

# Our PLACE IN THE WORLD

ANNUAL REVIEW 2023

REBUILDING  
OUR NETWORK

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TERMINAL  
COMES BACK  
TO LIFE

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CHRISTCHURCH  
AIRPORT 

*Our*  
**PLACE**  
**IN THE WORLD**  
ANNUAL REVIEW 2023



# Explore OUR PLACE

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# CHAIR & CHIEF EXECUTIVE'S Report



The start of financial year 2023 (FY23) signalled the move to a post-pandemic environment for New Zealand. For us, it represented the true commencement of our aviation restart, following the challenges of FY22 which proved to be the toughest year of the pandemic.

In contrast, FY23 has been stronger than forecast, delivering a net surplus after tax (including underlying operating profit and revaluations of investment property) of \$36.8m for the year as compared to \$59.5m in FY22. As noted in the table below, underlying operating surplus after tax was also positive at \$30.6m<sup>1</sup> compared to \$3.2m for FY22. This was \$4.8m ahead of original budget. This has resulted in the Board declaring a total annual dividend of \$27.6m for the year to June 2023 - \$14.5m having already been paid to shareholders in February, and a final dividend of \$13.1m to be paid following the Annual General Meeting in October.

<sup>1</sup> Reconciliation of net profit after tax to underlying operating profit after tax

(000S)	30 JUNE 2023	30 JUNE 2022
Net profit After Tax	36,844	59,528
(Less):( Gain) on disposal of assets	(26)	-
Add/(Less): Fair Value Loss (Gain) on Investment Properties	4,470	(48,387)
Add/(Less): Impairment (Reversal) of Property, Plant & Equipment	-	(4,348)
(Less): Non-cash lease accounting revenue adjustment	(1,341)	-
Add/(Less): Associated Deferred Tax Effects on Investment Property Fair Value Movements/Impairment/Non-cash lease revenue	(9,310)	(3,639)
<b>Underlying operating profit after tax</b>	<b>30,637</b>	<b>3,154</b>

Our strong restart and performance has been underpinned by the diversification of our business (specifically our property portfolio), the embedded resilience within our team, our intergenerational thinking, and our stakeholder equity philosophy (customers, team, shareholders and planet). As we look to the future and execute our Horizons 2030 strategy, we are clear on our purpose and positive about the role we can play in delivering real stakeholder value for Ōtautahi Christchurch and Te Waipounamu South Island.

## FY23 RECAP

Through calendar year 2022, Aotearoa New Zealand began moving out of the Covid protection framework and into living with Covid. Border restrictions began dropping away, and by July international travel began its restart with Tasman and Pacific Island services being the first to return to Christchurch Airport.

The key feature through FY23 has been supply side challenges in aviation. The industry was able to quickly scale down at the onset of the pandemic, however scaling back up has proved challenging. The whole system has struggled to re-hire and train enough people to meet demand, along with challenges scaling back up aircraft fleet following a period where airlines significantly downscaled. The impact of this has been demand outstripping supply and the whole system has been under pressure to cope with the restart.

Despite capacity constraints, strong demand has led to our passenger numbers exceeding our original forecasts. Full year passenger numbers were 82.5% of pre-Covid levels (domestic 90.2% and international 60.0%), improving consistently through the year, with June reaching 96.8% for domestic and 79.2% for international.

The return of passenger activity has brought the terminal back to life, including the restart of a number of retail outlets that were in hibernation, the reopening of the Novotel Christchurch Airport, and the addition of new food and beverage offerings.

On the wider campus, our property portfolio, which provided us with financial resilience over the pandemic, continues to perform strongly. Our investment property portfolio has grown to occupy 21.6 hectares of building space with lease occupancy sitting at 99.8%. The total contracted property rent roll has grown a further \$3.5m (7.8%) during FY23. Along with our continued property development programme in FY23, we also acquired additional land for operational resilience and future development.

## STAKEHOLDER EQUITY

Balancing stakeholder equity remains central to our approach and has been a cornerstone philosophy of our team in both managing through and restarting out of the pandemic.

## OUR TEAM

Preserving the employment of our core staff enabled us to have the capability and capacity to resource the restart. It also enabled us to manage not only the day to day, but also continue to work on our future, advancing our world leading position in sustainability and working on intergenerational projects such as Kōwhai Park and our new airport project in Central Otago.

Through having to deal with a number of critical events since 2010, our team has an embedded resilience that enables members to deal with virtually anything that's thrown at them. Whether it's the innovative thinking in establishing the "red" quarantine pathway to handle arriving MIQ passengers, which created an environment that removed our staff from risk of contact, to handling an additional eleven diverted aircraft and 2,000 stranded passengers after the Auckland rain events in February.

Our people are at the heart of everything we do and we couldn't be more proud of their resilience, dedication and contribution over the year.

A key focus for the year has been on employee wellbeing, leadership and building an inclusive team that embraces and reflects diversity and inclusion in all its forms. A core part of this is building cultural competence to embed Mātauranga Māori, Te Aō Māori, Tikanga Māori and Te Reo in ways appropriate for our people, iwi, business and visitors.

## CUSTOMERS

Being the largest centre of employment in the South Island, our campus is home to around 250 businesses. Each of these businesses have been impacted differently over the past year, with many having to navigate the ups and downs in their business. FY23 saw us continuing to work closely with our tenants right across the campus, to help support them and ensure they were able to capitalise on the restart. All up, we have provided over \$50m in customer support over the period of the pandemic.

The reopening of the borders and removal of the protection framework has seen airline activity significantly increase. It's been great to see the scaling up of our airline partners to meet demand (Air New Zealand, Qantas, Jetstar, Sounds Air, Air Chathams) and the return of a number of airlines and routes that had been paused (Emirates, China Southern Airlines, Cathay Pacific). Our team has worked closely with our airline partners to help support their activity at Christchurch. We are proud of the partnership approach we take, which sees us working with airlines, travel trade, tourism promotion agencies and the freight industry to ensure planes are full and routes are sustainable over the long term. This partnership approach played an important role in securing United Airlines announcing the commencement of a new direct service between San Francisco and Christchurch, starting in December. This is a great vote of confidence for Christchurch and will enable passengers and freight to fly directly into and out of the South Island.

It's exciting to see Christchurch being reborn as a world-class destination. New infrastructure and amenities such as Te Pae, Lyttleton Cruise berth and the Riverside Market, coupled with a world-class events schedule, now enable Christchurch to appeal to a much wider visitor market than it has been able to since 2010. In May, the city hosted New Zealand's biggest tourism event, TRENZ, which saw more than 1500 international travel trade representatives come to Christchurch and experience all our city now has to offer. Off the back of this, we signed a \$2.5m partnership agreement with Tourism New Zealand to promote Christchurch as a destination, and will be working alongside ChristchurchNZ to activate this. The next three to five years stand to see Christchurch grow above trend as it attracts new market segments. For us, supporting this and growing our engine room of Christchurch is our number one focus.

Freight activity continued its strong growth during FY23, primarily in e-commerce driven parcel freight. This has resulted in the growth of freighter aircraft at our Dakota Park air freight precinct including the arrival of Texel Air, a new airline to Australasia, and Tasman Cargo flying for DHL, connecting Christchurch with Auckland, Sydney and Melbourne airports.

Demand for general freight capacity was also strong and financially supported via the government support programme, which we played a key role in establishing with the Ministry of Transport. This programme ended at the end of March, but enabled long haul freight operations by the likes of China Airlines carrying Central Otago's cherry crop to Asia.

## SHAREHOLDERS

The lessons learnt over the past 10 years continue to sharpen our focus on how we create shareholder value and manage risk. This is well understood from the board and leadership and, coupled with a well-defined purpose and mission, creates a strong focus for the organisation.

The re-engineering of our business over the past 10 years, especially the diversification of our property portfolio and our prudent treasury policy (we maintain 5% of our maximum gearing to insulate against possible volatility) meant we were able to manage the financial impacts of the pandemic. We did not have to seek additional funding from our shareholders, nor take on more debt, meaning our balance sheet has remained strong and we have remained profitable.

Being ready to restart quickly has meant our financial performance has been stronger than forecast and we are pleased to be able to deliver a full year dividend of \$27.6m, which is \$4.4m more than forecast in our FY23 Statement of Intent. We continue to maintain our dividend policy of paying out 90% of underlying operating surplus after tax.

## THE PLANET

Despite the ongoing disruptions of the pandemic, we didn't take our foot off the accelerator on our kaitiaki focus, managing to keep moving forward in our contribution to the challenges of climate change. Having reached the highest industry standard of accreditation (ACI Level 4) our focus in FY23 shifted to how we help others to decarbonise, and how we ensure we have a resilient and fit for purpose energy supply into the future.

We recognise aviation has to decarbonise and although we don't know ultimately what this will look like in terms of alternative energy sources, what is certain is that it will need a significant amount of renewable energy to enable the transition. We are committed to leaning into this future and being part of the solution rather than the problem.

In February, after a comprehensive process, we announced the selection of Contact energy and Lightsource bp as our preferred development partners for Kōwhai Park - our 300 ha solar development on the west side of the main runway. The solar park, which will be the largest in New Zealand, represents phase one of our renewable energy aspirations and will produce 150 MW of energy per year - enough to power at least 30,000 homes. Importantly the development brings a large supply of renewable energy to our doorstep, which will create resilience and help power the future of aviation and other energy intensive opportunities.

The announcement was followed shortly by the launch of the New Zealand Hydrogen Aviation Consortium, which saw us join together with Airbus, Air New Zealand, Hiringa Energy, Fortescue Future Industries, and Fabrum with the goal of pioneering the commercial deployment of green hydrogen-powered aircraft. The Hydrogen Consortium will undertake to design a hydrogen ecosystem for aviation in New Zealand, including developing a vision for hydrogen aviation and a pathway of policies, regulations and incentives to enable it. Having Airbus as part of the consortium is of significance, and recognises the collective work the other partners have been doing in decarbonisation.



## LOOKING AHEAD

In 2022 we undertook a strategy reset - Horizons 2030, which outlines how we will continue to make foresightful decisions that will create stakeholder value for Ōtautahi Christchurch and Te Waipounamu South Island. The strategy focuses on what is needed to navigate the three big macro shaping forces we face over the next decade.

When we position ourselves ahead of the trends, we create multi-stakeholder value and manage our risks. The three shaping forces are:

- DIGITAL TRANSITION
- CLIMATE CHANGE
- THE FUTURE OF WORK.

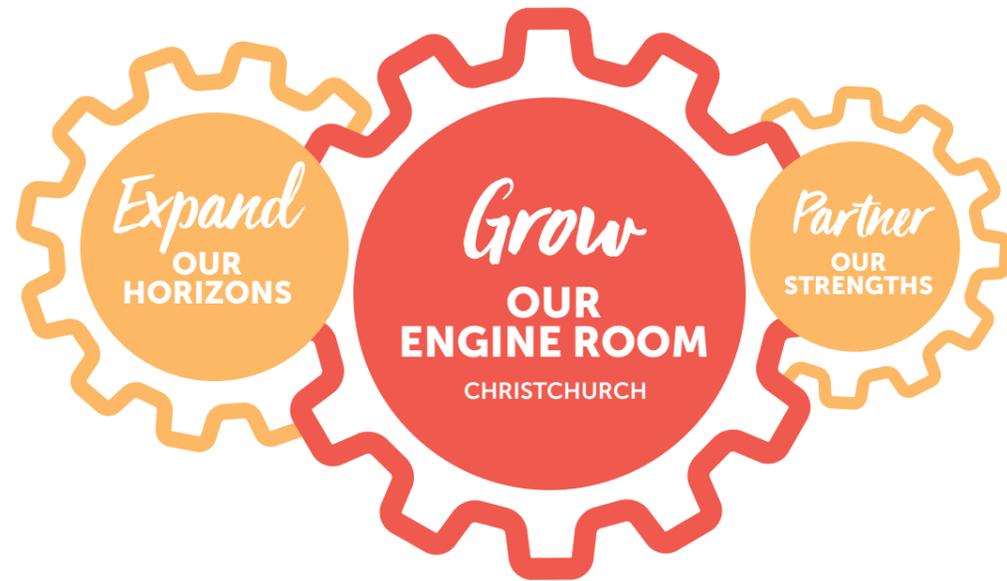
Horizons 2030 recognises the journey we have been on over the past 10 years and the strategic opportunities we have ahead of us based on these shaping forces.

Specifically:

**2014-2019** Rebuilding aviation and re-engineering our business as a diversified and focused portfolio business (planes + passengers + property). Diversification creates a three-legged stool, providing for resilient and complementary value creation.

**2020-2022** The pandemic period focused on preserving value, maintaining critical connectivity and our core philosophy of stakeholder equity, while balancing supporting the needs of customers, staff and shareholders. During this period, we preserved employment of core staff, maintained shareholder value and still paid just under \$30m in dividends.

**2023-2030** Having built resilience into the business and becoming match fit, 2023 onwards is focused on restarting from the pandemic and executing our H30 strategy of grow, expand and partner. It's likely in the short term we will face some headwinds in the form of ongoing supply side capacity constraints, rising costs and economic pressures on demand. While these will need to be managed, we believe the underlying trends and tail winds present greater upside over the longer term.



Our primary focus is to grow our engine room at Christchurch. This involves us supporting and leveraging the opportunity Christchurch has as a destination that can now capture new visitor market segments. Our property focus is on accelerating our freight offering to capitalise on the rapidly growing e-commerce market, while our passenger opportunity is about digitising the customer journey from park to plane.

A key piece of work for FY24 is updating our masterplan. We have brought this forward from the usual 10-year cycle due to a desire to incorporate important emerging issues, including climate resilience, requirements to cater for a renewable energy transition across our campus, land use and commercial opportunities in the pipeline.

H30 moves our strategy from a single campus approach to actively exploring what further role we could play in aviation in New Zealand.

We are working through the exploration phase of our Central Otago project, investigating the option of a new sustainable and resilient airport to service the future passenger and freight needs of the Central Otago region. The region is facing a future where the existing airport infrastructure is unable to meet the demands of a growing region, creating a likely future which will see more road travel to/from the region. To date, we have, through purchasing the land, bought ourselves an option to explore the opportunity further. FY23 has focused on gaining more information to better understand the pros and cons of the opportunity, along with engaging with the many and varied stakeholders. As with any such project, there will be a number of phases to assess all the information and pause points before any decisions are made. We continue to be committed to keeping our stakeholders informed and engaged through all stages.

