (iii) **forecast operational expenditure;**
  - (iv) **forecast depreciation;**
  - (v) **forecast tax;**
  - (vi) **forecast revaluations;** and
  - (vii) any other components,

**publicly disclosing** a description of how each of those components has been determined, including an explanation of:

- (viii) the rationale for the basis of preparing those components, and any related assumptions;
- (ix) the extent to which each component is used to determine the forecast total revenue requirement; and
- (x) the differences (if any) between the preparation of each component and the most recent corresponding historical financial information disclosed in accordance with clause 7.

~~(d) where the **forecast value of assets employed** is based on a value other than that used for the purposes of the latest disclosure under clause 7, **publicly disclosing** the valuation on which the value of the **forecast value of assets employed** is based;~~

- (e) **publicly disclosing** a high-level description of the **airport's** forecast **capital expenditure** by category and project as disclosed in accordance with Schedule 19, including the aims and objectives of any proposed investments;
- (f) **publicly disclosing**, for the period of five consecutive years immediately following the **price setting event**, a description of each **key capital expenditure project**, including an explanation of:
  - (i) the aims and objectives of each **key capital expenditure project**;
  - (ii) the process by which the need for the **key capital expenditure project** was determined, including any assessment criteria;
  - (iii) any **consumer** engagement undertaken as part of the process referred to in **this clause 9.1(f)**, including a description of how **consumer** demands have been assessed;
  - (iv) any alternative expenditure projects considered, and the rationale for excluding those alternative projects; and
  - (v) any constraints or other factors on which successful completion of each **key capital expenditure project** is contingent; and
- (g) **publicly disclosing** any assumptions or justifications of the **airport's** forecast **operational expenditure** by category as disclosed in accordance with Schedule 19.

9.2 Within 20 **working days** following a decision to fix or alter prices as part of a **price setting event**, the **airport** must **publicly disclose** an overview of the **airport's pricing methodology** used to set prices as part of the **price setting event**, including:

- (a) a summary of the **airport's pricing methodology**; and
- (b) a description of:
  - (i) categories or groups of **specified airport services** that are provided

together in respect of which individual charges apply (**charged services**); and

- (ii) the relationship between the quality of service provided and the cost for each **charged service**; and
- (iii) the methodology used to allocate costs to particular **charged services**; and
- (iv) significant changes to prices for **charged services**, including any rebalancing of prices, compared with equivalent services provided during the previous **pricing period**; and
- (v) the extent to which any prices for particular **charged services** are priced below incremental cost, and thereby involve cross-subsidies; and
- (vi) the methodology for determining the proposed prices for **charged services**, and how those prices are reconciled with the forecast total revenue requirement; and
- (vii) any terminal access charges (even if these are bundled into other charges) and the methodology for determining any differentiation in terminal access charges on the basis of the means of access to the terminal (such as airbridge access, transfer bus access or walking access).

9.3 Within 20 **working days** following a decision to fix or alter prices as part of a **price setting event**, the **airport** must **publicly disclose** a list of the **airport's standard prices** for all **specified airport services**, including whether the **standard prices** are inclusive or exclusive of **GST**.

## 10. Auditor's Reports

10.1 Where an **airport** is required to **publicly disclose** any **audited disclosure information**, the **airport** must:

- (a) procure a report by an **independent auditor** in respect of that **audited disclosure information**, signed by the **independent auditor** (either in his or her own name or that of his or her firm), stating:
  - (i) the work done by the **independent auditor**; and
  - (ii) the scope and limitations of the audit; and
  - (iii) the existence of any relationship (other than that of auditor) which the **independent auditor** has with, or any interests which the **independent auditor** has in, the **airport** or any of its subsidiaries; and

- (iv) whether the **independent auditor** has obtained all information and explanations that he or she required and, if not, the information and explanations not obtained; and
  - (v) whether, in the **independent auditor's** opinion, as far as appears from an examination of them, proper **records** to enable the complete and accurate compilation of required information have been kept by the **airport** and, if not, the **records** not so kept; and
  - (vi) whether (and, if not, the respects in which it does not), in the **independent auditor's** opinion, the **audited disclosure information** complies with this determination; and
  - (vii) in respect of any historical financial information **publicly disclosed** pursuant to clause 7.1, whether (and, if not, the respects in which it does not), in the **independent auditor's** opinion, that information has been prepared in all material respects in accordance with this determination; and
  - (viii) in respect of any historical non-financial information **publicly disclosed** pursuant to clause 8.1, whether (and, if not, the respects in which it does not), in the **independent auditor's** opinion, the **airport** has complied in all material respects with the requirements, including guidance (if any) issued pursuant to this determination, and **calculated based on the source data provided by the airport the information is based on the records examined under subsection (v); and**
  - (ix) in respect of the Report on the Initial Regulatory Asset Value pursuant to clause 15.1, whether (and, if not, the respects in which it does not), in the **independent auditor's** opinion, that information has been prepared in all material respects in accordance with this determination; and
- (b) **publicly disclose** the **independent auditor's** report prepared in accordance with clause 10.1(a) at the same time as the **airport publicly discloses** the **audited disclosure information**.

## 11. Certificates

- 11.1 Where an **airport** is required to **publicly disclose** any information pursuant to either of clauses 7.1 or 8.1, the **airport** must at that time **publicly disclose** a certificate in the form set out in Schedule 21 in respect of that information, duly signed by two **directors** of the **airport**.
- 11.2 Where an **airport** is required to **publicly disclose** any information pursuant to any of clauses 9.1(a)-(g), the **airport** must at that time **publicly disclose** a certificate in the form set out in Schedule 22 in respect of that information, duly signed by two **directors** of the **airport**.

11.3 Where an **airport** is required to **publicly disclose** any information pursuant to either of clauses ~~9.1(g) or 9.2~~ **or 9.3**, the **airport** must at that time **publicly disclose** a certificate in the form set out in Schedule 23 in respect of that information, duly signed by two **directors** of the **airport**.

11.4 Where an **airport** is required to **publicly disclose** any information pursuant to clause 15.1, the **airport** must at that time **publicly disclose** a certificate in the form set out in Schedule 24 in respect of that information, duly signed by two **directors** of the **airport**.

## 12. Retention and Continuing Disclosure

12.1 An **airport** that is required by this determination to **publicly disclose** any information must retain, and continuously **publicly disclose**, that information for at least seven years from the date that information is first required to be **publicly disclosed**.

## 13. Statutory Declarations

13.1 Where an **airport** is required to provide any further statements, reports, agreements, particulars, or other information to the **Commission** pursuant to section 53B(1)(c) of the **Act**, the **airport** must at that time:

- (a) verify those further statements, reports, agreements, particulars, or other information by completing a statutory declaration in the form set out in Schedule 25; and
- (b) provide that completed statutory declaration to the **Commission**.

## 14. Exemptions

14.1 The **Commission** may at any time, by written notice to an **airport**:

- (a) exempt the **airport** from any or all of the requirements of this determination, for a period and on such terms and conditions as the **Commission** specifies in the notice; and
- (b) amend or revoke any such exemption.

## 15. Transitional Provisions

15.1 Within 11 **months** after the end of the first **disclosure year** in which an **airport** is subject to this determination, the **airport** must disclose information relating to its **RAB** by:

- (a) completing the Report on Initial Regulatory Asset Value set out in Schedule 26 by inserting all information relating to the **specified airport services** supplied by the **airport**;
- (b) completing the Report on Asset Allocations set out in Schedule 10 by inserting all information relating to the initial cost allocation adjustment in Schedule ~~26~~ **27** for the:

- (i) **RAB value** for the year ended 2009; and
  - (ii) **disclosure year** ending 2010; and
- (c) **publicly disclosing** those reports.
- 15.2 Notwithstanding any requirements set out in clauses 7 or 8 of this determination, but subject to clause 15.5 below, any information that would otherwise be required to be **publicly disclosed** pursuant to clauses 7 or 8 in respect of the **disclosure year** ending 2011 is required to be disclosed within 11 **months** after the end of the **disclosure year** ending 2011.
- 15.3 Notwithstanding any requirements set out in clause 9 of this determination on or before 30 September 2011, each **airport** must **publicly disclose** the information required to be disclosed pursuant to clause 9 for the **price setting event** in respect of that **airport** immediately preceding the **commencement date**.
- 15.4 For the avoidance of doubt:
- (a) clauses 15.2 or 15.3 relates to the timing of **public disclosure** only; and
  - (b) nothing in clauses 15.2 or 15.3 affects the content of any information required to be **publicly disclosed** in this determination.
- 15.5 Notwithstanding any requirements set out in clauses 7 or 8 of this determination, the following information is not required to be **publicly disclosed** in respect of the **disclosure year** ending 2011:
- (a) line items 8-17 of the Report on Return on Investment set out in Schedule 2 for years ended **CY-2** and **CY-1**;
  - (b) line items 75-76 of the Report on Regulatory Asset Base Roll Forward set out in Schedule 5 (though line item 77 is still required to be **publicly disclosed**);
  - (c) **interruptions** identified by party responsible, as otherwise required to be disclosed in accordance with the Report on Reliability Measures set out in Schedule 12 (**interruptions** must instead be **publicly disclosed** as occurring for undetermined reasons);
  - (d) line items 9-10, and 13-15, of the Report on Actual to Forecast Expenditure set out in Schedule 7;
  - (e) on-time departure delay indicators, airbridge availability indicators, and the fixed electrical ground power indicator as otherwise required to be disclosed in accordance with the Report on Reliability Measures set out in Schedule 12; and

- (f) where an **airport** has not undertaken some or all of the **passenger surveys** or similar surveys during the **disclosure year** ending 2011, the Report on Passenger Satisfaction Indicators set out in Schedule 15, or part thereof, as the case may be (although details of less than full compliance must be noted in the comments box).
- 15.6 Notwithstanding any requirements set out in clauses 7 or 8 of this determination, line items 8-17 of the Report on Return on Investment as set out in Schedule 2 for the year ended **CY-2** are not required to be **publicly disclosed** in respect of the **disclosure year** ending 2012.
- 15.7 For the avoidance of doubt, nothing in clauses 15.5 or 15.6 affects any requirement to disclose any information in respect of the **disclosure year** ending 2013 or any subsequent **disclosure year**.

