

CHRISTCHURCH INTERNATIONAL AIRPORT LIMITED

Cost of Service

1996/97 BUDGET		1997/98 BUDGET	
\$		\$	
(46,905,000)	Revenue	(46,582,000)	
17,752,000	Maintenance and Operating Costs	17,977,000	
3,859,000	Financing and Interest Costs	5,277,000	
4,705,000	Depreciation	8,039,000	
26,316,000	Total Expenditure	31,293,000	
(20,589,000)	Net Profit Before Taxation	(15,289,000)	

Net Operating Surplus Before Income Tax

Projected Operating Surplus Before Taxation 1998/99	(14,527,000)
Projected Operating Surplus Before Taxation 1999/00	(15,956,000)

Capital Expenditure

Projected Capital Expenditure 1997/98	41,246,656
Projected Capital Expenditure 1998/99	33,295,000
Projected Capital Expenditure 1999/00	23,100,000

Capital expenditure includes an expansion to the existing international terminal building commenced at an estimated total cost of \$80M.

Scope and Resources Employed

- Operating Christchurch International Airport for commercial and non-commercial aviation users in accordance with its aerodrome licence.
- Providing appropriate airport landside facilities including runways, taxiways, turnouts and aprons in co-operation with the Airways Corporation and other airport users and in accordance with actual and forecast market demand.
- Generating non-aeronautical revenue by providing for associated services and facilities meeting the needs of air travellers.
- Promoting Christchurch International Airport as a major destination for international air services, thereby attracting additional in-bound and out-bound flights.

The Company is responsible for 750 hectares of land providing aerodrome facilities for over 36,000 aircraft departures involving over 3.8 million passengers and 30,000 tonnes of international freight. It provides a mixture of commercial and industrial buildings to satisfy the accommodation requirements of airport users.

Relationship to the Council

Christchurch International Airport Limited is a private company jointly owned by Christchurch City Holdings Limited (75%) and the Crown (25%). The Christchurch City Council exercises influence on the Company through the negotiation of an annual Statement of Corporate Intent.

The Council's interest in the Company is in accordance with its Strategic Objectives: C10 and D8 (see pages 23-29).

Overall Objective

1. Ensure economic benefits for Christchurch by providing the tourist, business traveller and airfreight gateway to the South Island and Antarctica through operating Christchurch International Airport as a successful business at internationally competitive standards of quality, efficiency and profitability.

Objectives for 1997/98

2. Achieve through service provision and promotion targeted aircraft, passenger and international airfreight movements.
3. Maintain acceptable safety standards.
4. Achieve projected dividend payments.

Performance Indicators

- 1.1 Record at least 36,000 aircraft departures, 3.8 million passenger movements and 30,000 tonnes of international airfreight.
- 2.1 100% compliance with the standards and conditions laid down in the aerodrome licence issued by the Civil Aviation Authority.
- 3.1 Subject to Directors recommendation, a dividend payment of 58% of after tax surplus amounting to \$6.0M (CCC 75% share equals \$4.5M).

Sources of Funding