The third cog in our strategy is partnering our strengths. We recognise there are partners whom we share common interests with and that by working together and combining our strengths we can achieve better outcomes than working alone. Across our business, we have several partnerships in play, from mentoring a number of offshore airports on decarbonisation, investigating joint property development opportunities, digitisation of airport cleaning with our partner OCS, right through to our Kōwhai Park solar development. We will continue to look for partners that are aligned and can help us on our journey.

## BOARD

Our Board is about to farewell outgoing chair Catherine Drayton. Catherine is not only our chair, but also a professional director with experience in a number of different businesses and areas of expertise. She says she is a director to make a difference, and she certainly has done that for us. After six years as our chair, and a total of 14 years as a director, Catherine has overseen many changes across our business and our campus. She is an avid adventurer, so we look forward to seeing her pass through the terminal on her next expedition. In the meantime, we thank her sincerely for her wise counsel and generous support of our business. Bon voyage, Catherine.

Our incoming chair is current director Sarah Ottrey. Sarah has held senior marketing roles in New Zealand and off-shore with Unilever and DB Breweries/Heineken. Sarah is a Chartered Fellow of the NZ Institute of Directors and a committee member of the Otago Southland Institute of Directors. She is currently chair of Whitestone Cheese, and a director of companies including EBOS Group, Skyline Enterprises, Mt Cook Alpine Salmon.

Earlier this year, we farewelled Malcolm Johns as Chief Executive. Malcolm had nine years in this leadership position and left for another CEO position. We take this opportunity to thank Malcolm for his outstanding leadership and significant contribution, not just to Christchurch Airport, but also to Christchurch and the South Island.

## SUMMARY

We are immensely proud of how the organisation has managed through the past three years, especially being able to manage both short and long term horizons. Being an intergenerational organisation has enabled this, and also proven the benefit of foresightful decisions on current performance. We are clear on our vision and purpose and have an aligned organisation from the board right through management and the wider team. With our Horizons 2030 strategy, we are clear where our opportunities and risks lie and how we continue to deliver multi-stakeholder value. While our sector isn't without future challenges, we have deliberately positioned ourselves ahead of the shaping trends and are excited about the future.

**Justin Watson**  
Chief Executive

**Catherine Drayton**  
Chair

# Our NEW CHIEF EXECUTIVE



On 1 January 2023, after an extensive and independent recruitment process, Justin Watson became the new Chief Executive of Christchurch Airport. The airport's board was pleased an internal candidate rose to the top of the list, because being an intergenerational organisation means a deliberate focus is put on succession planning.

Justin previously worked as the airport's Chief Aeronautical and Commercial Officer, with the responsibility to bring more planes and passengers to the airport. One achievement he is immensely proud of is the airport team's work to convince Asia's largest airline, China Southern Airlines, to fly to Christchurch.

"Seeing the South Island come together to fly in formation and attract that direct service was amazing," he says. "Importantly, the service brings in more than \$150 million in visitor spend and \$500 million in freight per annum for the South Island, which of course has a profound impact on a lot of businesses in the South Island."

Justin says some people don't realise Christchurch Airport is more than 'just an airport'.

"We're the South Island's second largest tourism business and largest centre of employment, so have a massive impact on

Ōtautahi Christchurch and the wider South Island, through tourism, trade and property. Our work in sustainability and digitisation is world-leading, showing we can hold our own from our corner of the world with the world's best. Having a bigger purpose has always been important for me and it's why I get excited about what we do here," he says.

Born in Canada, raised and educated in Christchurch, Justin is a local whose career has taken him all over the world. After completing a commerce degree, he took on a marketing role with DB Breweries, then marketing and leadership roles at Coca-Cola, McDonald's and Tourism New Zealand. He says working in Hollywood to promote "The Hobbit" and "Lord Of The Rings" movies, highlighting New Zealand as a tourist destination, is a career highlight.

Justin is inspired by a reinvigorated and re-imagined Christchurch.

"The opportunity for the city as a visitor destination has never been stronger. With amazing new facilities like Riverside Market, Te Pae Christchurch Convention Centre, and Te Kaha Stadium, the city is well placed to attract heaps of visitors through our great airport and into the city for business and leisure."

As for the airport itself, Justin says there's much on the horizon to excite people across the city, region and South Island.

"This coming summer we'll have all our international airline partners flying here again, plus United Airlines flying a new service direct from San Francisco.

"Together, our airline partners reconnect families and friends, and take South Islanders to any part of the world they care to name. We are the South Island's only truly international airport, connected through major airlines to all the big hubs and on to places people want to experience."

From his office, Justin can see exciting developments too.

"Our solar development, Kōwhai Park, is such an amazing initiative. We're creating New Zealand's largest solar field to power the next generation of green energy - including sustainable aviation. This is truly an intergenerational initiative for those who come after us," he says.

"We are working with some of the world's biggest thinkers on including green hydrogen in the park's ecosystem. The aviation community globally is working hard to find answers to decarbonise our industry. There is no lack of will or brainpower to make those changes - and we are leading much of that work."

# WHAT THE AIRPORT TEAM STANDS FOR

As a purpose driven organisation, our team has collectively agreed our purpose and developed our Horizon 30 (H30) strategy based on our core beliefs.

We have agreed:

- Aotearoa New Zealand is the best place in the world and Te Waipounamu South Island is the best place in New Zealand
- We want our island and our country to prosper, and be improved for everyone lucky enough to live or visit here, as well as for future generations
- Our company has the skills, knowledge and experience to deliver sustainable, long-term success at home in Ōtautahi Christchurch, and share it with others across the country.

Our **core beliefs** give us clear purpose and reasons to focus on doing things which provide outcomes bigger than our company and its own financial performance.

Our **purpose** is best described as:

“ CHAMPIONING TE WAIPOUNAMU THE SOUTH ISLAND AND AOTEAROA NEW ZEALAND, FOR TODAY AND TOMORROW ”

We're on a **mission** to see Christchurch Airport recognised for:



These are not 'either/or' statements, the statements are linked by 'and', which details the impact we wish to make.

Our organisation is future focused, looking out to the year 2030 and planning beyond that. Our current strong position underlines the importance of our home base, Christchurch, which is our engine room - not just for our city but also for the possibility of us working in other areas where our expertise could help find solutions.

We describe our three **strategic priorities** as:

- Growing our engine room, our home base of Christchurch
- Expanding our horizons, into new geographies and related disciplines
- Partnering our strengths, our knowledge, experience and expertise.

This is not to say we have all the answers, but we certainly have the drive, open mind and commitment to be part of a global solution around the big questions of our day including sustainable aviation.

# Rebuilding our network

Airports and airlines the world over were hit hard by the pandemic, and for us, it removed the capability of New Zealand, and Christchurch Airport, to connect with the rest of the world.

That loss of international connectivity literally clipped our wings. Canterbury and the South Island need international connectivity, with 65% of all international passengers through our airport coming from overseas.

During the pandemic, **Singapore Airlines** sustained a skeleton service to enable New Zealand to maintain some export capability. When the world began to open up again, we entered the race to get our airline customers back - a race with every airport in the world also seeking exactly the same objective.

Despite significant uncertainty as to how markets would respond once global borders were fully opened, we have now secured all our airline customers for the upcoming summer 2023/24 season. There have been constraints on the supply of airline capacity, principally a function of a lack of personnel. Whether in the cockpit, the cabin, the ramp or the maintenance hangars, airlines have struggled to resume a full schedule of services.

The first of our 'big brand' airlines to reintroduce operations was **Emirates**, with its signature Airbus A380 resuming its Christchurch to Dubai via Sydney service from March 2023.

**Cathay Pacific** soon announced its intention to restart Christchurch operations, with three flights per week on an Airbus A350 to its hub in Hong Kong.

**Singapore Airlines** quickly reintroduced a daily service to its mega-hub at Changi Airport. Extremely high load factors between the two airports encouraged the airline to add an additional three Airbus A350 services here during our peak summer months.

A high-profile announcement by New Zealand's Prime Minister launched the resumption of **China Southern Airlines** air links to its southern gateway in Guangzhou. Using the Boeing 787 Dreamliner, three flights a week will operate during the IATA Northern Winter season (midnight on the last Saturday in October to midnight on the last Saturday in March).

A very welcome link to the United States was announced in April, with a return to Christchurch of non-stop services to California. **United Airlines** is preparing to operate three flights a week direct to its hub in San Francisco, using its Boeing Dreamliner aircraft. This is a vital link not just for South Islanders wanting direct access to the US west coast, but for our primary industry exporters, and the U.S. Antarctic Program which uses Christchurch Airport as its gateway to its scientific research centres in Antarctica.

Our neighbouring airline customers have also felt confident enough to invest more capacity into the Christchurch market, with **Qantas** sustaining four daily flights - one each to Melbourne and Brisbane - and a twice daily operation to its primary hub in Sydney.

**Fiji Airways** has reinstated three flights a week, with a fourth appearing during seasonal peaks. For the first time, the airline is scheduling the larger Airbus A330 into Christchurch to uplift more air freight, and to enhance its connecting capability via its Nadi hub.

Our domestic network has proven particularly resilient. By the end of May, **Air New Zealand** and **Jetstar** pushed our recovery rates close to 100%.

Demand for seats to Christchurch has mirrored the global high-demand trend for all services, matched by higher than pre-pandemic air fares.

## AIR FREIGHT AT CHRISTCHURCH AIRPORT

Our period of forced inactivity saw our airport embark on an air freight research project to understand whether changes to air freight demand resulted in a structural change as to how we buy, shop and deliver product, especially in the e-commerce sector.

The elevated demand for e-commerce trade in New Zealand, and principally at Christchurch Airport, has created an expanded logistics base for the handling, sorting and delivery of product through an increased presence of freighter aircraft at our Dakota Park air freight precinct.

Air Work/Parcel Air were the incumbent operators of nightly operations to Auckland and Palmerston North Airports, transporting parcels for NZ Post, DHL, CourierPost and other express mail operators. Additional demand has seen the expansion of new 737 overnight services from Texel Air - a new airline to Australasia - with the airline relocating aircraft from their Bahrain base to New Zealand. Tasman Cargo, a contract airline for DHL has based a Boeing 767 freighter aircraft here to connect Christchurch with Auckland and Sydney and Melbourne Airports.

Demand for general freight capacity was strong and financially supported at Christchurch Airport via the government support programme that ensured New Zealand could continue to trade internationally, despite the absence of cargo freight capacity usually provided by passenger operations. While this programme ended at the end of March, it supported long haul freight operations by China Airlines to its Taipei hub using the Boeing 777F. The flight principally carried the South Island cherry harvest, but also provided export capacity for our primary industries. Providing air lift for cherries from Christchurch is now an annual fixture of the freight industry schedules.

The expanded presence of air freight provides Christchurch Airport with a stronger real estate product, increasing demand for our warehousing and frontline cargo handling facilities at Dakota Park.

**Gordon Bevan**  
General Manager, Aeronautical Development





Safety is a very high priority at our airport, and became even more of a focus for us one week last October.

Our Airport Safety Week activities were part of a wider campaign across Australia and New Zealand to promote safety awareness through aerodromes and their communities. There was a lot on offer. The week included information sessions from experts from different agencies on topics including Insider Threats at Airports, Ramp Safety, Offensive and Disorderly Passengers, and The Importance of Stakeholder Collaboration for Safety Outcomes. There were big turnouts for the FOD (Foreign Object Debris) walks, when staff walk the airport apron in formation to search for and pick up any stray items which could endanger an aircraft. Maintaining the highest possible safety standards is critical to the permission we have to operate as an international airport, so having our team and others from across the campus working together through the week's activities and sessions was vital.

As well as our team, we had excellent support from airside operators (airlines, ground handlers, our Apron Operations and Health, Safety and Wellbeing teams), who hosted BBQs on the apron, as well as engaging with the freight operators at Dakota Park Freight Apron over pizza and cake. The chance to eat, mingle and talk together about the issues of the day certainly engaged and bonded teams from different organisations.

GCH Aviation and the operators in Aviation Drive on the western side of the airfield organised two extra FOD walks in their areas of the campus, which ran just before the big airside FOD walk was held on the international apron. Generous sponsorship from stakeholders meant spot prize packs and larger prizes were on offer to share with everyone who attended the sessions. While it's true that food brings people together, there were many opportunities during the week for our business teams to collaborate and network with a variety of new and existing stakeholders across the wider campus, and to jointly reinforce their understanding of safety in the aviation environment.



# Airport Hotel

## WELCOMING GUESTS FROM NEAR AND FAR

When Novotel Christchurch Airport held an Open Day this year, hundreds of people were keen to experience its luxury, walk through the cleverly designed rooms and, of course, take in the views it offers across the airfield.

The 4.5 star hotel had been open only six weeks when international borders closed and the hotel was commissioned by the government to be a quarantine hotel for people required to be in managed isolation.

The 200-room hotel is enjoying being back in the business of welcoming and pampering domestic and international guests, with average occupancy over the past three months between 60 and 70 per cent.

With international air traffic still reduced and people getting used to travelling again, Hotel Manager James Wilson says those figures are good for this time of year.

"Domestically we are nearly back to pre-pandemic visitors, while international is catching up and growing. Conference facilities in particular have been busy, and the position of this as-new hotel is enticing different groups of people," he says.

"We welcome businesspeople who want to work and live temporarily in a purpose-built conference setting, with a few minutes' travel to entertainment in the city, as well as easy departure via the airport. Others are leisure travellers who like to take advantage of our high-end facilities, modern décor, restaurants and bars, gym and the short trip door-to-door into the central city.

"We are very optimistic about the rest of this year, especially with so much good news from international airlines returning over summer."

The hotel offers more than luxurious surroundings – its top floor is a favourite for people who want to sit in the bar or restaurant for a snack or meal while they watch aircraft come and go literally right under their noses.

"Those airfield views out to the Southern Alps make the rooms on that side of the hotel very popular for many, but others like the other side where they can look across the airport campus and beyond to the Port Hills. Either way, the views are special and representative of the Gateway to the South Island."

The hotel also offers the discreet 'Flying South' theatre within the airport terminal. The theatre has 54 seats for events and meetings, for example, for companies working across different cities. Those teams need only fly into the airport, attend their meeting, conference or event without leaving the airport (should they so choose), then fly home again at the end.