## **16. Instances where Airports deemed not to breach determination**

**16.1 An airport is not in breach of this determination where the disclosure of information by the airport under this determination requires the provision of information by airlines and/or other parties to the airport and that information has not been provided. Such information includes (but is not limited to):**

**(a) Passenger numbers including the following minimum information:**

**(i) The number of international passengers carried;**

**(ii) The number of domestic passengers carried;**

**(iii) By type of aircraft (the Airports will be required to disclose passenger numbers for aircraft within specified market or weight bands);**

**(iv) International and domestic passengers separately identified as inbound or outbound;**

**(v) The volume of passengers (international and domestic) within hourly time bands.**

**(b) Airports stand number used for each service operated by the airline;**

**(c) On time departure delays including the reasons for the delays;**

**(d) Aircraft movement data to the Airports for each aircraft movement at that airport, including aircraft registration, type of aircraft and the date and time for each movement.**

**16.2 For the avoidance of doubt, the meaning of "passenger" for the purposes of clause 16.1 above is as defined in this determination.**

Dated at Wellington this 30<sup>th</sup> day of November 2010.  
COMMERCE COMMISSION

# SCHEDULE 1

Clause 4

## DEFINED TERMS

Term	Definition
<b>% variance</b>	<p>means the value of q calculated with reference to the following formula:</p> $q = \frac{a - b}{b} \times 100$ <p>where:</p> <p>a = <b>actual for current disclosure year</b>; and</p> <p>b = <b>forecast for current disclosure year</b></p>
<b>Act</b>	means the Commerce Act 1986
<b>actual for current disclosure year</b>	<p>means:</p> <p>(a) in respect of <b>capital expenditure</b>, the actual <b>capital expenditure</b> in the current <b>disclosure year</b>; and</p> <p>(b) in respect of <b>operational expenditure</b>, the actual <b>operational expenditure</b> in the current <b>disclosure year</b></p>
<b>actual for period to date</b>	means the accumulated actual <b>capital expenditure</b> or actual <b>operating expenditure</b> , as the case may be, from the beginning of the current <b>pricing period</b> , and including the <b>actual for current disclosure year</b>
<b>adjusted regulatory profit</b>	means the <b>regulatory profit / (loss)</b> less the <b>notional interest tax shield</b>
<b>adjustment for merger, acquisition or sale activity</b>	means the value of regulatory assets that are added to, or removed from, the <b>RAB</b> by way of merger, acquisition or sale by an <b>airport</b> to another <b>airport</b> , multiplied by the proportion of the <b>disclosure year</b> the assets are available to the <b>airport</b> making the disclosure, where added assets have a positive value and removed assets have a negative value
<b>affected line item</b>	means the row reference in the Consolidation Statement set out in Schedule 9
<b>air passenger service</b>	means an air operation operated by an air operator for the carriage of <b>passengers</b>
<b>aircraft and freight activities</b>	has the meaning given to that term in section 2 of the Airport Authorities Act 1966

<b>aircraft movement</b>	means an aircraft take-off or landing at an <b>airport</b> , so that one arrival and one departure in respect of the same aircraft is treated as two movements
<b>airfield activities</b>	has the meaning given to that term in section 2 of the Airport Authorities Act 1966
<b>airport activity</b>	means any one or more of the following, as the case may be: <ul style="list-style-type: none"> <li>(a) <b>airfield activities</b>;</li> <li>(b) <b>aircraft and freight activities</b>; and</li> <li>(c) <b>specified passenger terminal activities</b></li> </ul>
<b>airport activity charge</b>	means revenue earned by an <b>airport</b> in relation to a specific charge or group of charges, other than <b>lease, rentals and concessions income</b> . In determining how charges are disclosed, consideration must be given to the charging structure outlined in the pricing methodology disclosed in accordance with clause 9.2
<b>airport business—GAAP</b>	means the financial performance of the <b>airport</b> disclosed in accordance with <b>GAAP</b>
<b>airport company</b>	means a company described in section 56A(2) of the <b>Act</b>
<b>airport company—GAAP</b>	means the financial performance of the <b>airport company</b> , which includes both regulated and <b>unregulated services</b> , disclosed in accordance with <b>GAAP</b>
<b>airport or airport business</b>	means the parts of an <b>airport company</b> that provide <b>specified airport services</b>
<b>airside circulation inbound—floor space</b>	means the overall functional floor space, measured in square metres, of areas providing general circulation for: <ul style="list-style-type: none"> <li>(a) <b>inbound passengers</b>;</li> <li>(b) travellers; and</li> <li>(c) concourse areas that provide access for: <ul style="list-style-type: none"> <li>(i) <b>inbound passengers</b> to and/or from security screening and <b>inbound</b> passport control where provided;</li> <li>(ii) airbridge and terminal doorways (where <b>inbound passengers</b> depart or arrive into corridors); and</li> <li>(iii) airside retail/concessions areas, but excluding retail and concession areas and floor curtilage spaces of one metre in width at entries and/or exits to retail/concessions and adjacent to shop-front window displays for retail/concessions</li> </ul> </li> </ul>

<b>airside circulation outbound— floor space</b>	<p>means the overall functional floor space, measured in square metres, of areas providing general circulation for:</p> <ul style="list-style-type: none"> <li>(a) <b>outbound passengers;</b></li> <li>(b) travellers; and</li> <li>(c) concourse areas that provide access for: <ul style="list-style-type: none"> <li>(i) <b>outbound passengers</b> to and/or from security screening and <b>outbound</b> passport control;</li> <li>(ii) departure lounges;</li> <li>(iii) airbridge and terminal doorways (where <b>outbound passengers</b> depart or arrive into corridors); and</li> <li>(iv) airside retail/concessions, but excluding retail and concession areas and floor curtilage spaces of one metre in width at entries and/or exits to retail/concessions and adjacent to shop-front window displays for retail/concessions</li> </ul> </li> </ul>
<b>allocated value</b>	<p>means the value of an asset included in the closing <b>RAB</b> in accordance with clause 3.3 of the <b>IM determination</b></p>
<b>allocator</b>	<p>means the quantifiable metric (e.g. employee numbers, floor spare etc) used as the numerator and denominator in determining a <b>cost allocator</b> or <b>asset allocator</b></p>
<b>allocator type</b>	<p>means the basis for the attribution or allocation of an <b>operating cost</b> or <b>asset value</b> to an <b>airport activity</b>, being “directly attributable”, “causal” or “proxy”</p>
<b>allowance for long term credit spread</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) if at the end of the <b>disclosure year</b>, the weighted average <b>original tenor</b> of the <b>airport’s qualifying debt</b> and <b>non-qualifying debt</b> is less than five years, a value of nil; or</li> <li>(b) the value of q calculated with reference to the following formula:</li> </ul> $q = (a + b + c) \times d$ <p>where:</p> <ul style="list-style-type: none"> <li>a = the sum of the <b>term credit spread difference</b> for each <b>qualifying debt</b>;</li> <li>b = the sum of the <b>execution cost of an interest rate swap</b> when this cost is incurred for each <b>qualifying</b></li> </ul>

	<p><b>debt;</b></p> <p>c = the sum of the <b>notional debt issue cost readjustment</b> for each <b>qualifying debt;</b></p> <p>d = <b>attribution rate</b></p>
<b>arrivals concourse—floor space</b>	means the overall functional floor space, measured in square metres, of areas occupied by the landside public meeting areas, including seating and waiting areas, but excluding retail and concession areas and floor curtilage area of one metre in width at entries and/or exits to retail/concessions and adjacent to shop-front window displays for retail/concessions
<b>asset(s)</b>	<b>means an individual or group of fixed assets, as appropriate to meet the requirements in the Information Disclosure schedules</b>
<b>asset allocator</b>	means a proportion of a quantifiable measure used to allocate <b>asset values</b> that are not <b>directly attributable asset values</b> as determined in accordance with Part 2 of the <b>IM determination</b>
<b>asset category</b>	means one of the following asset types: <ul style="list-style-type: none"> <li>(a) land;</li> <li>(b) sealed surfaces;</li> <li>(c) infrastructure and buildings; and</li> <li>(d) vehicles, plant and equipment;</li> </ul>
<b>asset disposals</b>	means the value of assets disposed of as determined in accordance with clause 3.9 of the <b>IM determination</b>
<b>asset life</b>	means the useful life of an asset as on the last day of the <b>disclosure year</b> 2009 as determined in accordance with the disclosure financial statements completed by the <b>airport</b> under regulation 4 of the <i>Airport Authorities (Airport Companies Information Disclosure) Regulations 1999</i> for the accounting period (as defined in regulation 2(1) of those regulations) ending in 2009
<b>asset maintenance</b>	means <b>operational expenditure</b> that is incurred with the intention of maintaining the life of an existing asset and includes emergency maintenance
<b>asset management and airport operations</b>	means <b>operational expenditure</b> , but excludes <b>asset maintenance</b> and <b>corporate overheads operational expenditure</b>
<b>asset replacement and renewal</b>	means <b>capital expenditure</b> predominantly associated with the progressive physical deterioration of assets or their immediate surrounds, or <b>capital expenditure</b> arising as a result of the obsolescence of assets and excludes <b>capacity growth capital expenditure</b>

<b>asset value</b>	means the value of an asset used in or in relation to the undertaking of <b>regulated activities</b> , and is determined in accordance with Part 3 of the <b>IM determination</b> as if Part 2 of the <b>IM determination</b> had never applied
<b>assets acquired from a regulated supplier</b>	means the value of an asset acquired from another <b>regulated supplier</b> as determined in accordance with clause 3.8(2)(d) of the <b>IM determination</b>
<b>assets acquired from a related party</b>	means the value of an asset acquired from a <b>related party</b> as determined in accordance with clause 3.8(2)(e) of the <b>IM determination</b>
<b>assets commissioned</b>	means the value of commissioned assets as determined in accordance with clause 3.8 of the <b>IM determination</b>
<b>assets disposed of to a regulated supplier</b>	means the value of assets disposed of to another <b>regulated supplier</b> as determined through clause 3.9 of the <b>IM determination</b>
<b>assets disposed of to a related party</b>	means the value of assets disposed of to a <b>related party</b> as determined in accordance with clause 3.9 of the <b>IM determination</b> , excluding <b>land disposals</b>
<b>assets held for future use</b>	means the value of assets as determined in accordance with clause 3.12 of the <b>IM determination</b>
<b>assets held for future use additions</b>	means any change in value in respect of the initial value, holding costs, net revenue or <b>tracking</b> revaluations as determined in accordance with clause 3.12 of the <b>IM determination</b>
<b>assets not directly attributable</b>	means the <b>asset values</b> that are not <b>directly attributable</b> to each <b>asset category</b> determined in accordance with Part 2 of the <b>IM determination</b>
<b>attribution rate</b>	<p>means in respect of the <b>allowance for long term credit spread</b>, the value of q calculated with reference to the following formula:</p> $q = (a \times b) / c$ <p>where:</p> <ul style="list-style-type: none"> <li>a = the <b>RAB value</b> for the previous <b>disclosure year</b></li> <li>b = a leverage rate of 40%</li> <li>c = the sum of the <b>book value</b> of each <b>qualifying debt</b> and each <b>non-qualifying debt</b> as of the end of the <b>disclosure year</b></li> </ul>
<b>audited disclosure information</b>	means information disclosed pursuant to any of clause 7.1, 8.1 or 15.1 of this determination

<p><b>average revenue from airfield activities and specified passenger terminal activities</b></p>	<p>means the value of q calculated with reference to the following formula:</p> $q = \frac{a}{b}$ <p>where:</p> <p>a = the sum of:  <b>net operating revenue from airfield activities</b> relating to <b>domestic</b> flights of aircraft with a <b>MCTOW</b> rating of 3 tonnes or more but less than 30 tonnes;  <b>net operating revenue from airfield activities</b> relating to <b>domestic</b> flights of aircraft with a <b>MCTOW</b> rating of 30 tonnes or more; and  <b>net operating revenue from specified passenger terminal activities</b> relating to <b>domestic</b> flights;</p> <p>or</p> <p>the sum of:  <b>net operating revenue from airfield activities</b> relating to <b>international</b> flights; and  <b>net operating revenue from specified passenger terminal activities</b> relating to <b>domestic international</b> flights;</p> <p>and</p> <p>b = the sum of:  <b>total number of domestic passengers</b> on flights of aircraft with a <b>MCTOW</b> rating of 3 tonnes or more but less than 30 tonnes; and  <b>total number of domestic passengers</b> on flights of aircraft with a <b>MCTOW</b> rating of 30 tonnes or more;  or <b>total number of international passengers</b></p>
<p><b>average revenue from airfield activities relating to domestic flights of 3 to 30 tonnes MCTOW</b></p>	<p>means the value of q calculated with reference to the following formula:</p> $q = \frac{a}{b}$ <p>where:</p> <p>a = <b>net operating revenue from airfield activities</b> relating to <b>domestic</b> flights of aircraft with a <b>MCTOW</b> rating of 3 tonnes or more but less than 30 tonnes;</p> <p>and</p> <p>b = <b>total number of domestic passengers</b> on flights of</p>

	<p>aircraft with a <b>MCTOW</b> rating of 3 tonnes or more but less than 30 tonnes;</p> <p>or total <b>MCTOW</b> of <b>domestic</b> flights aircraft with a <b>MCTOW</b> rating of 3 tonnes or more but less than 30 tonnes</p>
<p><b>average revenue from airfield activities relating to domestic flights 30 tonnes MCTOW and over</b></p>	<p>means the value of q calculated with reference to the following formula:</p> $q = \frac{a}{b}$ <p>where:</p> <p>a = <b>net operating revenue</b> from <b>airfield activities</b> relating to <b>domestic</b> flights of aircraft with a <b>MCTOW</b> rating of 30 tonnes or more; and</p> <p>b = <b>total number of domestic passengers</b> on flights of aircraft with a <b>MCTOW</b> rating of 30 tonnes or more;</p> <p>or total <b>MCTOW</b> of <b>domestic</b> flights of aircraft with a <b>MCTOW</b> rating of 30 tonnes or more</p>
<p><b>average revenue from airfield activities relating to international flights</b></p>	<p>means the value of q calculated with reference to the following formula:</p> $q = \frac{a}{b}$ <p>where:</p> <p>a = <b>net operating revenue</b> from <b>airfield activities</b> relating to <b>international</b> flights ; and</p> <p>b = <b>total number of international passengers</b>;</p> <p>or total <b>MCTOW</b> of <b>international</b> flights</p>
<p><b>average revenue from specified passenger terminal activities</b></p>	<p>means the value of q calculated with reference to the following formula:</p> $q = \frac{a}{b}$ <p>where:</p> <p>a = <b>net operating revenue</b> from <b>specified passenger terminal activities</b> relating to <b>domestic passengers</b>;</p> <p>or <b>net operating revenue</b> from <b>specified passenger terminal activities</b> relating to <b>international passengers</b></p> <p>and</p> <p>b = <b>total number of domestic passengers</b>;</p> <p>or <b>total number of international passengers</b></p>

<b>average unit price</b>	means the average price paid for each unit acquired or sold in a transaction between the <b>airport</b> and a <b>related party</b>
<b>Aviation Security Service</b>	means the aviation security service established under section 72B(2)(ca) of the Civil Aviation Act 1990
<b>baggage outbound—make-up area floor space</b>	means the overall functional floor space, measured in square metres, of areas occupied by: <ul style="list-style-type: none"> <li>(a) baggage make-up conveyors;</li> <li>(b) loops and laterals;</li> <li>(c) dolly circulation and staging;</li> <li>(d) staff sorting and loading space; and</li> <li>(e) hold baggage screening equipment</li> </ul>
<b>baggage outbound—notional capacity</b>	means the practical capacity of an <b>airport’s outbound</b> baggage sortation system(s), expressed in bags per hour, based on its configuration, conveyor speeds and continuous (x-ray or similar) inspection capacities where applicable
<b>baggage outbound—throughput of bags</b>	means: <ul style="list-style-type: none"> <li>(a) in respect of manual sortation/make-up systems, an estimation of the number of bags being processed by the system during the relevant hour, based on the throughput of <b>passengers</b> in that hour and an assumed number of bags per <b>passenger</b>; and</li> <li>(b) in respect of automated baggage sortation/make-up systems, the actual number of bags processed through the system during the relevant hour</li> </ul>
<b>baggage reclaim—floor space</b>	means the overall functional floor space, measured in square metres, of areas occupied by: <ul style="list-style-type: none"> <li>(a) baggage reclaim belts;</li> <li>(b) waiting areas;</li> <li>(c) trolley storage areas;</li> <li>(d) baggage service counters; and</li> <li>(e) areas occupied by airline staff directly interfacing with <b>passengers</b>,</li> </ul> <p>but excluding areas in the baggage room such as the drop-off belt</p>
<b>baggage reclaim—notional capacity (bags)</b>	means the capacity of baggage reclaim facilities expressed in bags per hour, assessed using accepted industry practice taking account of the numbers, types and sizes of aircraft expected to usually arrive in the <b>passenger busy hour</b> applicable to the baggage reclaim <b>functional component</b>

<b>baggage reclaim—throughput of bags</b>	means an estimation of the number of bags being delivered through the system during the relevant hour, based on the throughput of <b>passengers</b> in that hour and an assumed number of bags per <b>passenger</b>
<b>bio-security screening and inspection and Customs secondary inspection—floor space</b>	means the overall functional floor space, measured in square metres, of areas providing: <ul style="list-style-type: none"> <li>(a) biosecurity screening and inspection for <b>inbound passengers</b>, including the areas occupied by booths, benches, screening equipment, and the Ministry of Agriculture and Forestry (MAF) staff operating the screening and inspection areas;</li> <li>(b) <b>Customs</b> secondary inspection for <b>inbound passengers</b>, including the areas occupied by booths, benches, screening equipment, and <b>Customs</b> staff operating the screening and inspection areas;</li> <li>(c) queuing zones; and</li> <li>(d) an area up to two metres after the screening equipment or booths and benches on the landside of the screening and inspection points,</li> </ul> but excluding MAF and <b>Customs</b> offices and search rooms
<b>bio-security screening and inspection and Customs secondary inspection—notional capacity</b>	means throughput capacity expressed in <b>passengers</b> per hour based on the number of Ministry of Agriculture and Forestry (MAF) screening stations and advice from MAF on the sustainable processing rate
<b>book value</b>	is the book value in New Zealand dollars of a <b>qualifying debt</b> or <b>non-qualifying debt</b> as at either the end of the <b>disclosure year</b> or on the <b>issue date</b> as the context requires
<b>business day</b>	has the meaning given to that term in clause 1.4 of the <b>IM determination</b>
<b>capacity growth</b>	means <b>capital expenditure</b> incurred predominantly to provide for increased capacity
<b>capital contributions</b>	means cash or other forms of consideration received in a <b>disclosure year</b> from other parties, including <b>consumers</b> , for the predominant purpose of asset construction or enhancement
<b>capital expenditure</b>	has the meaning given to that term in clause 1.4 of the <b>IM determination</b>
<b>capital expenditure projects</b>	means projects or programmes of <b>capital expenditure</b> , including financing and escalation costs, that collectively include expenditure of more than \$5 million in the current <b>pricing period</b> , the value of which is recognised in respect of the <b>disclosure year</b> in which the

	expenditure is incurred
<b>change in asset allocator</b>	<p>means changes in any one of the following from the previous <b>disclosure year</b>:</p> <ul style="list-style-type: none"> <li>(a) the list of assets, the value of which has been allocated using a specific <b>asset allocator</b>;</li> <li>(b) calculated metrics to be used as the basis of allocations made using a specific <b>cost allocator</b>; or</li> <li>(c) <b>asset allocators</b> or the list of assets allocated to a specific <b>asset category</b></li> </ul>
<b>change in cost allocator</b>	<p>means changes in any one of the following from the previous <b>disclosure year</b>:</p> <ul style="list-style-type: none"> <li>(a) the list of <b>operating costs</b> allocated using a specific <b>cost allocator</b>;</li> <li>(b) calculated metrics to be used as the basis of allocations made using a specific <b>cost allocator</b>; or</li> <li>(c) <b>cost allocators</b> or the list of <b>operating costs</b> allocated to a specific <b>operating cost category</b></li> </ul>
<b>charged services</b>	has the meaning given to that term in clause 9.2(b)
<b>check-in—floor space</b>	<p>means the overall floor space, measured in square metres, of areas utilised by passengers, and check-in staff when in direct contact with passengers, including:</p> <ul style="list-style-type: none"> <li>(a) check in counters;</li> <li>(b) kiosks;</li> <li>(c) help desks;</li> <li>(d) service desks;</li> <li>(e) ticketing counters;</li> <li>(f) baggage scales</li> <li>(g) baggage injector feeds;</li> <li>(h) takeaway baggage conveyors;</li> <li>(i) bag drop belts;</li> <li>(j) queuing zones;</li> <li>(k) seating and waiting areas associated with the check-in area; and</li> <li>(l) circulation areas directly associated with any of the above functions,</li> </ul> <p>but excludes:</p> <ul style="list-style-type: none"> <li>(i) airline and airport offices, unless used directly by passengers as part of normal processing and</li> </ul>