James says hotel staff are hearing very positive comments about Christchurch.

"One said it feels like a new city with lots of familiarity," he says. "I like that and agree. Christchurch is revitalised and looks magnificent."

"Te Pae Convention Centre is a significant addition to Christchurch, with lots of big events held there already and loads more booked into the future. This is an easy city to walk or bike your way around, get up to explore the hills, and of course, we have skifields and lots of winery options on our doorstep too. Our guests tell us they are thrilled to get out to explore again and our city is one they are choosing."



# Deployed TO EMERGENCIES ACROSS THE COUNTRY AND WORLD

“

I'm also really grateful to the team at Airport Fire, who supported me to go do what I felt I must.

**Emily Sutton**  
Christchurch Airport  
Fire Fighter



The Airport Fire Service teams are dedicated to what they do and not just at the airport. Many also contribute in voluntary roles outside work.

Some offer First Aid training, one is a specialist trainer of mental health safety techniques, while some will just do the right thing when an opportunity arises.



Emily Sutton is a good example of someone who will go where the need takes her. She is a Christchurch Airport fire fighter, and a Fire and Emergency New Zealand (FENZ) and Civil Defence volunteer. When Cyclone Gabrielle and torrential rain hit the North Island in February 2023, Emily volunteered to join the rescue efforts there. Upon landing by helicopter in Putorino, she was told to be self sufficient for five days. She was soon working with Civil Defence teams fixing generators, making medical checks, getting urgent medication to people in need, and checking people and animals stranded on farms.

From there, she travelled to Canada to help fight wildfires. Just getting there was arduous – a long flight to Vancouver, another to Edmonton, then a 14-hour drive, broken by an overnight stay, to the final destination of Fort Smith.

Emily's shifts were more than 12 hours long. Each day began with several briefings, followed by a bus to an airport then a helicopter flight to the fire zones to land on heli pads the teams had previously built. Emily then worked as part of a team of eight to extinguish fires. Fortunately water was plentiful, which enabled fire fighters to run hoses up to a kilometre with good pressure to fight the flames.

Emily says the fire fighters started out not knowing each other, but soon bonded.

"The teams were made up of a great bunch of people who were very on to it and quickly got along very well," she says. "We were in good spirits and worked together well, but even with arduous work day after day, I can truly say I had the time of my life."

Emily was part of a team of Kiwis and a few Australians mostly based in Fort Smith. When conditions got especially bad, and the fire spread rapidly overnight, they had to quickly leave on a flight to a safer base.

"Before leaving we helped set up some protection – clearing fuel, digging firebreaks and setting up sprinklers to make a safer space for other firefighters. We were based on the border of Alberta and Northern Territories, so joint decisions were required about resources like us."

In total, the deployment to Canada worked on more than 15 million hectares of active fires, with around a dozen helicopters each day working with a daily commute by Iroquois of about 80 kilometres. Some days the helicopters had such low visibility because of smoke they couldn't do their job until the wind changed - often to reveal clear and sunny conditions.

Emily returned to Christchurch late August, with lots of photos and stories to share. Though she was sometimes in very challenging conditions, she says connecting with, and assisting, fire affected communities was a privilege.

"The support they gave us was unbelievable, especially as they were dealing with heartbreaking situations.

"I'm also really grateful to the team at Airport Fire, who supported me to go do what I felt I must."



# Enabling LIVES TO BE SAVED ALL DAY EVERY DAY

Christchurch Airport is one of only two widebody-capable airports in New Zealand able to operate 24 hours a day, 7 days a week. That means our campus is home to some incredible organisations for which 24/7 capability is critical. One of those is GCH Aviation.

GCH Aviation flies more than 1,200 commercial and rescue missions a year from the airport campus.

Starting as a tourist operation on New Brighton beach with one helicopter in 1983, GCH Aviation has grown over the past four decades. It now includes services from emergency air rescue and inter-hospital air ambulance to helicopter training, tourism, a 24/7 private business jet FBO terminal, as well as a charter business jet. They do it all.

CEO and helicopter pilot Daniel Currie is one of three siblings working at GCH Aviation. He says from humble beginnings, the business has grown to operate at Christchurch Airport in a purpose-built state-of-the-art facility.

From a team of one (Daniel's father, John Currie), the business now has more than 120 staff.

"Our family, the team and I are extremely proud of what we've created over the years. The great teams at GCH Aviation and the airport enable us to offer the inter-hospital and air rescue services we provide for the region."

GCH represents forty years of exceptional experience in helicopter and fixed-wing aviation.

The company provides tourism, certified flight training, commercial, air rescue, and air ambulance operations with the NZ Flying Doctor Service, and is the only helicopter operator in New Zealand to hold the Diamond Safety Award.

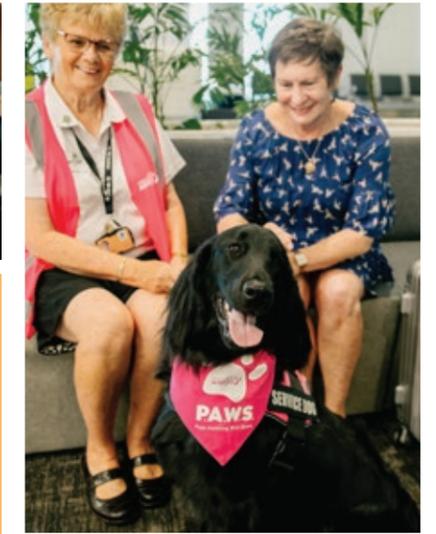
"A big part of the reason we operate from Christchurch Airport is the fact the runway is available for use 24/7. That means we have the ability to respond to call-outs whenever we're needed," Mr Currie says.

"That critical response arm of our business continues to grow, and it means we are here for patients who are too unwell to travel, or who need lifesaving medical equipment and skills."

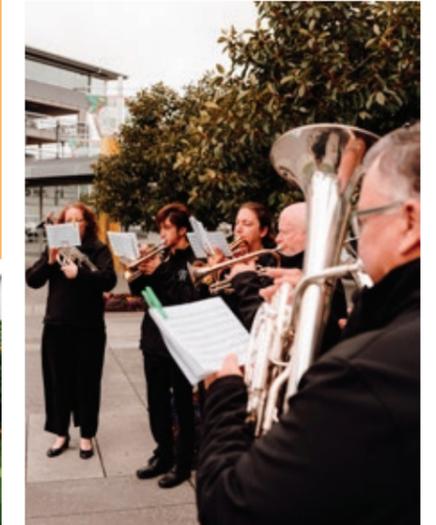
Ensuring the airport retains the ability to operate 24 hours a day falls to the Future Planning and Sustainability team. Environment and Planning Manager Felicity Hayman says it's a core focus.

"A lot of effort and careful planning goes into protecting the airport's operational capability to ensure we can continue to serve the wider region and the South Island," she says.

"Our economy relies on our ability to get people and freight to the right places and, in some cases, the airport's ability to operate 24/7 is literally lifesaving. That's something we're particularly proud of."



*Terminal*  
**COMES  
BACK  
TO LIFE**



# Diversity and *inclusion*

Our approach to diversity and inclusion is about knowing, enabling and celebrating our people every day. For being uniquely them.

We want our people to be themselves and share their unique differences. This means people being able to bring their whole selves to work with the ability to create positive, rich, and connected interactions with others.

Our collective differences are what makes our team special. We believe the different perspectives we all bring provides for better decision making, faster problem solving, increased creativity, and makes our team, and every person in it, stronger.

We are proud of our engaged and welcoming culture. We know people give their best when they find meaning and purpose in their work and see how their own values and aspirations can be brought to life through what they do here. Christchurch Airport is a key gateway to Te Waipounamu the South Island and Aotearoa New Zealand. This means we have an obligation to do business in a responsible way and improve diversity and inclusion outcomes for all.

The pride and passion our people bring to work each day is what matters. Over the past year, we have looked at ways to identify and address any workplace traits that detract from the optimum experience we wish for all our people. We updated our values to better reflect what matters most to us: looking after each other, making a difference, being forward thinking and working together.

We see these values continuing to help shape our culture and guide the way we function as a team, working towards achieving our purpose (what we believe in) and our mission (what we want to be).



Our diversity and inclusion journey has really just begun, but we are pleased we have a clear focus on some areas that will deliver greater support and opportunity for our people, our customers, partners and communities, through initiatives that will benefit from our size, scale and public profile.

Some of the progress we have made the past year includes:

- Completing an Inclusion Review, which highlighted the hidden, and allowed us to build a greater understanding of diversity and awareness around unconscious bias, the neuroscience of human behaviour and how we can enable a greater sense of belonging
- Introducing the Sunflower Lanyard scheme, a programme for people wanting more assistance without having to ask for it [www.christchurchairport.co.nz/sunflower](http://www.christchurchairport.co.nz/sunflower)



- Access to Rainbow Awareness training for all team members
- Building deeper appreciation for Te Ao Māori through online and in person training and education including visits to local marae.

While there is still much mahi to do, we have taken the first steps towards a more diverse, positive and inclusive work environment to enable our people to thrive and for the airport to remain an employer of choice.



It is important to us to celebrate our city's diverse rainbow communities, both as an employer and because we want every one of the millions of people coming to the airport to feel welcome.

We have a unique opportunity to publicly display our support and inclusion of our team members, stakeholders and visitors who are part of the Rainbow whānau.

Our Pride Working Group took efforts to a new level this year, intent on demonstrating our support of our Pride Pledge in a 'loud and proud' manner.

Alongside rainbow awareness training offered to all of our team, a specially designed t-shirt was provided for team members to wear throughout Christchurch Pride Week in March. Having heard from airport stakeholders the year before, the working group knew a visual recognition of support was a powerful gesture.



Uniformed staff (half of the airport team's workforce) were enabled to wear their Pride t-shirts throughout this period, the first time, en masse, team members could choose to wear something alternative to their uniformed attire. The uptake was beyond initial calculations and a further order was needed to meet demand. Other team members wore their t-shirts at the Christchurch Pride Walk down Cashel Mall and volunteered at several Pride events across the city.

To provide better and more inclusive facilities for all, work is underway on our second all gender bathroom - this one in International Departures.

The jewel in the crown this year however, brought to life by the company's Pride Working Group, was an art installation which takes 'pride of place' in the Plaza, in front of the main doors of the terminal.

It was important to the working group for the design of this piece to be developed by a member of the Rainbow whānau. We were privileged to have prominent street artist Jacob Yikes, his daughter Jet Ryan, and Guy Ellis - aka Dcypher - create this masterpiece for us, an abstract interpretation of the Progressive Pride Flag. The installation provides an obvious and bold reminder that Christchurch Airport strives to be a safe, inclusive and respectful place for everyone.

While our support of the LGBTQIA+ community isn't about accolades, this year the Pride Working Group's efforts have been recognised by Christchurch Airport being named a finalist in the Emerging category of the New Zealand Rainbow Excellence Awards.

As the Executive sponsor of this group, I am delighted by this recognition. Being a finalist in the national awards is wonderful testament to the care and attention put into the many Pride related activations over the past two years by this passionate group.

This acknowledgement tells us what we have done to date has meaning and impact. I could not be more proud of the progress made and the appetite to do more.

**Kylie Frisby**  
General Manager, People and Culture

# BIG CROWDS KEEN TO WORK AT THE *airport*

There's usually about 7,000 people working at Christchurch Airport in 250 companies across the airport campus, although that number dropped when the pandemic stopped people travelling.



Post-pandemic, as borders re-opened, there were hundreds of vacancies in different airport businesses, so we hosted a one-day Job Fair to help employers and would-be employees meet each other.

People were asked to register for one of three sessions and the interest was so high all three quickly reached maximum capacity. About 2000 people from across the city and beyond lined up on a fine Saturday – and, as a result, many now work on our campus.

Early birds openly said they were there to be interviewed and get a job, while others wanted to understand the range of roles available across the airport.

There was a wide spread of ages and experience across the sessions - from school students wanting to talk to employers they're interested in, school-leavers wanting to meet their employer of choice, people seeking a career change, others searching for a more senior/leadership role, to people wanting to change from full-time to part-time or casual roles. The one thing they all had in common – they were keen to understand and explore the opportunities on offer at the airport campus.

Campus employers described the Job Fair very enthusiastically and said it reminded them "the airport is a community". They enjoyed meeting people face-to-face, with some businesses employing people within a couple of days. Others planned to increase their numbers for the summer season and made plans to bring people onboard for the months ahead.

People already working at the airport were on hand to answer questions about where they work. They said they enjoyed explaining the airport is never dull and they are proud that what they do every day makes a difference - for the airport, city and South Island.

All in all, the day was a big success and illustrated one of our company's values - we are stronger together and make a difference when we look after each other.



## Reconnecting OUR PEOPLE

What had the potential to drive us apart, brought us closer together and made us stronger as a team.

That's the feedback we received from our people through the pandemic. In the year since the last lockdown, without the shared experience of a global pandemic to draw us together, we have worked hard to maintain a sense of togetherness and unify our team.

While the pandemic prevented our frontline and office-based teams physically working with each other for periods of time that were longer than desired, when restrictions were over, there was more interest than ever for our people to reconnect with one another and get back to business as a team.

Reconnecting our people, and injecting a renewed sense of purpose and energy back into our workforce through a post-pandemic strategy and focus, became an important priority.

Events to bring our people together in a formal or informal way resumed and we remembered what it was like to be a team before the pandemic took away some of our favourite moments.

We were excited to see the return of our regular team briefings and themed lunches, our fundraising/volunteering events, and our training and development for individuals and teams. We again celebrated milestones in each other's lives, recognising long service, or farewelling a colleague on parental leave (cue balloons, cake and cuddly toys).



Finding moments for connection and building a renewed sense of belonging was just as an important priority as commercial returns. This reflects our stakeholder equity philosophy of customers, shareholders, team and community.

In our most recent engagement survey, it was pleasing to see our overall engagement remained well ahead of the national benchmark. Our most favourable scores related to how our people personally connected with the goals of the organisation - they knew what they needed to do to be successful in their roles, and had enough autonomy to be effective.

These results indicated our renewed strategy was having the desired impact.

The focus now is to maintain momentum and ensure our people feel connected with our purpose, their peers, and recognise the contribution they each make to our many successes.

# CARING FOR OUR GREATEST ASSET - *Our people*

As a diverse business, we have an array of roles being performed by our people 365 days a year, to deliver on our purpose of Championing Te Waipounamu the South Island and Aotearoa New Zealand. Our people are pivotal in enabling the critical infrastructure we are responsible for across our airport campus to function safely, sustainably and effectively for our customers, partners and stakeholders. Keeping our people safe and well is our main priority. We hugely value the contribution they make, and we want to support our team to thrive.



Airport team members support community initiatives through activities including Ecological Restoration Day (opposite page and top left), then clockwise, cooking at Ronald McDonald House, Pink Shirt Day and Gumboot Friday.



We have continued to improve workplace safety by building team capacity and capability, fostering a culture with strong safety values, focusing on continuous improvement in our safety management systems (including introducing a new safety reporting system) and extending our support programmes. We have welcomed new members to our Kaitiaki Group (health, safety and wellbeing representatives) and are putting them through a targeted development programme to build their confidence and competence. We have undertaken a review of our critical risks and have continued to work with our diverse range of stakeholders to support safe and healthy work across our whole airport community.

Our wellbeing vision is to provide a healthy workplace where our people can thrive. We have introduced flexible working guidelines that enable our people to discuss with us different ways of working that fit them best, provided health and wellness education, onsite mole maps and health checks, extended leave provision to buffer the impact of Covid isolation rules, and provided opportunities to give back to our communities and causes that matter most to our people, including Women's Refuge, Gumboot Friday, Pride, Pink Ribbon and Ronald McDonald House.

Our teams' confidence in our health, safety and wellbeing management remains strong and our teams have told us they value their access to this broad range of initiatives to improve their wellbeing. We are working on ensuring everyone, regardless of their work pattern, has equal access – although the nature of our shift patterns can make this more difficult. We will continue to cater for our people's different needs through various partnerships we have, and tapping into our internal capability.

We have a long serving team, with just under 20% of our team likely to be venturing into retirement within the next ten years. To enable a better transition for them when the times comes, we have newly offered retirement planning support and flexible working options.

This year we also extended our wellbeing offering by providing fully subsidised medical insurance to all permanent team members, ensuring they can have timely access to physical and mental health support. This new wellbeing benefit was taken up by many of our people who were grateful for the immediate cover, and having access to the same policy for their whānau members at competitive rates. Our Employee Assistance Programme (EAP) is a professional and confidential service paid for by CIAL to help our team members and their families when they are experiencing difficulties or seeking advice. We know from those who have used this service, and who have chosen to share their experience, this has helped them immensely. Not having to wait or worry about the expense of specialist assistance at the time when it's most needed has been one less thing to worry about.

We are proud of the solid foundation that has been created and our ongoing commitment to the health, safety and wellbeing of our team, as well as our stakeholder community. Our focus into the future will be to continue to foster trust, engagement and participation, as well as building even more curious, visible and authentic leaders, and continuing to improve performance and operational resilience.

# Helping OUR CUSTOMERS REALISE THEIR VISION

When a business bases its operation on our campus, we work to help it succeed, including holding adjacent land for possible future expansion.

The latest example of an expansion is EBOS Group, the largest and most diversified Australasian marketer, wholesaler and distributor of healthcare, medical and pharmaceutical products.

With more than 5,000 employees in 108 locations across Australasia, the company is a major contributor to the healthcare of millions of people in the region and also a leader in animal care.

In 2018, we built EBOS a temperature-controlled building in Dakota Park to take advantage of the ready access afforded by both air freight and the state highway roading network on its doorstep.

EBOS has since grown its operation, so we have now completed an expansion next door to the current facility. The business will soon operate from a larger warehouse and canopy, with an associated dispatch area and provision for future offices.

General Manager of Property John O'Dea says watching a highly successful company like EBOS expand its operation on our campus is very rewarding. And a great example of our partnership approach.

"When they finished the original facility in 2020, we didn't anticipate they would need the expansion land we held for them so quickly," he says. "But we are pleased their decision to operate from our campus has worked so well for them and resulted in them needing more space here."



EBOS growing into its expanded premises in Dakota Park



## Expanding OUR FREIGHT PRECINCT

The pandemic put a spotlight on the importance of global air freight. More and more air freight was required to keep systems going, and to literally deliver the huge increases in online shopping. This demand hasn't stopped, which means many shoppers can expect an item ordered online today could be on their doorstep tomorrow.

We are at the bottom of the world, so will always be heavily reliant on air freight getting high-value and time-sensitive items to us, as well as transporting items we produce to other parts of the world where our delicacies are savoured and earn top prices for producers.

We are both the only truly international airport and the only wide-body capable airport in the South Island. That makes what we do critical to the island's economy and to the businesses based here, which means thousands of jobs rely on the capacity Christchurch Airport has to manage freight.

Several companies on our campus handle high-value, time-sensitive air freight in and out of the South Island, while we receive more inquiries for campus space all the time.

We have a specific warehouse, manufacturing and logistics precinct known as Dakota Park. It has served a range of industrial and freight partners well over the past ten years. However, to help keep up with demand, in the past financial year we have expanded our roading network and supporting infrastructure to create Development Lots for a dedicated freight precinct. This new precinct will have direct airside access which will support highly-efficient and seamless integration with air freight carriers, on an expanded and adjacent freight apron. The total precinct comprises almost 12 hectares of land, which will enable more than 60,000 sqm of building development and allow us to welcome new businesses, and for existing businesses to expand.

The project has been large in scope. In addition to creating a new road and associated infrastructure to meet environmental and aeronautical requirements, the entire land area needed to be contoured, and potable and test well locations relocated.



# Keeping BABIES WARM

We believe in giving back to our community. Twice a year we invite community and charity programmes to apply for support for the good work they do.

“  
**You said you had a lot of knitting, but wow! This is incredible.**  
Glenis McNab  
The Nest Collective

Some airport knitters put down their needles long enough to meet The Nest Collective Christchurch Manager, Glenis McNab

Successful recipients of our Community Fund are good people doing good things and share our three community focus points: sustainability, safety and wellbeing, and innovation.

More often than not, we can offer more than a financial contribution. Talented and specialist members of staff are willing to share their skills with these groups and their communities.

This year's March round was a great example. While some recipients received cash donations, one group was lent one of our fireman, another received design skills to help market their product, while another charity helped us to uncover a group of our people with heartwarming skills.

A call went out across our company in March seeking staff who'd like to donate or knit woollen items to help keep babies warm. Donations started to arrive the next day and filled four large cartons full of baby items, including knitting people had been "waiting to give to a baby", and items from parents whose babies grew too quickly to wear the smallest sizes.

The Community Fund then bought wool for our people - staff, their mothers, aunts and grandmothers, and volunteer Ambassadors - who'd volunteered to knit for babies in need.

Glenis McNab, the Christchurch Manager of The Nest Collective charity, came to collect the knitting and meet our knitters. Although she'd been warned not to bring a small car, Glenis was shocked by the quantity of items she'd be

taking away. Our airport's board table was covered, mostly two layers deep, with handknitted items including cardigans, jerseys, jackets, singlets, beanies, booties, blankets for beds and knitted wool slippers for older siblings.

"You said you had a lot of knitting", said Glenis, "but wow! This is incredible." She explained The Nest Collective provides free packs of baby essentials to families who are referred by social workers, midwives, nurses and community partners.

"The need is increasing all the time and all of this knitting covering your table will be gifted within a month," she said.

"We have volunteers who make up packs for the babies. Each pack has eight jerseys - two in each of four sizes to keep them warm for the first nine to 12 months - plus leggings and other items.

"We want to make sure the mother can provide for her baby, especially in the Canterbury winter. Every donation, large or small, new or nearly new, makes a difference to babies and families who need it most."

The airport knitters were delighted to know their handiwork will do good in the community and are continuing to knit for the charity.

One said "My children and grandchildren don't need knitting at the moment, so I keep knitting until I hear of someone who needs it. Now I know how to help babies who always need it."

[thenestcollective.org.nz](http://thenestcollective.org.nz)

# AN EXCITING PLACE TO LIVE, WORK AND *visit*

Ōtautahi Christchurch is enjoying the widely-expressed opinion that our city is a re-energised place to visit.

The revitalised city has new facilities which are attracting events and people. University of Canterbury reported a record year for enrolments as the 2023 study year began, with students saying they had chosen the city's university 'to do something different and have a new experience', with others saying the new-look city was 'cool'.

Beyond the university, many people compliment the Oxford Terrace pedestrian promenade, which links the river and The Terrace restaurant hub with the city's hotels, activities and meeting and entertainment venues – the Town Hall and Te Pae, our magnificent convention centre.

Supportive commentary is also coming from members of the media. NewstalkZB's Jack Tame titled a NZ Herald column "Christchurch has crossed the threshold of becoming a better city than it was before". He went on to say he made that statement "with absolute confidence", adding "Christchurch has energy. Christchurch has mojo. Christchurch is better than ever." <https://bit.ly/Jack-Tame>

Grant Bradley, also in the NZ Herald, wrote of Christchurch "the city is well and truly back as a destination" and offered as evidence the new United Airlines direct service from San Francisco. <https://bit.ly/Grant-Bradley>

Some of the events the city hosted this past summer include:

**SIR ELTON JOHN**, as part of his worldwide farewell tour in January. His private jet attracted attention at the airport from many planespotters – not difficult to spot thanks to its starry giant E on the front door! The superstar charmed and entertained more than 28,000 fans for well over two hours, including thousands who'd travelled from outside the city for the concert, helping to generate an estimated spend of almost \$3 million.

**ELECTRIC AVENUE FESTIVAL**, Christchurch's biggest outdoor summer music festival, brought thousands of attendees, including more than 500 international visitors, into the city in February. Grammy winner Lorde headlined 50 artists over 12 hours in Hagley Park. The festival generated more than 39,000 visitor nights and a visitor spend of \$5.6 million.

**SAIL GRAND PRIX**, known as SailGP and described as Formula One racing on water, had a sell-out debut in Lyttelton Harbour in March. As the global sailing world watched from afar, almost 20,000 people watched the foiling catamarans race spectacularly close to shore in Lyttelton and live on screen in a central city site. Data reveals the event created almost 23,000 visitor nights and an estimated visitor spend of more than \$4 million for the city. Independent event satisfaction data found 98% of attendees reported they were satisfied or very satisfied with their experience at SailGP, well above other events. Of those surveyed, 95% of residents also agreed "Hosting events like SailGP increases my pride in Christchurch" and 77% agreed "My experience at SailGP has improved my perception of Christchurch as a place to visit".

This is all good news for the airport, as domestic and international people pass through our terminal to reunite with friends and family they might not have seen much of in recent times or on their way to and from events.

But more than that, these events, and their success, are welcome news for this airport's engine room, Ōtautahi Christchurch - the city we choose to live, work and play in.



## RED AND BLACK *Champions*

There's nothing like a sports team with a shiny trophy to attract crowds of people to the terminal.

Excitement was high on a June Sunday ahead of the Crusaders rugby team arriving home the day after they became the 2023 Super Rugby Pacific champions for the seventh consecutive year.

The players and their management team flew in from Hamilton to a sea of red and black rugby jerseys, flags, balloons and signs, as hundreds of fans crammed into the upstairs 'fan zone'.

Many of the rugby enthusiasts said the Crusaders' seventh title in seven years was the perfect farewell for coach Scott 'Razor' Robertson, ahead of him leaving to become the All Blacks' coach - and they certainly saved their biggest cheer for him.

Supporters of all ages waited patiently in queues for autographs and selfies (the majority waiting for 'Razor'), and all spoke passionately of how proud they are of the team.

Young female and male rugby players said the champion Crusaders helped them believe their dream to become a rugby star could come true.

As the red and black crowd left the terminal after a couple of hours of celebration, the broad smiles highlighted how the autographs on jerseys, jackets, hats, posters and flags will long remind the fans of the day they met their heroes at Christchurch Airport.



# Unlocking potential: Central Otago's runway to a future-focussed airport

Our project to explore the possibility of an airport in Central Otago has continued this year, culminating with the release in August of further information to help inform stakeholders.

Exploring a new airport is not something that has been done in New Zealand for many decades. There isn't a guide or a map to follow – but we are committed to doing this transparently, to engaging broadly and often, and to laying the groundwork for a good decision – whatever the decision.

Watch the concept video of how a modern airport can integrate into the local landscape at [centralotagoairport.co.nz](http://centralotagoairport.co.nz)



## ENGAGING BROADLY AND OFTEN

While formal consultation is not required at this stage, we've committed to discussing the project and sharing the information we discover with the community and other stakeholders. This means our initial work can be informed by their ideas and perspectives.

Since the project was publicly announced in 2020, we have undertaken ongoing engagement with a broad range of community stakeholders. This has included meeting with individuals, iwi and community groups, holding public sessions, and sharing regular updates and briefings on the project. We have responded to questions and fostered relationships and connections across Central Otago.

In August this year, we shared *Unlocking potential: Central Otago's runway to a future-focussed airport*. The report outlined analysis of regional characteristics, demand drivers, regional aviation capacity, runway length and alignment, and an initial local environment assessment.

Following the release of the report, Michael Singleton, Chief Strategy and Stakeholder Officer, and Rhys Boswell, Project Director, spoke to more than 500 locals across three community drop-in days about the report and its findings. They also shared a number of tools that were developed to help people visualise and understand the impact an airport could have.

## UNDERSTANDING THE CHALLENGE

Queenstown Airport's capacity constraints have been identified and discussed nationally for some time. Our interest began after airlines expressed their concerns in 2017 that without change and significant investment, Central Otago would not be able to benefit from the growth it could expect.

What has become even more clear is demand for air connectivity to Central Otago is likely to far exceed the region's current airport capacity over the next 30 years, resulting in the region spilling more demand than it meets by 2040.

While growth can be challenging to predict with certainty, we believe it would be prudent to plan for long-term growth in demand for travel to and from Central Otago of 3-4% per annum. At the lower end of the band, this translates to 4.5 million passengers in 2040 and 5.8 million passengers in 2050 – far above the 2.5 million Queenstown Airport can currently manage or the 3.2 million it could manage with significant investment.