	<p>services; and</p> <p>(ii) retail concession areas and floor curtilage area of one metre in width at entries and/or exits to retail/concessions and adjacent to shop-front window displays for retail/concessions</p>
<b>Combined terminal facility</b>	<b>means those facilities or parts of a terminal that are utilised by both international and domestic passengers</b>
<b>commencement date</b>	means the date specified in clause 2
<b>Commission</b>	means the Commerce Commission, established by section 8 of the Commerce Act 1986
<b>commissioned project</b>	means projects or programmes of <b>capital expenditure</b> that include total expenditure of more than \$5 million and that are commissioned in the current <b>disclosure year</b>
<b>consumer</b>	has the meaning set out in section 52C of the <b>Act</b>
<b>corporate overheads</b>	<p>means <b>operational expenditure</b> that is incurred predominantly with respect to administration functions, but is not directly incurred in the operation and maintenance of assets necessary for the provision of <b>specified airport services</b>, including expenditure on:</p> <ul style="list-style-type: none"> <li>(a) corporate governance and management;</li> <li>(b) human resources;</li> <li>(c) information technology systems;</li> <li>(d) accounting services;</li> <li>(e) procurement; and</li> <li>(f) legal and risk management</li> </ul>
<b>corporate tax rate</b>	has the meaning given in clause 1.4 of the <b>IM determination</b>
<b>cost allocation adjustment</b>	means the sum of each value of cost allocation adjustment, as that term is defined in clause 3.11 of the <b>IM determination</b>
<b>cost allocator</b>	means a proportion of a quantifiable measure used to allocate <b>operating costs</b> that are <b>costs not directly attributable</b> , as determined in accordance with Part 2 of the <b>IM determination</b>
<b>cost of debt assumption</b>	means the sum of the risk free rate and debt premium estimates as published by the Commission in accordance with Part 5 of the <b>IM determination</b>
<b>cost of financing works under construction</b>	means the cost of finance included in <b>capital expenditure</b> in relation to <b>works under construction</b>
<b>costs not directly attributable</b>	means the value of <b>operating costs</b> that are not <b>directly</b>

	<b>attributable</b> costs for each <b>operating cost category</b> , determined in accordance with Part 2 of the <b>IM determination</b>
<b>coupon rate</b>	is the nominal coupon rate of interest of a <b>qualifying debt</b> on the <b>issue date</b>
<b>CPI</b>	has the meaning given in clause 1.4 of the <b>IM determination</b>
<b>current year tax losses</b>	means <b>net taxable income</b> where the value of <b>net taxable income</b> is negative
<b>Customs</b>	means the New Zealand Customs Service
<b>CY</b>	means current year
<b>departure lounges—floor space</b>	means the overall functional floor space, measured in square metres, of areas occupied by: <ul style="list-style-type: none"> <li>(a) departure gate lounges, including seating waiting areas;</li> <li>(b) airline boarding control counters; and</li> <li>(c) areas occupied by airline staff controlling boarding,</li> </ul> but excluding: <ul style="list-style-type: none"> <li>(d) retail and concession areas and floor curtilage area one metre in width at entries and/or exits to retail/concessions and adjacent to shop-front window displays for retail/concessions; and</li> <li>(e) airport lounges, pay-per-use lounges and facilities such as showers</li> </ul>
<b>departure lounges—number of seats</b>	means the number of <b>passengers</b> that could reasonably be seated on the seating facilities provided for <b>passenger</b> use within the departure lounges floor space
<b>depreciation</b>	means: <ul style="list-style-type: none"> <li>(a) in respect of <b>airport business—GAAP</b> or <b>airport company</b> financial results, depreciation as determined in accordance with <b>GAAP</b>; and</li> <li>(b) in respect of <b>airport business, regulatory depreciation</b></li> </ul>
<b>description of land</b>	means the parcels of land identified in the valuation report prepared for the purposes of clause 3.6 of the <b>IM determination</b>
<b>description of regulatory / GAAP adjustment</b>	means a brief description of the different approach used in preparing the <b>airport</b> performance compared to preparing <b>GAAP</b> compliant financial statements
<b>description of transaction</b>	means a brief description of the transaction with a <b>related party</b> , including the goods or services provided to or by the <b>related party</b>

	as part of that transaction
<b>description of use (land)</b>	means a description of how each parcel of land is used to provide <b>specified airport services</b> sufficiently detailed to allow interested persons to assess the usefulness of the asset in providing <b>specified airport services</b>
<b>description of use (significant assets)</b>	means a description of how <b>significant assets</b> are used to provide <b>specified airport services</b> that is sufficiently detailed to allow interested persons to assess the usefulness of the asset in providing <b>specified airport services</b>
<b>directly attributable</b>	has the meaning given to that term in Part 2 of the <b>IM determination</b>
<b>Director</b>	in respect of a particular company, means a person occupying the position of director of that company by whatever name called
<b>disclosure year</b>	means 12 month period ending on, in the case of- <ul style="list-style-type: none"> <li>(a) Wellington International Airport Limited, 31 March, and</li> <li>(b) all other <b>airport companies</b>, 30 June;</li> </ul>
<b>domestic</b>	means aircraft operations between <b>airports</b> within New Zealand
<b>effect of change</b>	means the difference between the value allocated to the <b>airport</b> using the <b>original allocator or components</b> and the value allocated to the <b>airport</b> using the <b>new allocator or components</b>
<b>entity name</b>	means the legal name of a <b>related party</b>
<b>excluded intangible assets</b>	means, in respect of assets as at the year ended 2009, an intangible asset that is excluded in accordance with clause 3.1(b) of the <b>IM determination</b>
<b>execution cost for an interest rate swap</b>	in respect of a <b>qualifying debt</b> , half the wholesale bid offer spread of an interest rate swap where that interest rate swap was executed within one week of either the <b>pricing date</b> or the <b>issue date</b> .
<b>forecast cost of capital</b>	means the cost of capital used by an <b>airport</b> in determining the <b>airport's</b> total revenue requirement for the purposes of consultation undertaken as part of a <b>price setting event</b>
<b>forecast depreciation</b>	means the forecast depreciation used by an <b>airport</b> in determining the <b>airport's</b> total revenue requirement for the purposes of consultation undertaken as part of a <b>price setting event</b>
<b>forecast for current disclosure year</b>	means the forecast <b>capital expenditure</b> and <b>operational expenditure</b> pertaining to the current <b>disclosure year</b> as disclosed

	in the most recent disclosure made in accordance with clause 9
<b>forecast for period to date</b>	means the accumulated forecast <b>capital expenditure</b> and <b>operational expenditure</b> pertaining to the years from the beginning of the <b>pricing period</b> to the current <b>disclosure year</b> , as disclosed in the most recent disclosure made in accordance with clause 9
<b>forecast operational expenditure</b>	means the forecast <b>operational expenditure</b> used by an <b>airport</b> in determining the <b>airport's</b> total revenue requirement for the purposes of consultation undertaken as part of a <b>price setting event</b>
<b>forecast other income</b>	means the forecast other income used by an <b>airport</b> in determining the <b>airport's</b> total revenue requirement for the purposes of consultation undertaken as part of a <b>price setting event</b>
<b>forecast return on assets employed</b>	means the product of the <b>forecast value of assets employed</b> and the <b>forecast cost of capital</b>
<b>forecast revaluations</b>	means the forecast revaluations used by an <b>airport</b> in determining the <b>airport's</b> total revenue requirement for the purposes of consultation undertaken as part of a <b>price setting event</b>
<b>forecast tax</b>	means forecast tax used by an <b>airport</b> in determining the <b>airport's</b> total revenue requirement for the purposes of consultation undertaken as part of a <b>price setting event</b>
<b>forecast value of assets employed</b>	means the value of assets used by an <b>airport</b> in determining the <b>airport's</b> total revenue requirement for the purposes of consultation undertaken as part of a <b>price setting event</b>
<b>functional components</b>	<p>means, in respect of an <b>airport</b>:</p> <ul style="list-style-type: none"> <li>(a) airfield;</li> <li>(b) apron; and</li> <li>(c) the functional components of the passenger terminal, and</li> </ul> <p>in respect of a passenger terminal:</p> <ul style="list-style-type: none"> <li>(i) landside circulation outbound;</li> <li>(ii) check-in;</li> <li>(iii) passport control outbound;</li> <li>(iv) security screening;</li> <li>(v) airside circulation outbound;</li> <li>(vi) departure lounges;</li> <li>(vii) airside circulation inbound;</li> <li>(viii) passport control inbound;</li> <li>(ix) landside circulation inbound;</li> </ul>

	<ul style="list-style-type: none"> <li>(x) baggage reclaim;</li> <li>(xi) bio-security screening and inspection and <b>Customs</b> secondary inspection;</li> <li>(xii) arrivals concourse;</li> <li>(xiii) outbound baggage sortation system; and</li> <li>(xiv) total terminal functional areas providing passenger facilities and services</li> </ul>
<b>GAAP</b>	means generally accepted accounting practice as defined in section 3 of the Financial Reporting Act 1993
<b>gains / (losses) on asset sales</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) in respect of <b>assets disposed of to a related party</b>, the difference between the <b>market value of assets disposed</b> and the value of the assets included in the <b>RAB value</b>;</li> <li>(b) in respect of assets disposed of to an <b>airport</b>, zero; and</li> <li>(c) in respect of other <b>assets disposed</b>, the difference between the sale price of an asset and the <b>value</b> of the assets included in the <b>RAB value</b></li> </ul>
<b>GST</b>	means any tax required to be paid by an <b>airport</b> in accordance with the Goods and Services Tax Act 1985 as amended from time to time, and any equivalent preceding legislation, or any subsequent legislation that supplements or replaces that Act
<b>highest rate of finance applied</b>	means the highest rate of finance used to determine the <b>cost of financing works under construction</b>
<b>holding cost</b>	has the meaning given in clause 3.12(7)(b) of the <b>IM determination</b>
<b>IM determination</b>	means the <i>Input Methodologies (Specified Airport Services) Determination 2010</i>
<b>inbound</b>	means an aircraft or a <b>passenger</b> onboard an aircraft arriving at an <b>airport</b>
<b>independent auditor</b>	<p>means, in relation to any information that relates to an <b>airport</b>, a person who:</p> <ul style="list-style-type: none"> <li>(a) is qualified for appointment as auditor of a company under the Companies Act 1993 or, where the <b>airport</b> is a public entity (as defined in section 4 of the Public Audit Act 2001), is the Auditor-General;</li> <li>(b) has no relationship with, or interest in, the <b>airport</b> that is likely to involve a conflict of interest;</li> <li>(c) has not assisted with the compilation of the information or provided advice or opinions (other than in relation to</li> </ul>