## CONSIDERING OUR ENVIRONMENT

At Christchurch Airport we are passionate about contributing to the future of sustainable aviation. This project is no different. There is enormous potential to apply the knowledge we've gained from our work through Sustainable Aviation Aotearoa, the New Zealand Hydrogen Aviation Consortium and on our

Christchurch campus, to a greenfield airport in Central Otago. Internationally, the aviation industry also is actively working to decarbonise. We are proud to be part of that effort.

Central Otago deserves to be served by infrastructure that is equipped for the future. The right infrastructure in the right place can contribute to New Zealand's low carbon future through sustainable planning, design and development.

Through the report findings released in August, we found there is a cost in doing nothing. Our research tells us that if air capacity is not available, passengers will likely find other ways of travelling to and from the region. This could result in an additional 500,000 vehicle kilometres on South Island roads every day by 2050. That comes with additional carbon emissions both from less efficient journeys, but also from increased maintenance for our state highway network.

The report also considers the impact an airport would have on the community environment through aircraft noise. Using the two runway alignment options identified in 2021, experts developed feasible flight paths for take-off and landing. This enabled experts to analyse the noise that could be expected from aircraft travelling on those flight paths and how it could be experienced on the ground.

This noise analysis was a key factor in determining a preferred runway alignment. A runway aligned to the Lindis Valley and Lake Dunstan would have less noise impact on the surrounding communities. This alignment also performed better on a number of efficiency measures, meaning it would give airlines the greatest flexibility in aircraft types and operating parameters.

## LOOKING AHEAD

The project is still in its first phase: Validation and planning. We expect this to continue through 2023 and into 2024. This will allow us to build our understanding of the ecological picture, the demand picture and seek expert review of the completed aeronautical analysis.

At the end of this phase is a decision gateway – an opportunity for Christchurch Airport to assess the project's readiness for phase 2: Approvals. Equally, at the end of the Approvals phase is another decision gateway – an opportunity for Christchurch Airport, in consultation with its shareholders, to decide whether to proceed to the final phase: Construction. A decision to move through one decision gateway is not a commitment to move through the next gateway.

We are confident that this work explores a valuable option for the region, the New Zealand aviation system and our shareholders. Time and further analysis will tell whether that option proves to be the best option to meet Central Otago's needs – for now, we remain confident that it should be fully explored.

[centralotagoairport.co.nz](http://centralotagoairport.co.nz)

# NOISE CONTOURS *explained*

Airport noise contours around New Zealand are set by regional authorities and reviewed approximately every ten years. The most recent review of noise contours relating to our airport has just been completed.



In November 2021, Canterbury's regional council, Environment Canterbury (ECan), formally asked Christchurch Airport to review aircraft noise contours. We engaged independent specialists to provide ECan with a set of draft remodelled noise contours based on changes in aircraft navigation technology.

ECan then engaged independent experts to peer review those drafts. In July 2023, after a detailed 12-month review process, the council confirmed a set of remodelled noise contours.

Globally, it is accepted airports are intergenerational assets which connect communities with the rest of the country and the rest of the world. As aircraft approach and depart an airport, they are lower in the sky and make increased and more apparent noise - a normal and unavoidable aspect of airport operations.

In New Zealand, town planning accounts for aircraft noise based on contour maps created by noise modelling. They show the extent of exposure to aircraft noise and areas where higher levels of aircraft noise occur.

Noise contours are a key land use planning tool for councils. They ensure airports can serve their communities by protecting people from establishing sensitive land uses (e.g. housing, schools or hospitals) in areas exposed to higher levels of aircraft noise, which might disturb them or affect their quality of life.

Land-use planners use noise contours to enable good spatial planning. As much as possible, areas under flight paths (exposed to higher levels of aircraft noise), are reserved for things like industrial, agricultural or recreational land uses.

Noise contours provide a noise footprint which aircraft operations must operate within. By considering long-term aircraft activity, current and best-known future flight paths, the capacity of the airport, and future infrastructure developments such as runway extensions, they allow airport operations to continue well into the future. They also protect the airport from potential operational constraints resulting from land use incompatible with aircraft noise.

Airports and aircraft are now more efficient and have improved safety, so there can be changes in the operating environment including flight paths, new aircraft types and climate change impacts – all things which are considered and reflected in noise contour updates.

The Canterbury region's new noise contours agreed in July will now be introduced into various planning processes to shape future Christchurch Airport and community development.

For more information  
[christchurchairport.co.nz/noise-contour-review](https://christchurchairport.co.nz/noise-contour-review)

## Significant land *purchase*

We were approached late last year with the suggestion we might be interested in buying a block of land near the airport.

It was a very significant suggestion. The land had not been offered for sale for 70 years and is included within the highest noise zone of operational noise contours at the busiest end of the main runway.

It totals about 414 hectares and is zoned agriculture, sitting between current established biodiversity features and waterways to the east and west.

Our purchase of the block enables our biodiversity, renewable energy and operational resilience strategies and will be blended into our future planning of renewable energy options in the next few years. It may, for example, allow future solar array installation and decarbonised aviation.

We are an intergenerationally focused company and this land purchase is another example of that focus. It offers long term protection of aeronautical operations and a long term opportunity to enable further prosperity in the South Island.

# Thousands of native plants for 300-hectare solar farm

The team designing the Kōwhai Park solar farm at Christchurch Airport is making great progress with the project on track to help Aotearoa New Zealand meet its net zero emission goals, as well as boosting its biodiversity.



The 300,000 panel solar farm being developed by the airport's partners Contact energy and Lightsource bp is the first phase of the renewable energy precinct that will enable aviation to decarbonise.

The solar farm sits west of the airfield and will generate 150 megawatts of renewable energy to help decarbonise aviation, or in domestic terms, enough to power at least 30,000 households.

The airport's General Manager of Sustainability and Planning Nick Flack says there's a lot of support for the project.

"Everyone knows aviation has to decarbonise, fewer people are aware just how close low emission flights are. We're expecting to see airlines fly their first low emission planes in Aotearoa in 2026. Kōwhai Park will ensure they have the green energy they need to do so."

Working to ensure the farm is aesthetically pleasing for its closest neighbours was a core focus for the design team.

"They worked to retain key habitats of native plants while planting even more habitat. Parts of the perimeter are being carefully landscaped with thousands of native trees and plants to visually screen the farm for neighbours with plant species handpicked to provide habitat for indigenous fauna," says Nick.

Boffa Miskell ecologist Scott Hooson says they deliberately selected native plantings.

"We wanted to create good habitats for native fauna – such as the copper butterfly, so selected plants that will provide them with food and shelter. The planting plan includes more than a dozen native species, including silver tussock, creeping pōhuehue, porcupine shrub, matagouri, coprosma, and native broom."

Lighthouse bp's Principal Environmental Planner Brendan Clarke says they have a policy requiring all global projects to have a net gain with respect to biodiversity.

"There are lots of ways to do this. In the UK, some of our sites have bee-friendly plantings and beehives that produce solar honey. In Australia we've created habitats for local species like koala and flying fox so it's fitting our first project in New Zealand is also planning to preserve indigenous species of flora and fauna."

The project team is working hard towards a goal of starting construction on the park in early 2024.

[kowhaipark.com](http://kowhaipark.com)

# Another WORLD FIRST FOR CHRISTCHURCH AIRPORT

THE FUTURE OF FIRE-FIGHTING VEHICLES IS ON ITS WAY TO OUR AIRPORT

We have placed an order for the world's first Rosenbauer Electric Fire Truck that has been specifically designed to operate at an airport; in this case, ours.

Christchurch Airport, and Austrian manufacturer Rosenbauer International AG, will work together to bring the 'green' truck down under.

Head of Aviation Operations Tim Morris says it's the next step in the airport's commitment to an entirely hybrid/electric fleet.

"We are on the transition path to a fleet of clean energy trucks," he says. "In the next few years, we will replace all four trucks as new Rosenbauer models become available, until our whole fleet runs on green energy."

While this is not the world's first electric fire truck, it will be the first designed specifically for an airport. Current 'city trucks' work on the streets of Canberra, Hollywood, Berlin, Amsterdam and Dubai among others.

Tim Morris says being able to watch the performance of the city trucks is useful for both the airport and the manufacturer. He says current performance indicates our new airport fire truck could reduce fire service diesel usage by more than 75 per cent.

Rosenbauer Australia and New Zealand Managing Director, Arthur Weimer, says the company applauds Christchurch

Airport's sustainability progress of recent years, as well as its ambitious plans for the future.

"We understand how the Kōwhai Park green energy development near the runway will enable New Zealand's low carbon future," he says.

"The new truck, Rosenbauer RT, will be electric/hybrid with further developments to hydrogen in the future. That will enable it to take advantage of the airport's intention to include green hydrogen within Kōwhai Park."

"The good news for our fire fighters is we can make ergonomic improvements, have more cameras for improved visibility, a different crew cab structure, and options to give a scene overview," says Tim Morris.

"The Rosenbauer RT will include new technology to give our teams the ideal combination of 'clean energy' operation, required compliance and fire fighting capacity at all times. Other benefits include lowering of future operational expenses due to the hybrid/electric technology with fewer moving parts and a significant savings in fuel costs."

The new truck is scheduled to arrive here in early 2025 – and will be our first red fire truck! The change of paint colour is being made to help everyone recognise the vehicle as a fire truck, which has not always been the case for our trucks painted green.



# LIFE AS A CARTOON character



Not everyone would like their work to go public by way of a cartoon, but the team working on the 20-year asset maintenance plan for the airport runways thought it was a great idea.



The complex task, known as Airfield Pavement Maintenance Works (or APMW), aims to resurface and keep our runways in peak condition and to international standards so international airlines can have confidence landing their aircraft. It's an important story to tell, so the different teams agreed to explain what happens in the wee small hours on our airfield.

A cartoon was produced on behalf of WorkSafe's BetterWork programme, to show how the teams from the different businesses involved in the project work together to get the best result.

First, writer Lily Hirsch shadowed the team on overnight shifts, to gather insights, take photos and listen to our conversations to get verbatim quotes from the people involved. She passed on what she learned to cartoonist Carol Green, who used artistic skills to capture the essence of the work done and people involved.

When the cartoon was released, it was uncanny to see the cartoon version of people we know well and work with closely. The partnership between our airport team, Fulton Hogan and AECOM is a well established one, where every member brings specific expertise to the table. There's also a bit of banter, which is valuable to lighten such a high pressure project with very big outcomes.

Of course we can recognise each other in this cartoon – which resulted in a whole new level of banter.

Most importantly though, hundreds of people have seen the cartoon online and gained an understanding of what we do to keep our airport delivering its best work for our city, region and island. For that great outcome, I can cope with being a cartoon character!



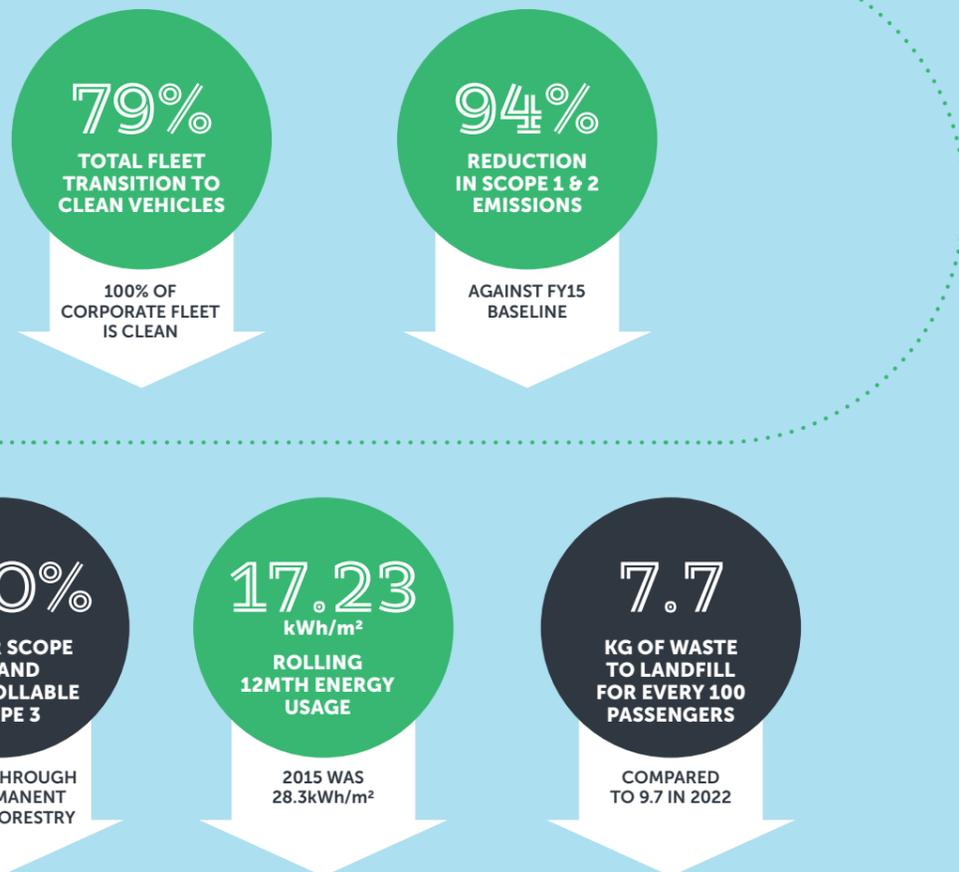
**Nick Flack**  
General Manager, Future Planning and Sustainability



# Sustainability KAITIAKITANGA



## FY23 SUSTAINABILITY HIGHLIGHTS



Kat Ralph-Triebels, Sustainability Advisor at Sustainably, Jake Stapleton, Upper South Island Regional Manager at EnviroNZ, Aimee East Services Director at Sustainably, Evie Cookson, Sustainability Advisor at Christchurch Airport.

## SUSTAINABILITY OVERVIEW

Climate action has been at the forefront of Christchurch Airport's thinking since we first started measuring our emissions in 2006. Through changing chief executives and board appointments, our unwavering commitment towards sustainability remains unchanged. If anything we are digging deeper towards achieving our sustainability goals.

Our company has taken on responsibility for emissions and methodically used our green transition plan framework to embed responsibility for decarbonisation across the company. We took on some bold climate projects and saw some bold climate results. That drive has absolutely remained

the same, and our impact continues to grow as we focus more on our supply chain and how we can support our airline partners and the wider sector and campus to decarbonize.