	<p>audit reports) on the methodologies or processes used in compiling the information; and</p> <p>(d) is not associated with nor directed by any person who has provided any such assistance, advice, or opinion</p>
<b>indexed revaluation</b>	means the product of the <b>RAB value</b> for the previous <b>disclosure year</b> and the <b>revaluation rate</b>
<b>initial cost allocation adjustment</b>	means the decrease in the <b>RAB value</b> as a result of complying with clause 3.2(3) of the <b>IM determination</b>
<b>initial disclosure year</b>	means the <b>disclosure year</b> ending in 2011
<b>initial RAB</b>	has the meaning given in clause 3.1 of the <b>IM determination</b>
<b>initial RAB value</b>	has the meaning given in clause 3.2 of the <b>IM determination</b>
<b>initial value</b>	has the meaning given in clause 3.12(7)(a) of the <b>IM determination</b>
<b>international</b>	means aircraft operations at an <b>airport</b> that began outside New Zealand, or began in New Zealand and is to continue outside New Zealand
<b>interruption</b>	means, in relation to any service provided by an <b>airport</b> , the withdrawal by the <b>airport</b> of the service for 15 minutes or longer, but does not include planned withdrawals, or the withdrawal of runway services necessitated by weather conditions, or withdrawals of any services that are operated and managed by a third party and are not being provided on behalf of, or under contract with, the <b>airport</b>
<b>interruption to baggage reclaim belts</b>	means that the baggage reclaim unit scheduled was not available and no baggage reclaim unit alternative was available for use
<b>interruption to baggage sortation system on departures</b>	means that the baggage sortation system for departing bags was unavailable for more than 15 minutes, irrespective of where the breakdown was within the system
<b>interruption to contact stands</b>	means that a contact stand/airbridge was scheduled and no alternative contact stand/airbridge was provided
<b>interruption to fixed electrical ground power (FEGP) units</b>	means the percentage of time that all fixed electrical ground power units (FEGP) were scheduled for supply to an aircraft but were unavailable due to <b>interruptions</b> , calculated as the sum of the duration of each <b>interruption</b> during the financial year divided by the sum of the scheduled durations of FEGP supply to each aircraft during the financial year
<b>interruption to remote stands and means of</b>	means that a remote stand with bussing operations or walking to or from the terminal was scheduled, but the remote stand and/or means of <b>passengers</b> accessing the terminal was not available and no

<b>embarkation/disembarkation</b>	alternative was provided
<b>interruption to runway services</b>	means that a scheduled aircraft cannot land or depart due to closure of a runway
<b>interruption to taxiway services</b>	means that the taxiway is unusable by scheduled aircraft and there is no alternative path reasonably available
<b>issue date</b>	means the day on which a <b>qualifying debt</b> or <b>non-qualifying debt</b> is issued
<b>justification for change re non-standard depreciation methodology</b>	means an explanation which provides sufficient detail so that interested persons can make their own assessments about the introduction of, or charge to the application of, a <b>non-standard depreciation methodology</b>
<b>key capital expenditure projects</b>	means a projects or programmes of <b>capital expenditure</b> that collectively include expenditure of more than \$5 million in the (or each) 105 year forecast period, the value of which is recognised in respect of the <b>disclosure year</b> in which the expenditure is incurred. For the avoidance of doubt, if there are separate <b>capital expenditure</b> projects that contribute to one output (or a set of broadly overlapping outputs) these projects should be reported as a single programme, together with details of each individual project comprising it
<b>land disposals</b>	means the value of land assets disposed of as determined through clause 3.9 of the <b>IM determination</b>
<b>landside circulation inbound—floor space</b>	means 50% of the overall functional floor space, measured in square metres, of areas providing general circulation to provide common access for both <b>inbound</b> and <b>outbound passengers</b> to and from check-in, security and landside retail/concessions, but excluding retail and concession areas and floor curtilage area of one metre in width at entries and/or exits to retail/concessions and adjacent to shop-front window displays for retail/concessions
<b>landside circulation outbound—floor space</b>	means the overall functional floor space, measured in square metres, of areas providing general circulation to provide segregated access for outbound passengers to and from check-in, security and landside retail/concessions,  and 50% of the overall functional floor space, measured in square metres, of areas providing general circulation to provide common access for inbound and outbound passengers to and from check-in, security and landside retail/concessions,  but excluding retail and concession areas and floor curtilage area of one metre in width at entries and/or exits to retail/concessions and adjacent to shop-front window displays for retail/concessions
<b>lease, rentals and concessions income</b>	means any income received from leases, rentals or concessions

<b>line item</b>	means the list of all <b>assets values</b> or <b>operating costs</b> included within the <b>asset category</b> or <b>operating cost category</b> for which the same <b>asset allocator</b> or <b>cost allocator</b> is used to allocate their <b>asset values</b> or <b>operating costs</b> between <b>airport activities</b>
<b>lost and found assets</b>	means the net value of lost and found assets as determined in accordance with clause 3.10 of the <b>IM determination</b> , where lost assets have a negative value and found assets have a positive value
<b>market value of asset disposals</b>	means the market value of assets disposed of to <b>related parties</b> as determined by an independent valuer
<b>MCTOW</b>	means maximum certificated take-off weight measured in tonnes as contained in the aircraft's Certificate of Registration
<b>merger and acquisition expenses</b>	means expenditure related to merger and acquisition activities irrespective of the outcome of the merger or acquisition, but proportionate to the extent the benefits of the merger or acquisition would relate to the <b>airport</b>
<b>month</b>	means calendar month
<b>MVAU valuation adjustment</b>	means the increase or decrease in the <b>RAB value</b> or <b>works under construction</b> , where an increase is recorded as a positive value and a decrease is recorded as a negative value, as result of complying with the requirement in clause 3.6 of the <b>IM determination</b>
<b>net income</b>	means the revenue of the <b>airport</b> , including gains and/or losses on assets sales and other income  For the avoidance of doubt, the net income for the <b>airport business</b> is the <b>total regulatory income</b>
<b>net operating revenue</b>	means the total of <b>airport activity charges</b> , <b>other operating revenue</b> , and <b>lease rentals and concessions income</b>
<b>net revenue</b>	has the meaning given in clause 3.12(7)(c) of the <b>IM Determination</b>
<b>net taxable income</b>	means either:  (a) <b>regulatory taxable income / (loss)</b> less <b>tax losses used</b> , if <b>regulatory taxable income / (loss)</b> is positive; or  (b) nil, if <b>regulatory taxable income / (loss)</b> is negative
<b>new allocator or components</b>	means:  (a) if a change in the <b>allocator type</b> or <b>cost allocator</b> used, the <b>asset allocator</b> or <b>cost allocator</b> used; or  (b) if a change in <b>line item</b> , the <b>line item</b> included in the <b>asset allocator</b> or <b>cost allocator</b> used

<b>non taxable</b>	means not included in assessable income for income tax purposes in accordance with the Income Tax Act 2007 as amended from time to time, and any equivalent preceding legislation, or any subsequent legislation that supplements or replaces that Act
<b>non-current assets – year ended 2009</b>	means the 2009 disclosed assets as defined in Part 3 of the <b>IM determination</b>
<b>non-indexed revaluations</b>	means the value of revaluations which are not <b>indexed revaluations</b>
<b>non-qualifying debt</b>	means a line of debt, other than trade debt, issued by an <b>airport company</b> that is not a <b>qualifying debt</b>
<b>non-standard depreciation disclosure</b>	has the meaning set out in clause 1.4 of the <b>IM determination</b>
<b>non-standard depreciation methodology</b>	means a description of the depreciation methodology which (i) relates to the making of a <b>non-standard depreciation disclosure</b> and (ii) is applied to in accordance with clause 3.4 of the <b>IM determination</b>
<b>notional debt issue cost readjustment</b>	<p>means in respect of a <b>qualifying debt</b>, the value of q calculated with reference to the following formula:</p> $q = ((1.75\% / a) - 0.35\%) \times b$ <p>where:</p> <p>a = <b>original tenor</b> of the <b>qualifying debt</b></p> <p>b = book value of the <b>qualifying debt</b> at <b>issue date</b></p>
<b>notional deductible interest</b>	has the meaning given to that term in clause 4.1(4) of the <b>IM determination</b>
<b>notional interest tax shield</b>	means the product of <b>notional deductible interest</b> and the <b>corporate tax rate</b> applicable to the current <b>disclosure year</b>
<b>on time departure delay</b>	means that the <b>terminal departure time</b> of a scheduled service has been delayed by more than 15 minutes primarily as a result of unavailability of identified airport activity services or facilities
<b>operating cost category</b>	<p>means one of the categories in the following list which comprises, for the purpose of a proposal, a classification of the types of <b>operating costs</b> that <b>airports</b> make when providing <b>airport activities</b> to <b>consumers</b> and <b>operating cost categories</b> means all of the following categories:</p> <ul style="list-style-type: none"> <li>(a) <b>corporate overheads;</b></li> <li>(b) <b>asset management and airport operations;</b> and</li> <li>(c) <b>asset maintenance</b></li> </ul>
<b>operating costs</b>	has the meaning set out in clause 1.4 of the <b>IM determination</b>

<b>operating surplus / (deficit)</b>	means <b>total regulatory income</b> less <b>operational expenditure</b>
<b>operating surplus / (deficit) before interest depreciation, revaluations and tax</b>	means <b>net income</b> less <b>operational expenditure</b> For the avoidance of doubt, the <b>operating surplus / (deficit) before interest depreciation, revaluations and tax</b> for the <b>airport business</b> is the <b>operating surplus / (deficit)</b>
<b>operational expenditure</b>	means <b>operating costs</b> after applying Part 2 of the <b>IM determination</b>
<b>operational surplus / (deficit) before interest</b>	means the value of <b>q</b> calculated with reference to the following formula: $q = a - b - c - d$ where: a = <b>operational surplus / (deficit) before interest, depreciation, revaluations and tax;</b> b = <b>depreciation;</b> c = <b>total revaluations; and</b> d = <b>tax expense</b> For the avoidance of doubt, operational surplus / (deficit) Before Interest for the <b>airport business</b> is <b>regulatory profit / (loss)</b>
<b>original allocator or components</b>	means: (a) in respect of a change in the <b>cost allocator</b> or <b>allocator type</b> used, the <b>cost allocator</b> or <b>asset allocator</b> used directly prior to the change in allocator; or (b) in respect of a change in <b>line item</b> , the <b>line item</b> included in the <b>cost allocator</b> or <b>asset allocator</b> directly prior to the change in components
<b>original tenor</b>	means the term of a <b>qualifying debt</b> or <b>non-qualifying debt</b> at the <b>issue date</b>
<b>other adjustments to the RAB tax value</b>	means any adjustment to the <b>RAB (tax value)</b> made in accordance with Part 4 of the <b>IM determination</b> other than: (a) <b>tax value of asset additions;</b> (b) <b>tax value of asset disposals;</b> (c) <b>tax value of assets transferred from / (to) unregulated asset base; and</b> (d) <b>tax depreciation</b>
<b>other assets</b>	means assets included in the <b>initial RAB</b> that are not <b>significant assets</b>