Our climate commitment has not changed, it is part of who we are as a company, and we remain determined to make a difference on climate.

We are also now leaning into the broader areas of sustainability, including social sustainability; considering how best we can positively impact our people, our community, honour Te Tiriti, and ensure we are addressing our planetary boundaries and work with a just transition, resilient, and ethically driven mindset.

This year has seen a real progression in our approach to partnerships, getting into the topic of decarbonising the entire sector, knowing we need some really committed partners to share the load. We could not have the impact we do in sustainability without vision and learning from a Te Ao Māori worldview, and the progressive leadership of Air New Zealand, the New Zealand Hydrogen Aviation Consortium, the Airport Council International, New Zealand Airports Network and our partners in circularity, Enviro NZ and Sustainably.

# Being great KAITIARI

**GOING ABOVE AND BEYOND FOR circularity**

With more than 20,000 people visiting Christchurch Airport's terminal every day, waste is something our business will always have to deal with. This past year has seen a step change in the way we approach waste, so that's already benefitting our environment.

This began with a change of mindset through embracing the thinking that sits behind Ōhanga āmiomio, or the circular economy. In short, this means changing how we think about the items visitors place in our terminal bins as being resources for recovery, rather than rubbish.

Our journey towards circularity began in 2022 with New Zealand's largest corporate waste audit. Working with waste minimisation business Sustainably, we rolled up our sleeves, pulled on gloves and manually sorted through 1,000 kilos of waste over three days.

That audit revealed the airport's waste diversion rate was sitting at just over 42% and gave us data on exactly what was going in the bins. Most businesses don't weigh their rubbish and Sustainably tells us "that of those who 'do good', the diversion rate is around 30%", so the fact we were hitting 42% was a good start - but we wanted to do better (and have done so).

We then set ourselves a big goal – to divert 80% of our terminal waste away from landfill and into, as much as possible, circular solutions.

The best way to do this? We already had successful organics and recycling waste streams, so wanted to go through our general waste bins to look for diversion opportunities there.

Enviro NZ helped us design a new sortation room and recruit four legendary sorters to go through our general waste bins and pull out anything that can be re-used, composted or recycled. The waste is sorted within 24 hours so it's fresh, which means it's not smelly and is much easier to process.

The team has already made some exciting discoveries. For example, we discovered a significant amount of clothing, shoes and books are thrown away in the check-in terminal – mainly from passengers whose baggage is overweight.

We'd never have known that without going through our bins, but now collect these for re-use!

Our approach to circularity aligns with the airport's overall sustainability strategy.

Key to progress is measuring our performance. It's only by measuring, that we're able to challenge ourselves to do even better.

## A WINNING APPROACH!

The Airports Council International Asia-Pacific awarded Christchurch Airport the 'Green Airports Recognition 2023' in recognition of our approach to circularity.

The judging panel said the project sets the standard for how airports can bring circularity to life.

"Christchurch Airport's commitment to improving resource diversion from landfill into circular economies from 45% to 80% is highly impressive. An excellent example for other airports to learn from when considering their waste management strategy."



## A CIRCULAR SOLUTION FINDER AT WORK

We want to give a big shout out to Project Coordinator Hannah Cooke, who is leading the way in circularity. She's revolutionising our approach to resources by reimagining their lifecycle.

From recycled tabletops to repurposed furniture and recovered chairs, Hannah is making a difference. By adopting a circular mindset, she keeps materials out of landfill, extends their usability, and exceeds passenger expectations. Through her innovative practices, Hannah not only saves money but also contributes significantly to environmental conservation.

For instance, she has transformed the former Rako site, which was in the terminal for testing during the pandemic, with refurbished and repurposed furniture. Even the chairs in Domestic Departures may look new, but are on a second life due to fabric replacement. Meanwhile, wooden table tops are used to replace old Formica tops while keeping existing bases, enabling refurbishment instead of replacement or landfill disposal.

By championing the circular philosophy, Hannah sets an example in waste reduction and resource longevity. She inspires us to make a positive impact at every level, from our daily coffee cups to the furniture in our surroundings. Furthermore, each purchasing decision is an opportunity for change.





## SUSTAINABLE *Procurement*

It's been a busy year for our Procurement team, and we're really proud of the way kaitiakitanga has been embraced across the variety of work they do for our business on a daily basis.

There's been a renewed focus on building sustainable and ethical sourcing decisions into all of our day-to-day procurement activities, and we've worked collaboratively with our supply chain to create greater alignment on the key principles we expect from one another, which is now reflected in our supplier code of conduct.

We've also recognised this alignment can help contribute to the social impact we strive to have as an organisation, and have achieved some important milestones with our key partners including ensuring anyone providing services to our company is paying a minimum of the Living Wage to their staff.

Our team has also strived to look outwards, and has been helping others within the procurement profession by sharing

our experiences and learnings across Australasia - most recently speaking at events around how procurement can incorporate environmental, social and governance (ESG) principles into daily decision making, and our broader approach to business improvement and talent development strategies.

We're also pleased the passionate work our Procurement team has undertaken on setting Kōwhai Park up for success has been externally recognised by industry peers. Our submission for 'Best sustainable project of the year' won the 2023 CIPS ANZ Procurement Excellence Award.

The team is now continuing to build on the work to date and further develop our approach to sustainable procurement. The team has been an active member of helping to shape our organisational ESG strategy, which will ensure how we procure reflects the strategy and ambition we've set ourselves in this space over the coming years.

# Flying AOTEAROA NEW ZEALAND TO THE FOREFRONT OF LOW EMISSION AVIATION

The year 2026 is on track to be a milestone year for aviation. That's when we expect to see airlines' first commercial low emission aircraft in the skies above Aotearoa New Zealand.

Aviation has long accepted it needs to decarbonise to address the impact emissions have on our changing climate.

Industry leaders signed a global Commitment to Action on Climate Change back in 2008. Since then, the aviation sector's invested heavily in researching and developing new technologies that will enable aviation to decouple from fossil-fuels. There are thousands of smart, innovative people working on solutions across the globe – including actual rocket scientists.

Green hydrogen is an important part of the solution. The low-emission fuel is already being used to power trucks, buses, cars and boats, and test flights of green hydrogen-fuelled planes are proving successful.

New Zealand is uniquely positioned to be a leader in the testing and deployment of these new aircraft and technologies including green hydrogen, which is why we've joined forces with global heavyweights Airbus, Fortescue, Air New Zealand, Fabrum and Hirling Energy to form the New Zealand Hydrogen Aviation Consortium.



The Hydrogen Consortium has come together to enable Aotearoa to pioneer the commercial deployment of hydrogen-powered aircraft.

Between us, the Consortium members have experience in all four core areas of the ecosystem that will be required to launch and grow green hydrogen aviation here:

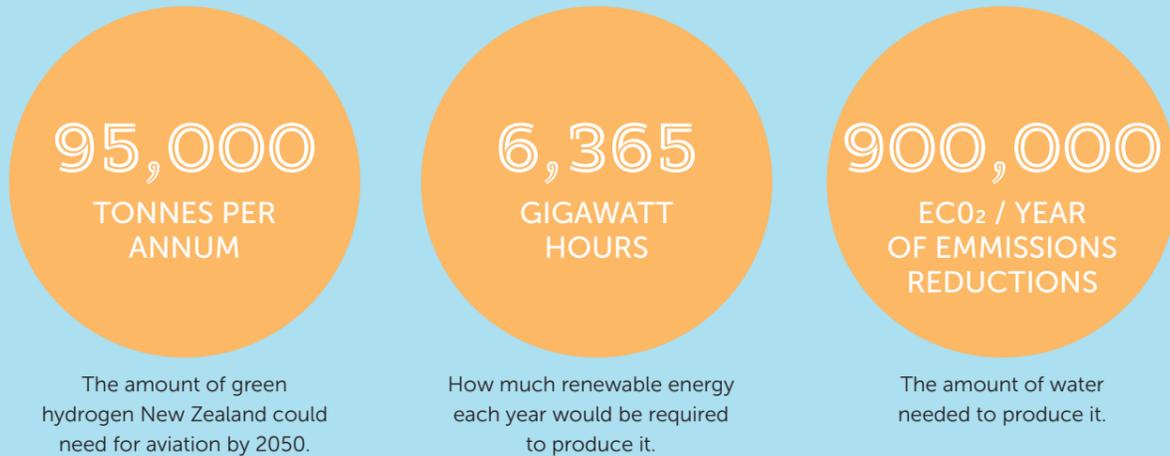
1. Renewable electricity generation, transmission and distribution
2. Green hydrogen production, liquefaction and storage
3. Hydrogen distribution and refuelling
4. Hydrogen fuelled aircraft and maintenance.



In June 2023, we hosted a Ministerial delegation, including Minister of Energy and Resources Dr Megan Woods, Climate Change Minister James Shaw, and the Australian Minister for Climate Change and Energy Chris Bowen, to talk about the opportunity to decarbonise Trans-Tasman aviation.

Our first joint report, released in September 2023, gave a detailed overview of how this ecosystem could look and what we, as an industry and as a country, need to do to make it happen. It also details how much green hydrogen New Zealand expects to need through to 2050, and how much renewable energy and water we'll need to make it.

The report has some big numbers:



Water is a taonga that sustains every plant, person and animal in Aotearoa New Zealand. That means we need to work carefully, with Māori, to ensure every drop counts, and explore ways of using storm or wastewater for hydrogen production.

The best news and greatest number in the report is 850,000. That's how many tonnes of carbon emissions Air New Zealand expects to save annually by 2050, through the use of green hydrogen. Of course, green hydrogen is only one way Air New Zealand is looking to lower emissions.

New Zealand is well placed for the development of green hydrogen as an aviation fuel. The country's large renewable electricity and water resources are the two vital ingredients needed to produce green hydrogen. What's more, the size of aircraft used here and the length of routes flown match the capabilities of hydrogen-powered aircraft.

The core technologies are either in place or under development and expected to be ready in time but there are many challenges we need to overcome to ensure success.

But the Consortium is confident that with support from industry and from government we can make this a reality. We know doing so will embrace the spirit of kaitiakitanga and ensure we leave this place better for future generations.



“  
 If you have any serious intention to become a sustainable business, you need to go and visit Christchurch Airport. What they have achieved is nothing short of inspirational. They are the best in the world at this stuff.  
 Former Prime Minister Jacinda Ardern, addressing Australian politicians and media

## MAKING A GLOBAL *impact*

Alongside our work within the New Zealand Hydrogen Aviation Consortium, our mission to accelerate the decarbonisation of aviation has been in full swing. Not limited by size, Christchurch Airport has been sitting amongst the giants of the aviation industry to call for climate action.

Our Sustainability Lead Claire Waghorn has been selected as an Airport Carbon Accreditation taskforce representative for the Asia Pacific region. This allows Christchurch Airport to help shape and raise the ambitions around what best practice sustainability and decarbonisation should look like.

Our Sustainability team also now sits on the International Working Group on Airport Compatibility of Alternative Aviation Fuels Task Force (ACAAF-TF).

The Task Force aims to identify the possible impacts on airport operations and infrastructure due to the use of hydrogen and electricity to power aircraft.

Following our success in 2020, becoming the first airport globally to reach Airport Carbon Accreditation Level 4, and our ongoing ambitious work to decarbonise our airport operations, Christchurch Airport has subsequently been selected as an ACA pilot airport for the latest ACA Level 5.

We are the only airport to be selected outside Europe.

This new standard requires an airport to demonstrate Scope 1 and Scope 2 emissions reductions greater than 90%, as well as

science-based commitments to reduce Scope 3 emissions. It is a lot of work, but work we are committed to undertaking, and openly sharing with others on how it can be achieved.

We continue to share our sustainability learnings with our airport peers globally – in the areas of decarbonisation and circularity. The collaboration amongst our sector is really stand-out, and we find we gain just as much through the process.

Our mentoring efforts were recently recognised, with Christchurch Airport being the only airport to gain recognition as an 'Airport Carbon Accreditation - Mentor'.

We have also been asked to be a judge in the International Airport Honour Awards, which celebrates airports that have set new standards in excellence – a privilege which feels as good as winning.

## BIODIVERSITY IS EVERYONE'S *business*

December 2022 marked a historic global milestone for biological diversity. This was when the global agreement formed to help protect and regenerate biodiversity was signed, known as the Kunming-Montreal Global Biodiversity Framework.

Under the auspices of the UN Convention on Biological Diversity (CBD), representatives from 196 countries, including Aotearoa New Zealand, committed to four global goals and 23 action oriented targets to protect our global flora and fauna.

The headline goal is to "ensure and enable that by 2030 at least 30 percent of terrestrial, inland water, and coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem functions and services, are effectively conserved and managed."

Christchurch Airport celebrates this collective global agreement, and introduced our own Biodiversity Policy to ensure our goals and targets going forward are reflective of the global mission.

## SUPPORTING NATIVE FORESTRY ON BANKS PENINSULA

As part of our voluntary commitment to accelerate decarbonisation in our airport operations, we seek to offset those emissions we cannot yet reduce to net zero.

Offsets are used for the residual six percent of Scope 1 and 2 emissions, as well as our controllable Scope 3 emissions (noting this does not include the airline emissions.)

When looking for carbon offsets we have chosen New Zealand permanent native forestry, and credits with which you can be sure represent best practice, co-benefits and high integrity.

This year we have teamed up with CarbonZ and the Banks Peninsula-based Joseph Langer Charitable Trust to support regeneration of native forestry in our region through the purchase of NZ ETS certified units. We are really proud of this collaboration and how it supports our climate, biodiversity and local partnerships goals.



Photo credit: Clare Goodwin

# Climate - REDUCTION, ADAPTATION AND JUST TRANSITION

Our 2024 Statement of Intent specifically notes climate change as one of the biggest shaping forces of how we will live over the next 10-30 years, and highlights the need to mitigate, adapt and achieve a just transition. The risks and opportunities associated with climate change are embedded in our strategy setting and risk management approach.

Christchurch International Airport Limited's (CIAL's) commitment to climate action and accelerating the de-carbonisation of our sector ahead of our science-based targets will remain at the forefront – with the focus moving from scope 1 reductions towards impacting our scope 2 and 3, exploring emerging technologies for the remaining scope 1 challenges, building climate resilience into our operational processes and development of our physical climate risk adaptation plan.