<b>other assets commissioned</b>	means <b>assets commissioned</b> that have not been separately disclosed as <b>commissioned projects</b>
<b>other capital expenditure</b>	means aggregate <b>capital expenditure</b> for the <b>disclosure year</b> that has not been separately disclosed as <b>capital expenditure projects</b> or <b>key capital expenditure projects</b>
<b>other excluded assets</b>	means assets as at the year ended 2009 defined as excluded assets in accordance with subparagraphs (b) and (c) of clause 3.1 of the <b>IM determination</b>
<b>other factors</b>	means the value of any factor used to determine the total revenue requirement as required by clause 9.1 other than: <ul style="list-style-type: none"> <li>(a) <b>return on regulated assets;</b></li> <li>(b) <b>forecast operating expenditure;</b></li> <li>(c) <b>forecast depreciation;</b></li> <li>(d) <b>forecast tax;</b></li> <li>(e) <b>forecast revaluations;</b> and</li> <li>(f) <b>forecast other income</b></li> </ul>
<b>other incentives</b>	means the value of any arrangements where an <b>airport</b> agrees with an customer to provide goods or services, whether to the customer or a third party, in consideration for the <b>airport</b> providing <b>specified airport services</b> to the customer  For the avoidance of doubt other incentives excludes <b>pricing incentives</b>
<b>other income</b>	means any income received from the provision of <b>specified airport services</b> that is not captured by <b>total operating revenue</b> , <b>capital contributions</b> or <b>gains / (losses) on asset sales</b> .
<b>other non-standard asset depreciation</b>	means the value of <b>regulatory depreciation</b> relating to non-standard assets determined in accordance with Part 3 of the <b>IM determination</b>
<b>other operating revenue</b>	means revenue earned by an <b>airport business</b> in relation to specific charges relating to an <b>airport activity</b> , which has not been separately disclosed as an <b>airport activity charge</b> or <b>lease, rentals and concessions income</b> . <b>Other operating revenue</b> must not exceed 10% of <b>net operating revenue</b>
<b>other permanent differences — non deductible</b>	means the non deductible non-reversing differences between <b>regulatory profit / (loss) before tax</b> and <b>regulatory taxable income / (loss)</b> calculated for income tax purposes in respect of the <b>airport</b>
<b>other permanent differences—</b>	means the non taxable non-reversing differences between

<b>non taxable</b>	<b>regulatory profit / (loss) before tax</b> and <b>regulatory taxable income / (loss)</b> calculated for income tax purposes in respect of the <b>airport</b>
<b>other related party transactions</b>	means the value of any <b>related party</b> transactions that are not disclosed as <b>related party net operating revenue, operational expenditure, capital expenditure</b> or <b>fair value of asset disposals</b>
<b>other temporary adjustments—current period</b>	means adjustments for temporary differences, as determined in accordance with <b>GAAP</b> which arise in respect of the current <b>disclosure year</b> , excluding <b>depreciation</b>
<b>other temporary adjustments—prior period</b>	means adjustments for temporary differences, as determined in accordance with <b>GAAP</b> , which arise from previous <b>disclosure years</b> , including <b>depreciation</b>
<b>outbound</b>	means an aircraft or a <b>passenger</b> onboard an aircraft departing from an <b>airport</b>
<b>passenger</b>	means a person transported by an operator of a <b>air passenger service</b> , including airline staff on duty travel and passengering crew, excluding crew operating the service and excluding persons that do not pass through the passenger terminal while disembarking or embarking
<b>passenger aircraft landing charge</b>	means any price charged to an operator of a passenger aircraft by an <b>airport</b> for landing that aircraft at that <b>airport</b>
<b>passenger busy hour</b>	<p>in respect of a functional component of a passenger terminal, means the clock hour with the 30th highest ranked number of <b>passengers</b> in the previous <b>disclosure year</b> for that <b>airport</b> in the <b>passenger category</b> that best reflects the <b>passenger</b> usage of the functional component and whose <b>terminal arrival time</b> or <b>terminal departure time</b> fell within the clock hour.</p> <p>For the avoidance of doubt, although the passenger busy hours must be calculated without reference to the number of transit and transfer <b>passengers</b> onboard, disclosed figures for <b>passenger throughput</b> at functional components of the terminal during the busy hour will be adjusted where relevant for the estimated number of transit and transfer <b>passengers</b> arriving or departing during the busy hour</p>
<b>passenger category</b>	<p>means one of the following:</p> <ul style="list-style-type: none"> <li>(a) <b>passengers</b> on <b>outbound international</b> aircraft;</li> <li>(b) <b>passengers</b> on <b>inbound international</b> aircraft;</li> <li>(c) <b>passengers</b> on <b>outbound domestic</b> aircraft;</li> <li>(d) <b>passengers</b> on <b>outbound domestic</b> aircraft that require security screening of <b>passengers</b>;</li> <li>(e) <b>passengers</b> on <b>inbound domestic</b> aircraft;</li> </ul>

	<p>(f) <b>passengers</b> on <b>outbound</b> aircraft (applies only to <b>airports</b> with a functional component that is used as a combined facility by <b>passengers</b> on <b>international</b> and <b>domestic outbound</b> aircraft); or</p> <p>(g) <b>passengers</b> on <b>inbound</b> aircraft (applies only to <b>airports</b> with a functional component that is used as a combined facility by <b>passengers</b> on <b>international</b> and <b>domestic inbound</b> aircraft)</p>
<b>passenger service income</b>	<p>means income derived from any charge payable to an <b>airport</b> for provision of services by that <b>airport</b> related to use of a terminal or terminal facilities</p> <p>For the avoidance of doubt passenger service income includes income derived from any departure fee charged to a <b>passenger</b></p>
<b>passenger survey</b>	means a passenger survey carried out under clause 8.2
<b>passenger throughput</b>	in respect of a functional component of a passenger terminal, means the estimated number of <b>passengers</b> passing through the functional component during the relevant busy hour; and is equal to the number of <b>passengers</b> in the <b>passenger category</b> that best reflects the <b>passenger</b> usage of the functional component during the <b>passenger busy hour</b> for that functional component, and (if <b>transit and transfer passengers</b> normally bypass the functional component or if the functional component is used to process only <b>transit and transfer passengers</b> ) adjusted using an estimate of the number of <b>transit and transfer passengers</b> contained in the <b>passenger category</b>
<b>passport control (inbound)— floor space</b>	means the overall functional floor space, measured in square metres, of areas providing passport control for inbound passengers, including the areas occupied by booths and kiosks, and the <b>Customs</b> staff operating the control point screening, queuing zones and an area up to two metres after the booths and kiosks on the airside of the control point, but excludes <b>Customs</b> and Immigration offices
<b>passport control (outbound)— floor space</b>	means the overall functional floor space, measured in square metres, of areas providing passport control for outbound passengers, including the areas occupied by booths and kiosks, and the <b>Customs</b> staff operating the control point screening, queuing zones and an area up to two metres after the booths and kiosks on the airside of the control point, but excluding <b>Customs</b> and Immigration offices
<b>passport control inbound— notional capacity</b>	means the throughput capacity expressed in passengers per hour based on the number of <b>Customs</b> booths and automated border processing system kiosks and <b>Customs</b> advice regarding the sustainable processing rates for <b>Customs</b> booth and kiosk processing, unless a separate agreement has been reached between the <b>airport</b> and <b>Customs</b> , in which case the agreed maximum rate applies
<b>passport control outbound— notional capacity</b>	means the throughput capacity expressed in passengers per hour, based on the number of <b>Customs</b> booths and automated border

	processing system kiosks and <b>Customs</b> advice regarding the sustainable processing rates for <b>Customs</b> booth and kiosk processing, unless a separate agreement has been reached between the <b>airport</b> and <b>Customs</b> , in which case the agreed maximum rate applies
<b>post-tax WACC</b>	has the meaning given to that term in clause 5.1(2) of the <b>IM determination</b>
<b>previous year</b>	means the <b>disclosure year</b> immediately prior to the current <b>disclosure year</b> , and <b>previous years</b> has an associated meaning
<b>price setting event</b>	means the fixing or altering of price by an <b>airport</b> in respect of a <b>specified airport service</b> , pursuant to sections 4A and 4B of the Airport Authorities Act 1966 excluding where the price is: (a) subject to adjustment as a result of a wash-up; (b) reset or adjusted annually, including without further consultation; or (c) subject to separate negotiation for inclusion in the terms of a lease or licence; or (d) not required to be consulted on by virtue of section 4B(3) of the Airport Authorities Act 1966. A price setting event is deemed to occur on the date that a new price comes into effect
<b>pricing date</b>	is the day on which a <b>qualifying debt</b> is priced
<b>pricing incentives</b>	means the value of incentives provided to customers by an <b>airport</b> that have the effect of lowering the price paid for <b>specified airport services</b> including discounts, rebates, credits or reimbursements
<b>pricing methodology</b>	means the methodology or methodologies used by an <b>airport</b> to set <b>standard prices</b> , including all material assumptions, pricing principles, models, estimates, calculations and processes used as part of a <b>price setting event</b>
<b>pricing period</b>	means: (a) the disclosure years between two consecutive <b>price setting events</b> , inclusive of the years in which the price setting events occur; or (b) where a <b>price setting event</b> is not followed by another <b>price setting event</b> , a period of 5 consecutive years starting with a <b>pricing period starting year</b>
<b>pricing period starting year</b>	the first <b>disclosure year</b> of a <b>pricing period</b>
<b>property plant and equipment (excluding works under</b>	means:

<b>construction)</b>	<ul style="list-style-type: none"> <li>(a) in respect of an <b>airport</b>, the <b>RAB value</b>;</li> <li>(b) in respect of <b>airport business—GAAP</b>, the <b>RAB value</b> determined in accordance with <b>GAAP</b> but excluding <b>works under construction</b>; and</li> <li>(c) for <b>airport company—GAAP</b>, the value of property plant and equipment of the <b>airport company</b> determined in accordance with <b>GAAP</b>, but excluding <b>works under construction</b></li> </ul>
<b>proportionate regulatory value</b>	means the proportion of the total value of any asset that is equivalent to the proportion of the <b>disclosure year</b> that the assets are used by the <b>airport</b>
<b>publicly disclose</b>	<p>in relation to any information, means to:</p> <ul style="list-style-type: none"> <li>(a) disclose the information to the public on the Internet at the <b>airport’s</b> usual publicly accessible website;</li> <li>(b) make copies of the information available for inspection by any person during ordinary office hours, at the principal office of the <b>airport</b> making the public disclosure;</li> <li>(c) give notice in the <i>Gazette</i> of: <ul style="list-style-type: none"> <li>(i) that disclosure; and</li> <li>(ii) the uniform resource locator of the Internet site where the information disclosed can be found; and</li> <li>(iii) where hard copies of the information disclosed may be inspected or obtained; and</li> </ul> </li> <li>(d) within 10 <b>working days</b> of being requested to do so by any person, provide that person with a copy of the information, either by post or for collection (during ordinary office hours) from that principal office, whichever the person prefers; and</li> <li>(e) within 5 <b>working days</b> after the information is disclosed to the public, provide a copy of the information to the <b>Commission</b> in the form that it is disclosed to the public and in an electronic format that is compatible with Microsoft Excel or Microsoft Word (as the case may be),</li> </ul> <p>and <b>public disclosure</b> and <b>publicly disclosing</b> have corresponding meanings</p>
<b>qualifying debt</b>	means a line of debt, issued by an <b>airport company</b> with an <b>original tenor</b> greater than five years.
<b>RAB</b>	means regulatory asset base

<p><b>RAB (tax value)</b></p>	<p>means the value of q calculated with reference to the following formula:</p> $q = a + b - c +/- d - e +/- e +/- f$ <p>where:</p> <ul style="list-style-type: none"> <li>a = <b>RAB (tax value)</b> for the <b>previous disclosure year</b>;</li> <li>b = <b>tax value of asset additions</b>;</li> <li>c = <b>tax value of asset disposals</b>;</li> <li>d = <b>tax value of assets transferred from / (to) unregulated asset base</b>;</li> <li>e = <b>tax depreciation</b>; and</li> <li>f = <b>other adjustments to the RAB tax value</b>,</li> </ul> <p>and where:</p> <ul style="list-style-type: none"> <li>(a) in the <b>initial disclosure year</b> the <b>RAB (tax value)</b> for the previous <b>disclosure year</b> will be the tax value of assets included in the RAB as at the beginning of the <b>initial disclosure year</b>, to the extent the asset is allocated to the RAB under Part 2 of the <b>IM determination</b>; and</li> <li>(b) the <b>RAB (tax value)</b> for the previous <b>disclosure year</b> in the <b>initial disclosure year</b> will not be greater than the <b>RAB value</b></li> </ul>
<p><b>RAB investment</b></p>	<p>means the value of q calculated with reference to the following formula:</p> $q = a + b + c - d$ <p>where:</p> <ul style="list-style-type: none"> <li>a = <b>commissioned projects</b>;</li> <li>b = <b>other assets commissioned</b>;</li> <li>c = <b>adjustment for merger, acquisition or sale activity</b></li> <li>d = <b>asset disposals</b></li> </ul>
<p><b>RAB proportionate investment</b></p>	<p>means the value of q calculated with reference to the following formula:</p> $q = a + b + c - d$ <p>where:</p> <ul style="list-style-type: none"> <li>a = the sum of the <b>proportionate regulatory value</b> of <b>commissioned projects</b>;</li> <li>b = the <b>proportionate regulatory value</b> of <b>other assets commissioned</b>;</li> <li>c = the <b>proportionate regulatory value</b> of <b>adjustments</b></li> </ul>

	<p><b>for merger, acquisitions or sale activity; and</b></p> <p>d = the <b>proportionate regulatory value</b> of <b>asset disposals</b></p>
<b>RAB value</b>	<p>means the value of q calculated with reference to the following formula:</p> $q = a + b + c - d - e + f + g$ <p>where:</p> <p>a = <b>RAB value</b> for the previous <b>disclosure year</b>;</p> <p>b = <b>asset commissioned</b>;</p> <p>c = <b>revaluations</b>;</p> <p>d = <b>regulatory depreciation</b>;</p> <p>e = <b>asset disposals</b>;</p> <p>f = <b>lost and found assets adjustments</b></p> <p>g = <b>cost allocation adjustments</b>; and</p> <p>in the <b>initial disclosure year</b>, the <b>RAB value</b> for the previous <b>disclosure year</b> is the <b>RAB value</b> for the year ended 2010 as disclosed in accordance with clause 15.1</p>
<b>rates and levy costs</b>	<p>means:</p> <p>(a) rates on assets used in the provision of <b>specified airport services</b> paid or payable by an <b>airport</b> to a territorial local authority under the:</p> <p>(i) Ratings Powers Act 1988; or</p> <p>(ii) Local Government (Rating) Act 2002; and</p> <p>(b) levies payable under section 53ZE of the <b>Act</b></p>
<b>rationale</b>	<p>means a description of the criteria applied and/or the fundamental reasons used for selecting and/or determining each <b>asset allocator</b> and associated asset <b>allocator</b> and for selecting and/or determining each <b>cost allocator</b> and associated cost <b>allocator</b> as determined in accordance with Part 2 of the <b>IM determination</b></p>
<b>record</b>	<p>has the meaning given to that term in section 4 of the Public Records Act 2005</p>
<b>regulated supplier</b>	<p>has the meaning given to that term in clause 1.4 of the <b>IM determination</b></p>
<b>regulatory / GAAP adjustments</b>	<p>means the difference between the financial performance of the <b>airport business</b> and the <b>airport business—GAAP</b></p>
<b>regulatory depreciation</b>	<p>means depreciation as determined in accordance with Part 3 of the <b>IM determination</b></p>

<b>regulatory investment value or RIV</b>	means the sum of the <b>RAB value</b> for the previous <b>disclosure year</b> and the <b>RAB proportionate investment</b>
<b>regulatory profit / (loss)</b>	means the <b>regulatory profit / (loss) before tax</b> less the <b>regulatory tax allowance</b> and the <b>allowance for long term credit spread</b>
<b>regulatory profit / (loss) before tax &amp; allowance for long term credit spread</b>	means the value of q calculated with reference to the following formula: $q = a - b + c$ where: a = <b>operating surplus / (deficit)</b> ; b = <b>regulatory depreciation</b> ; and c = <b>revaluations</b>
<b>regulatory tax allowance</b>	means the product of the <b>corporate tax rate</b> and <b>net taxable income</b> , where <b>net taxable income</b> is greater than zero
<b>regulatory taxable income / (loss)</b>	means the value of q calculated with reference to the following formula: $q = a + b + c + d - e - f - g - h - i - j$ where: a = <b>regulatory profit / (loss) before tax</b> ; b = <b>regulatory depreciation</b> ; c = <b>other permanent differences—not deductible</b> ; d = <b>other temporary adjustments—current period</b> ; e = <b>revaluations</b> ; <del>f = <b>non-taxable capital contributions</b>;</del> f = <b>tax depreciation</b> ; g = <b>notional deductible interest</b> ; h = <b>other permanent differences—non taxable</b> ; and i = <b>other temporary adjustments—prior period</b>
<b>related party</b>	has the meaning given to that term in Part 3 of the <b>IM determination</b>
<b>related party relationship</b>	means a brief description of the relationship between a related party and an <b>airport</b>
<b>revaluation rate</b>	means the value of q calculated with reference to the following formula: $q = \frac{a}{1} - 1$

	<p>b</p> <p>where:</p> <p>a = means <b>CPI</b> for the quarter which coincides with the end of the <b>disclosure year</b>; and</p> <p><b>b</b> = means <b>CPI</b> for the quarter which coincides with the end of the preceding <b>disclosure year</b>.</p> <p>In the <b>initial disclosure year</b>, the <b>revaluation rate</b> is <b>0</b> nil.</p>
<b>ROI—comparable to a post-tax WACC</b>	<p>means the value of q calculated with reference to the following formula:</p> $q = \frac{a}{b} \times 100$ <p>where:</p> <p>a = <b>adjusted regulatory profit</b>; and</p> <p>b = <b>regulatory investment value</b></p>
<b>ROI—comparable to a vanilla WACC</b>	<p>means the value of q calculated with reference to the following formula:</p> $q = \frac{a}{b} \times 100$ <p>where:</p> <p>a = <b>regulatory profit / (loss)</b>; and</p> <p>b = <b>regulatory investment value</b></p>
<b>runway arrival time</b>	means the time recorded by air traffic controllers when an arriving aircraft touches down on the runway
<b>runway busy day</b>	in respect of an <b>airport</b> , means the calendar day during the previous <b>disclosure year</b> with the 18th highest number of daily aircraft movements for that <b>airport</b>
<b>runway busy hour</b>	in respect of an <b>airport</b> , means the clock hour during the previous <b>disclosure year</b> with the 30th highest number of hourly aircraft movements for that <b>airport</b>
<b>runway departure time</b>	means the time recorded by air traffic controllers when a departing aircraft lifts off the runway
<b>scheduled</b>	<p><b>Means:</b></p> <p>(a) <u>for runway and taxiway services that an aircraft was scheduled to arrive or depart, and arrived or departed within 15 minutes of that scheduled time</u></p>