An important part of this journey will be working with our airline and industry partners and suppliers to collaborate on opportunities to further reduce emissions, and ensure we have the infrastructure ready to support decarbonisation.

This climate related section of our Annual Review is structured with reference to the Aotearoa New Zealand Climate Standards (NZ CS) and the Taskforce for Climate-Related Financial disclosures (TCFD). The disclosures do not fully comply with NZ CS. From 1 July 2023, CIAL will be required to disclose in accordance with NZ CS and work is well advanced to ensure we comply with the new reporting regime.

# GOVERNANCE

## Oversight of climate risks and opportunities

Our Board of Directors is ultimately responsible for the company's corporate governance and, as part of this, oversees the management of risks and opportunities, including those relating to climate change.

The Risk Audit and Finance Committee (RAF) supports the board in relation to risk management process and oversight. The RAF Committee has oversight of the setting and execution of our Environmental, People, Social and Governance strategy and plans as well as specific responsibility for our Climate Reporting Disclosures and compliance.

Our Board and sub-committees access climate-related expertise and advice from within the business and externally as required. For example, external expert advice and support was drawn upon to both facilitate climate risk assessments and to peer-review the outputs of the assessment. Within the organisation, the General Manager Future Planning and Sustainability has a dedicated team with deep expertise in climate change, including a Sustainable Transition Leader. This team provides the Board and management with updates on emerging best practice, regulatory requirements and other climate-related issues that are relevant.

The Board receives updates relating to climate-related risks and opportunities, progress against strategic initiatives and science-based targets and other relevant legislative changes in the monthly reporting prepared by management. Additional board papers are provided as required for deep dives into climate-related matters of interest such as offsetting and pathways to a decarbonised aviation sector.

Management is responsible for ensuring the business identifies, assesses and monitors climate-related risks and opportunities. Key climate-related risks have been on our risk register since 2017 and a comprehensive climate risk assessment review was facilitated in 2022.

The Board is kept apprised of key risks via quarterly risk updates, which are prepared by management and reviewed by the relevant board sub-committee, prior to being submitted to the Board. The Board reviews all material risks and considers them in the approval of our company objectives and strategies, business plan and budgets. The board holds management accountable for implementing the business plan and achieving strategic targets, and this is reflected in the variable aspect of the CEO's annual remuneration package.

Climate-related risks and opportunities are also a key consideration in our master planning process. While master planning is typically undertaken on a 10-year cycle, and the last plan released in 2017, we are currently working on updating our master plan given the speed of change across the policy, technology, industry and climate change landscapes.

The Board has activated the Emissions Reduction Plan, with the aim of ensuring that we remain in the top 10% of global airports for sustainability. Our Stakeholder Partnerships Plan and Emissions Reduction Plans actively investigate where we may be able to use our resources and expertise to help decarbonise activity beyond the airport campus.

## CLIMATE RELATED GOVERNANCE & MANAGEMENT RESPONSIBILITIES

### BOARD OF DIRECTORS

- Ensures CIAL has appropriate and effective risk and opportunity management practices in place, including for climate-related issues
- Assigns climate-related-issue goals and targets annually via agreed strategic objectives and targets
- Receives reports from the Risk Audit and Finance Committee
- Has access to risk and sustainability reports from Management
- Approves the CEO performance incentives

### RISK AUDIT & FINANCE COMMITTEE (3 BOARD MEMBERS)

- Supports the board in relation to risk management process and oversight
- Reviews risk reports, including new and escalating risk assessments, and ensures risks are managed in accordance with policy
- Periodically reviews whole of business risk analysis and makes recommendations to Board
- Reviews and updates risk management framework and associated procedures
- Reviews management's implementation of strategy and action plans on key issues (including climate)
- Monitors and reviews current and emerging trends to ensure the strategy remains well positioned

### CEO

- Primarily responsible for the implementation of strategy

### GM – FUTURE PLANNING & SUSTAINABILITY

- Report on climate risks & initiatives and emerging areas

### OTHER EXECUTIVE LEADERSHIP TEAM (ELT) MEMBERS

- Owners of the risks in their Business Unit

### KEY MANAGEMENT ROLES WITH CLIMATE-RELATED RESPONSIBILITIES

- Sustainable Transition Lead - Enables effective integration of sustainability into strategy; Implements sustainability initiatives aligned with agreed strategic initiatives; owns the CIAL Climate Policy and the Carbon Objectives therein; reports on climate-related issues quarterly
- Key Risk Owners - The responsibilities for managing climate-related risks and issues are issue and role / Business Unit specific
- Manaakitanga Collective (aka Environmental, People, Social and Governance (EPSG) Management Group) – a group of senior leaders from across the business with a specific interest in and responsibility for EPSG matters including climate. Provide insights, updates and recommendations to the ELT

# STRATEGY - SCENARIO ANALYSIS

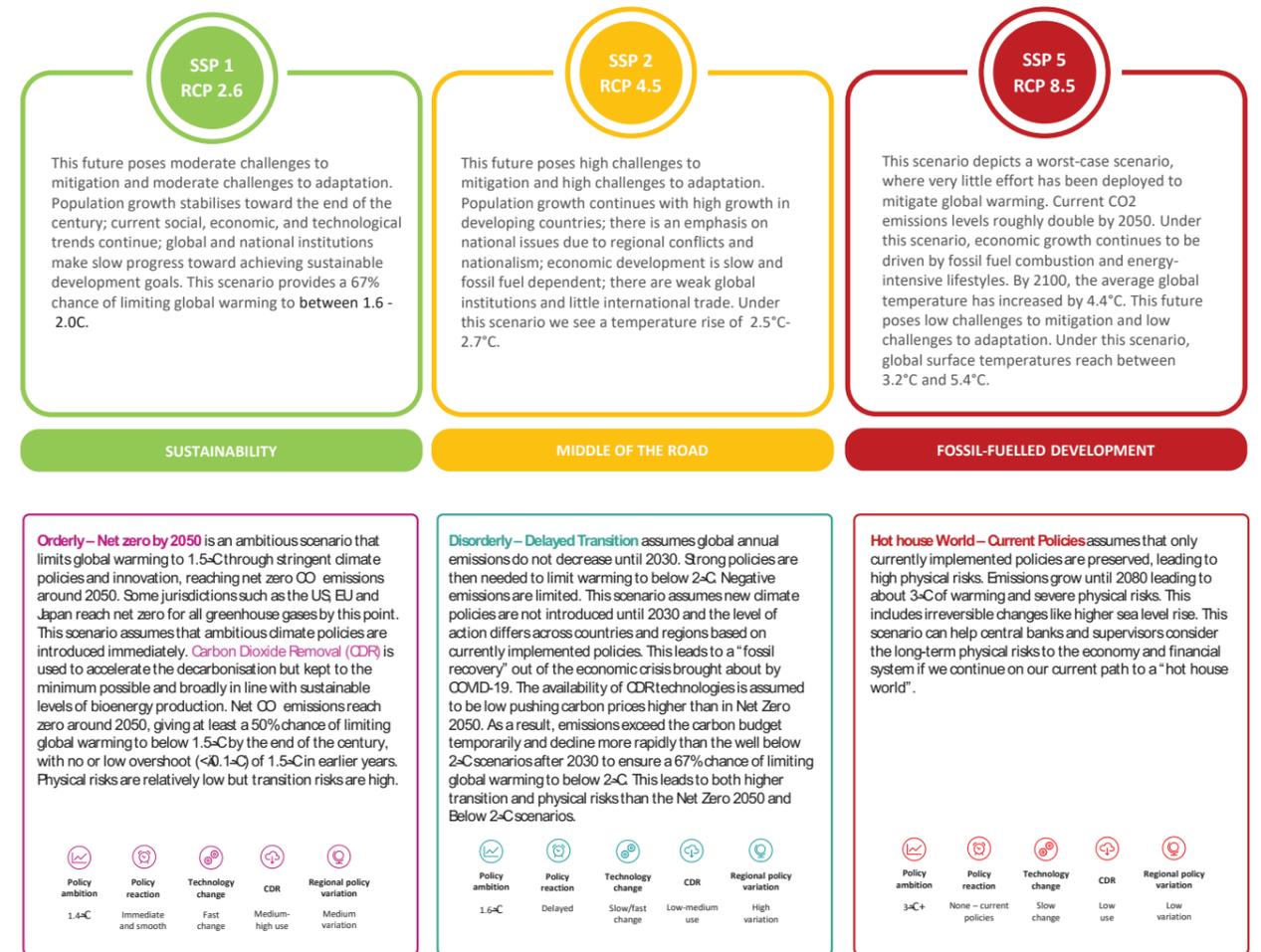
Climate scenarios illustrate what the future might look like under differing degrees of climate change. They are not predictions about what will happen, but rather hypotheses about what could happen in the medium-long-term. Global scenarios that provide context for the low, moderate and high emissions scenarios are considered relevant for us, given our position in, and reliance on, the international aviation sector, and the international policy settings that influence it. The global warming futures that we have considered for the purpose of scenario analysis include those provided by the Intergovernmental Panel for Climate Change (IPCC), the Network for Greening the Financial System (NGFS), the Climate Change Commission, and NIWA scenarios.

The Representative Concentration Pathways (RCP) and NGFS scenarios that support our scenario analysis are summarised in the infographics on page 55. The IPCC scenarios underpinning our scenario analysis are taken from the Fifth and Sixth Assessment reports. We leveraged NIWA's downscaled climate data, which applies the Coupled Model Intercomparison Project Phase 5 data; and the Shared Socioeconomic Pathways (SSPs) and related integrated assessment scenarios provided in the IPCC's Sixth Assessment Report, for the purposes of assessing our Physical risks.

NIWA's downscaled data provides AR5 scenarios based on RCPs for emissions which correspond to alternative levels of concentration of CO<sub>2</sub> in the atmosphere and the corresponding global surface temperatures. The AR6 report combines emissions projections with social, economic and political drivers that provide the catalyst for any given emissions scenario.

To assess physical risks and opportunities at a local level, we leveraged downscaled regional data provided by NIWA to assess the exposure and vulnerability of our assets, operations and people to three global warming scenarios (SSP1-2.6; SSP2-4.5 and SSP5-8.5), at three strategic points in time (2030, 2050, 2100). We adopted these time horizons and warming scenarios to ensure consistency with the sector-level scenario analysis undertaken by the New Zealand Airports Association, and to align with our strategic planning horizons and asset design life and renewal cycles. This will help to ensure that any major capital infrastructure investments we make in the short-to-medium term incorporate the appropriate design specifications to withstand climate stressors that are projected to be in effect toward the end of the century.

To understand our transition risk profile, we assessed against the AR6 SSP1-1.9 scenario, the NGFS Orderly scenario and the Climate Change Commission Demonstration Pathway scenario. Our transition risks were assessed using a time and action-oriented urgency criteria rating and time-to-impact scale. The assumption for assessing transition risks, at both the national and global level, is that the world is on an orderly transition (NGFS Net Zero by 2050; Climate Change Commission Demonstration Pathway), which aligns with the IPCC's 1.5 degree scenario and the transition risks and opportunities identified correlate with the high transition risk profile that these scenarios present. Transition risks were assessed over a 30-year time frame, to 2053.



# STRATEGY - SCENARIO ANALYSIS

The graphs below contain the emissions reduction pathways of the SSP-RCP scenarios adopted in the consideration of physical risks, and the NGFS scenarios adopted in the consideration of transition risks.

The charts below show how our risk profile evolves over time, under the different scenarios. They provide a snapshot of the top 10 physical and transition risks from the 2022-23 climate risk assessment.

## ORDERLY

Under an orderly scenario, our exposure to transition risks is high but for physical risks is fairly low. The high transition risks relate to uncertainty around rolling brown outs, grid capacity expansion, commercial viability and availability of zero carbon aviation options, access to sustainable aviation fuel, changing consumer preferences and the uncertainty around the pace of change among its 'green hub' partners.

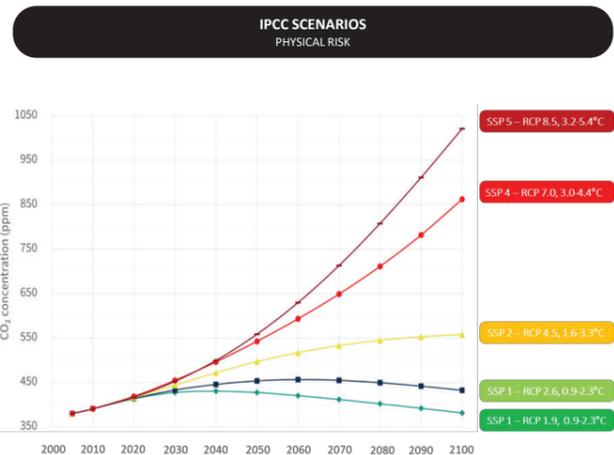
## DISORDERLY

Under a disorderly scenario, our exposure to transition risks is moderate-to-high and our exposure to physical risks is also moderate. Risks relating to changing consumer preferences

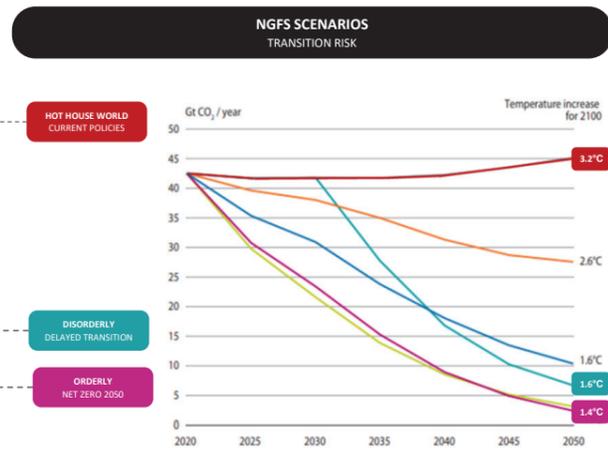
and regulatory change is lessened as there is less pressure to decarbonise early. However, the other risks remain unchanged, given the late run on resources (for example, clean aviation technologies and difficulty securing adequate share of sustainable aviation fuel). Delays in clean tech investment globally means that the world is tracking onto a higher global warming trajectory which results in resource scarcity, supply chain shocks and price volatility.