	(b) <u>for other services that a specific airport facility was made available within 15 minutes of the expected time</u>
<b>security screening—floor space</b>	means the overall functional floor space, measured in square metres, of areas providing security screening services for passengers, including the areas occupied by screening equipment and benches, and the staff operating the screening, queuing zones and an area up to two metres after the benches on the airside of the screening zone, but excludes aviation security offices
<b>security screening—notional capacity</b>	means realistic hourly throughput capacity expressed in passengers per hour, based on the number of screening stations and the sustainable processing rate advised by the <b>Aviation Security Service</b> , and determined in respect of both <ul style="list-style-type: none"> <li>(a) security screening facilities other than those that cater for international transit and transfer passengers; and</li> <li>(b) security screening facilities that cater for international transit and transfer passengers</li> </ul>
<b>significant assets</b>	means an <b>airport's</b> largest assets, as measured by its <b>initial RAB</b> value, cumulatively comprising at least 80 percent of the total value of non-land assets in the <b>initial RAB</b> . <u>The list of significant assets should separately disclose assets that are not included in the asset base used for consultation under section 4B of the Airport Authorities Act 1966.</u>
<b>specified airport services</b>	has the meaning given to that term in section 56A of the <b>Act</b>
<b>specified passenger terminal activities</b>	has the meaning given to that term in section 2 of the Airport Authority Act 1966
<b>standard price</b>	means the headline price set by an <b>airport</b> for the provision of one or more <b>specified airport services</b> to airline customers or <b>passengers</b> , including where applicable as the result of a <b>price setting event</b>
<b>summary of change</b>	means a summary of the change in depreciation approach including: <ul style="list-style-type: none"> <li>(a) in respect of a change in <b>asset life</b>, the previous asset life and the current <b>asset life</b>; and</li> <li>(b) in respect of a change in methodology, the previous methodology and the current methodology</li> </ul>
<b>tax depreciation</b>	means depreciation determined in accordance with clause 4.1(3)(b) of the <b>IM determination</b>
<b>tax expense</b>	means: <ul style="list-style-type: none"> <li>(a) in respect of <b>airport business—GAAP</b> or <b>airport</b></li> </ul>

	<p><b>company</b> financial results, tax as determined in accordance with <b>GAAP</b>;</p> <p>(b) in respect of an <b>airport business</b>, the <b>regulatory tax allowance</b></p>
<b>tax losses (regulated business)</b>	<p>means the value of q calculated with reference to the following formula:</p> $q = a + b - c$ <p>where:</p> <p>a = <b>tax losses (regulated business)</b> for the previous <b>disclosure year</b>;</p> <p>b = <b>current year tax losses</b>; and</p> <p>c = <b>tax losses used</b>,</p> <p>and where in the <b>initial disclosure year</b>, <b>tax losses (regulated business)</b> for the previous <b>disclosure year</b> is zero</p>
<b>tax losses used</b>	means the lesser of <b>tax losses (regulated business)</b> for the previous <b>disclosure year</b> and the <b>regulatory taxable income</b>
<b>tax value of asset additions</b>	means the tax value of <b>assets commissioned</b>
<b>tax value of asset disposals</b>	means the tax value of <b>asset disposals</b>
<b>tax value of assets transferred from/(to) unregulated asset base</b>	<p>means the tax book value of assets that are transferred either to or from (as the case may be) the <b>airport business</b>, where:</p> <p>(a) a transfer to the <b>airport business</b> is positive; and</p> <p>(b) a transfer from the <b>airport business</b> is negative</p>
<b>term credit spread difference</b>	<p>means, in respect of a <b>qualifying debt</b>, the value of q calculated with reference to the following formula:</p> $q = ((a - b) - (c - d)) \times e$ <p>where:</p> <p>a = <b>unweighted market bid yield equal to the original tenor</b></p> <p>b = is the swap rate with a tenor equal to the <b>original tenor</b> at the <b>pricing date</b></p> <p>c = <b>unweighted market bid yield of five year debt</b></p> <p>d = the swap rate with a tenor of five years at the <b>pricing date</b> of the <b>qualifying debt</b></p> <p>e = <b>book value</b> of the <b>qualifying debt</b> at <b>issue date</b></p>
<b>terminal arrival time</b>	means the “on-blocks” time recorded by the airline when an aircraft arrives and stops at its allocated aircraft parking stand

<b>terminal departure time</b>	means the “off-blocks” time recorded by the airline when an aircraft starts to move off its allocated aircraft parking stand for departure, provided that if an aircraft has to return to a parking stand for any reason, then the terminal departure time shall be the time the aircraft finally leaves the parking stand
<b>total directly attributable</b>	means the sum of all <b>directly attributable operating costs</b> or <b>directly attributable asset values</b>
<b>total incentives</b>	means the sum of <b>pricing incentives</b> and <b>other incentives</b>
<b>total not directly attributable</b>	means the sum of all <b>operating costs</b> not <b>directly attributable</b> or <b>asset values not directly attributable</b> ;  For the avoidance of doubt, the sum of <b>total directly attributable</b> is the total <b>operating costs</b> or <b>asset values</b> (whichever is applicable)
<b>total number of domestic passengers</b>	means the sum of the number of <b>inbound domestic passengers</b> and the number of <b>outbound domestic passengers</b> during a specified period of time
<b>total number of international passengers</b>	means the sum of the number of <b>inbound international passengers</b> and the number of <b>outbound international passengers</b> , <b>less</b> plus the estimated number of <b>international transit and transfer passengers</b> during a specified period of time
<b>total passenger terminal functional areas providing passenger facilities and service—floor space</b>	means the aggregate of: <ul style="list-style-type: none"> <li>(a) <b>landside circulation outbound—floor space</b>;</li> <li>(b) <b>check-in—floor space</b>;</li> <li>(c) <b>passport control outbound—floor space</b>;</li> <li>(d) <b>security screening—floor space</b>;</li> <li>(e) <b>airside circulation outbound—floor space</b>;</li> <li>(f) <b>departure lounges—floor space</b>;</li> <li>(g) <b>airside circulation inbound—floor space</b>;</li> <li>(h) <b>passport control inbound—floor space</b>;</li> <li>(i) <b>landside circulation inbound—floor space</b>;</li> <li>(j) <b>baggage reclaim—floor space</b>;</li> <li>(k) <b>bio-security screening and inspection and Customs secondary inspection—floor space</b>;</li> <li>(l) <b>arrivals concourse—floor space</b>; and</li> <li>(m) the floor space, measured in square metres, of areas providing general facilities for passengers, including: <ul style="list-style-type: none"> <li>(i) toilets;</li> </ul> </li> </ul>

	<p>(ii) help desks;</p> <p>(iii) information desks;</p> <p>(iv) telephone and internet facilities,</p> <p>but excluding plant/service areas and cleaners' rooms.</p> <p>For the avoidance of doubt, <b>total passenger terminal functional areas providing passenger facilities and service—floor space</b> does not include the floor space of the outbound baggage sortation system.</p>
<b>total regulatory income</b>	<p>means the sum of:</p> <p>(a) <b>net operating revenue;</b></p> <p>(b) <del>capital contributions;</del></p> <p>(c) <b>gains / (losses) on asset sales;</b> and</p> <p>(d) <b>other income</b></p>
<b>total revaluations</b>	means the sum of <b>indexed revaluations</b> and <b>non-indexed revaluations</b>
<del><b>tracking revaluations</b></del>	<del>has the meaning set out in clause 3.12(7)(d) of the <b>IM determination</b></del>
<b>transfer to capital expenditure</b>	means the value of land <b>or non land assets</b> held for future use transferred to <b>works under construction</b> as determined in accordance with clause 3.12 of the <b>IM determination</b>
<b>transit and transfer passenger</b>	<p>in respect of <b>domestic passengers</b>, means any <b>passenger</b> departing on a domestic flight, who arrived at the <b>airport</b> on a domestic flight and was through-checked onto an outward domestic flight such that he or she was not required to reclaim any baggage or check in again at the airport; and</p> <p>in respect of <b>international passengers</b>, means any <b>passenger</b> departing on an international flight, who arrived at the <b>airport</b> on an international flight and was not required to pass through passport control outbound</p>
<b>unregulated business units—GAAP</b>	means the difference between the <b>airport company—GAAP</b> and the <b>airport business—GAAP</b>
<b>unregulated services</b>	means the costs incurred or assets used, wholly or partially, during a <b>disclosure year</b> by business units of an <b>airport company</b> that are not involved in the provision of <b>specified airport services</b> , expressed as a proportion of <b>operating costs</b> or <b>asset values</b> (as the case may be) of the relevant <b>airport company</b>
<b>unweighted market bid yield equal to the original tenor</b>	means the unweighted average of the interpolated wholesale market bid yield to maturity of publicly traded <b>vanilla NZ\$ denominated bonds</b> , with a remaining tenor equal to the

	<p><b>original tenor</b> of the <b>qualifying debt</b> and a Standard &amp; Poor's credit rating of A- or an equivalent rating from another rating agency, for each <b>business day</b> in the month preceding the <b>issue date</b> of the <b>qualifying debt</b>.</p> <p>This value is to be determined as closely as reasonably possible to the approach outlined in clause 5.4(1) of the <b>IM determination</b> except that references to five years shall be read as references to a period of time equal to the remaining tenure of the <b>qualifying debt</b></p>
<b>unweighted market bid yield of five year debt</b>	<p>means the unweighted average of the interpolated wholesale market bid yield to maturity of publicly traded <b>vanilla NZ\$ denominated bonds</b>, with a remaining tenor of five years and a Standard &amp; Poor's credit rating of A- or an equivalent rating from another rating agency, for each <b>business day</b> in the month preceding the start of the <b>disclosure year</b>.</p> <p>This value is to be determined as closely as reasonably possible to the approach outlined in clause 5.4(1) of the <b>IM determination</b> except that references to five years shall be read as references to a period of time equal to the remaining tenure of the <b>qualifying debt</b></p>
<b>value</b>	<p>means the recorded value of similar <b>related party</b> transactions in respect of each <b>related party</b> during a <b>disclosure year</b></p> <p>For the avoidance of doubt, <b>capital expenditure</b> and <b>asset disposal</b> transactions require the separate disclosure of the value of each transaction</p>
<b>vanilla NZ\$ denominated nominal bonds</b>	has the meaning set out in clause 1.4 of the <b>IM determination</b>
<b>vanilla WACC</b>	has the meaning given to that term in clause 5.1(1) of the <b>IM determination</b>
<b>wash-up</b>	means an annual adjustment to prices reflecting <b>variations between actual use forecast assumptions</b> and actual <b>costs outcomes</b> incurred for the current financial year <b>as may be agreed between airports and airlines</b>
<b>working day</b>	has the meaning given to that term in section 2 of the <b>Act</b>
<b>works under construction</b>	<p>means:</p> <p>(a) for the purpose of Schedule 5, the value of q calculated with reference to the following formula:</p> $q = a + b - c$ <p>where:</p> <p>a = <b>works under construction</b> for the</p>

	<p style="text-align: center;"><b>previous disclosure year;</b></p> <p>b = <b>capital expenditure;</b> and</p> <p>c = <b>assets commissioned;</b></p> <p>(b) for the purpose of Schedule 26, the value of those assets or collections of assets which are <b>works under construction</b> as determined by Part 3 of the <b>IM determination</b></p>
<p><b>works under construction adjusted – year ended 2009</b></p>	<p>means <b>works under construction</b> as of the year ended 2009 plus (or minus) an <b>MVAU valuation adjustment</b> for the those <b>works under construction</b></p>