## HOT HOUSE WORLD

Under a hot house world scenario, our exposure to transition risks is lower but to physical risks is relatively high. The lower transition risks relate to a lack of ambition by governments, the private sector, and the market to decarbonise. The result is a hothouse world scenario. A focus on resilience and a reduced demand for us to decarbonise implies that the level of physical risks has increased and that we are experiencing increasing capital and operational expenditure relating to resilience and remediation, including surface flood and river flood remediation, stormwater infrastructure upgrades, subsidence remediation in areas of reclaimed landfill, and heating/cooling-related costs.

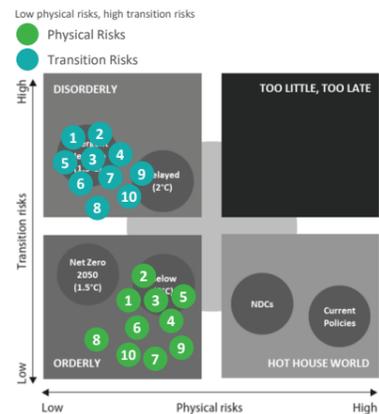


Source: Adapted from NIWA Climate Change Scenarios for New Zealand.

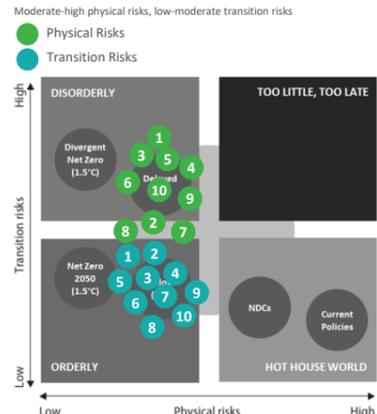


Source: Adapted from NGFS Climate Scenarios.

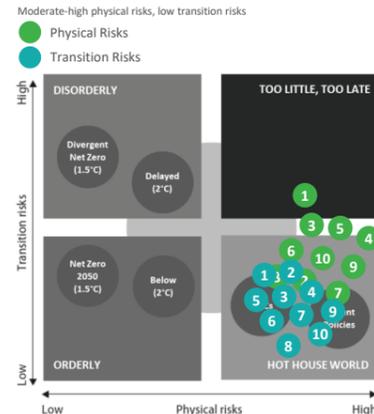
### ORDERLY – PRESENT DAY - 2030



### DISORDERLY – 2030 - 2050



### HOT HOUSE WORLD – 2050 - 2100



# STRATEGY

Through our climate risk assessment, we identified that transition risks, driven by the high degree of uncertainty relating to the rate of commercialisation of zero carbon technology, represent the most material risks for CIAL. The transition risk-related impacts include designation of land for onsite renewable energy generation, emissions abatement initiatives, and positioning ourselves to harness the opportunities related to the evolving future of aviation. In terms of physical risks, we are currently establishing our baseline cost exposure to climate-related impacts to determine the financial materiality of some of the highest rated risks. The table below sets out the current physical and transition impacts, and how we are responding.

PHYSICAL RISK	DIRECT / INDIRECT / CHRONIC / ACUTE	STRATEGIC RESPONSE
An increasing number of hot days per annum results in asphalt flushing [for linear infrastructure (inc. apron and runways)] in and around the airport campus, presenting risk of increased remediation costs	Direct, Chronic	Based on cost exposure analysis, the financial impact of this risk is deemed immaterial.
Intense rainfall events occur with increasing frequency, shifting subsoil structure and exposing campus infrastructure (including runways) to subsidence, presenting a risk of increased remediation costs	Direct, Chronic	We have estimated the lower bound cost impact to be around 3% of the total cost of planned runway expansion under the 2040 Master Plan. The Master Plan and cost estimates have been updated accordingly.
Increased rainfall increases surface flooding events due to stormwater and wastewater infrastructure being overwhelmed, requiring stormwater and wastewater infrastructure upgrade to increase capacity (both CIAL-owned and Council-owned). This presents a risk of increased asset investments.	Indirect, Chronic	We are quantifying the cost of upgrades to our stormwater infrastructure to increase resilience levels from a one-in-50 year return period to a one-in-250 year return period. We are seeking updated data sets to inform this analysis, and we will engage with the council to understand potential stormwater issues that may affect our campus.
An increase in extreme weather events reduces weather windows for construction and maintenance (airside and landside), presenting a risk of increased cost and/or revenue losses associated with delays and cost over-runs.	Direct, Acute	Based on cost exposure analysis, the financial impact of this risk is nominal due to improvements in H&S strategy, processes and controls over time.
Increasing frequency of intense rainfall events results in leaks in older campus and terminal buildings, presenting a risk of associated remediation costs and disruption to operations.	Direct, Acute	Based on cost exposure analysis, the financial impact of this risk is nominal due to improvements in processes and controls over time.

TRANSITION RISK	CATEGORY	STRATEGIC RESPONSE
Insufficient investment and policy response to support the wider airport network's transition to new energy and aircraft technology, and related infrastructure upgrades.	Market, Policy and Legal, Technology	We are addressing these risks via our plans for Kōwhai Park, an onsite renewable energy precinct with the purpose of generating zero emissions energy onsite.
Scarcity of Sustainable Aviation Fuel (SAF) or deployment of other new technologies presents a procurement and investment challenge and presents risks to the make-up of our future long-haul network partners.	Market	Bio feedstocks would need to be ring-fenced for the hardest to abate sectors and those sectors with no viable alternative, for example, aviation and ringfencing synthetic SAF (through hydrogen and carbon capture) and we are working to enhance wider stakeholder understanding of the scale of demand of the aviation sector.
Public attitude towards climate change and aviation means heightened scrutiny, shifting consumer preferences for travel & freight, and risk of disruptive actions to operations.	Market	This risk is being managed through our transparency on GHG emissions and open dialogue with concerned stakeholders as a means of promoting understanding around the aviation sector's decarbonisation challenges.
Risk that more stringent decarbonisation requirements across scope 3 emissions will be imposed causing operational disruption and additional costs.	Policy and Legal	We are engaging with suppliers and customers to understand their progress towards the implementation of their decarbonisation strategies to achieve reductions in gross carbon emissions

# STRATEGY

This year, our risk assessment has primarily been done on a qualitative basis and we are working towards quantifying the key physical and transition risks and aligning them to the opportunities, to better understand which opportunities should be prioritised for strategic initiatives and incorporated into future planning processes.

The thermometers provide a snapshot of our physical risk profile over time, under the SSP1, SSP2-4.5 and SSP5-8.5 scenarios, depicting the total number of risks in each climate risk level, as a percentage of the total. This visual representation of the data indicates that our exposure and vulnerability to climate-related risk increases over time, and more so under the SSP5-8.5 scenario.

Present day - 2030



### SSP1 – 2.6

#### SHORT-TERM HIGH EMISSIONS MITIGATION: Present day - 2030

In a high emissions mitigation scenario, our operations and assets remain resilient to the impacts of climate change that are expected. The highest rated risks associated with physical climate hazards include:

- An increasing number of hot days results in damage to the linear infrastructure (such as runways and roads) in and around the airport campus, presenting the risk of increased remediation costs.
- An increase in extreme weather events reduces weather windows for construction and maintenance (airside and landside), presenting a risk of increased cost and/or revenue losses associated with delays and cost over-runs.
- Flooding causes stormwater overflow resulting in volume consent breaches, presenting a risk of fines from the regulator.

#### MEDIUM-TERM and LONG-TERM HIGH EMISSIONS MITIGATION: 2050-2100

Under the SSP1-2.6 scenario, the effects of global warming over the medium and long-term are not expected to deviate significantly from those that are being experienced in the present day. As such, our exposure and vulnerability to climate-related risks is assumed to maintain a similar rating across the 2050 and 2100 time horizons for the majority of identified risks.

2050: SSP2 – 4.5



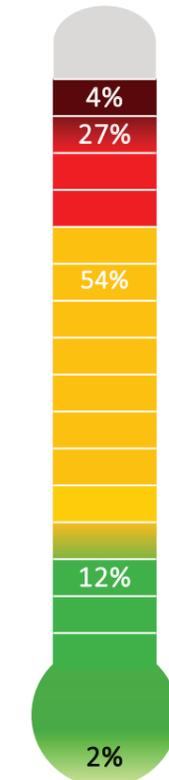
### SSP2-4.5

#### MEDIUM-TERM MODERATE EMISSIONS MITIGATION: 2030 - 2050

Under this scenario, the number of hot days (>25 °C) per annum is projected to increase to 60 which increases the risk associated with damage to linear infrastructure. Potential rolling brown outs due to constrained hydro energy generating capacity present a risk to energy security. Rare, intense rainfall events present numerous risks over the medium term.

Asset-related risks arising from intense, rare rainfall events include potential stop bank failure and related flood damage to the entire campus; subsidence on campus (including runways); and stormwater infrastructure being overwhelmed, requiring costly upgrades. Extreme rain may also affect operations, for example fuel security could be undermined if port access is impaired due to flooding; and could lead to reduced weather windows in which construction and maintenance work can be undertaken.

2050: SSP2 – 4.5



### SSP2-4.5

#### LONG-TERM MODERATE EMISSIONS MITIGATION: 2050 – 2100

In the long term, under this scenario, NIWA projects the Christchurch region to incur up to 45 additional hot days per annum, 10 more days with higher than average rainfall, a 200% increase in river flood discharge rate, and a rise in sea-level of up to 0.65m.

This scenario increases the rating of several risks to 'extreme' including asset damage due to flood damage; rainfall-related subsidence on campus; fuel supply insecurity due to extreme weather-related port closure; and noise curfews due to managed retreat resulting in urban densification around the airport.

The risks rated 'high' also increase under this scenario, and include a variety of impacts across assets, people and operations, due to the increasing prevalence of hazards including extreme temperatures, wild fires, increased dust, lightning strikes and rainfall. Examples of the risks include an increased need to provide refuge to passengers and staff from rain and heat, increased expenditure on technology to counter poor visibility caused by smoke, dust and ash, and a risk that we may need to widen our operational hours outside of peak heat hours to maintain productivity levels.

2050: SSP5 – 8.5



**SSP5-8.5**

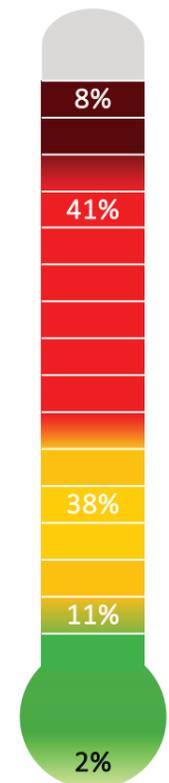
**MEDIUM-TERM, LOW EMISSIONS MITIGATION: 2030 - 2050 SSP5-8.5**

Under the medium-term, moderate warming scenario, only one risk is rated as having extreme exposure and vulnerability to climate change, being the risk relating to the damage impact of an increasing number of hot days (heat) on the linear infrastructure.

Several risks are rated as high under this scenario, including risks associated with extreme winds causing flying debris (impacting operations, assets and people); hotter, drier weather increasing the cost of dust suppression regimes and contributing to water security issues; and the risk to operations due to the impact of smoke and ash from wildfires on aircraft engines and associated operational delays for the airport.

Intense rainfall events, and the projected 100 wet days per annum, also present several operational risks relating to access impairment for airport-bound road logistics, due to landslips and flooding, and the associated risk of revenue loss; as well as risks to assets such as older campus and terminal buildings, which incur leaks that require more frequent remediation and can disrupt operations.

2100: SSP5 – 8.5



**SSP5-8.5**

**LONG-TERM, LOW EMISSIONS MITIGATION: 2050 - 2100**

In the long-term, under a low emissions reduction / high warming scenario almost half of our climate risks escalate to at a high or greater exposure and vulnerability rating, including:

- Risks associated with an increasing number of hot days. For example, as well as the damage to linear infrastructure noted under other scenarios, we could be exposed to risks including increased energy-related operating costs; increased capital costs related to the installation of cooling technology; and costs relating to heat-related premature aging of assets.
- Risk of aviation fuel insecurity due to port closures and shipping delays caused by extreme weather events.
- Risks of disruption to flights and terminal operations caused by extreme wind
- Risks relating to asset remediation costs caused by pluvial and fluvial flooding across the campus leading to damage to airstrips and runways; operational delays; increasing remediation costs; and stormwater overflows causing damage to property and assets around the campus.
- Under this scenario, coastal inundation and managed retreat is predicted to result in high population density in the vicinity of the airport leading to increased noise curfews. This presents an extreme risk of increased compliance costs.
- The increasing incidence of wildfire presents risks relating to disruption of airport operations due to fire-related evacuation; and fire-related damage to airfield assets.

# STRATEGY

A total of 28 transition risks were identified, with Policy & Legal and Market risks comprising the majority of risks.. The highest-rated risks are presented below, all of which are expected to impact within the next 2-5 years.

TRANSITION RISK CATEGORY	RISK DESCRIPTION	URGENCY RATING
MARKET, POLICY AND LEGAL, TECHNOLOGY	Insufficient investment and policy response to support the wider airport network's transition to new energy and aircraft technology, and related infrastructure upgrades	2-5 years
MARKET	Scarcity of Sustainable Aviation Fuel (SAF) or deployment of other new technologies presents a procurement and investment challenge and presents risks to the make-up of our future long-haul network partners.	2-5 years
MARKET	Public attitude towards climate change and aviation means heightened scrutiny, shifting consumer preferences for travel & freight, and risk of disruptive actions to operations. .	2-5 years
POLICY AND LEGAL	Risk that decarbonisation requirements across scope 3 emissions will cause disorderly uncertain transition leading to disruptions and additional costs.	2-5 years
POLICY AND LEGAL	Risk of regulatory non-approval or delays to future construction and expansion projects deemed incompatible with emissions reduction goals.	2-5 years
TECHNOLOGY	Risk of a shortfall in energy generation and transmission capacity to meet the increased energy demand of a decarbonised aviation sector.	2-5 years

Several transition opportunities were also identified, and the majority of these related to market and energy source opportunities, as show in the the table below.

OPPORTUNITY TYPE	OPPORTUNITY DESCRIPTION
ENERGY SOURCE	Electrifying operations reduces reliance on increasingly costly fuel for CIAL and supply chain and potentially opens up new aviation markets.
MARKETS	Opportunity for CIAL to be first mover and market leader in New Zealand future aviation infrastructure and expertise. Market leadership will provide early access to low emissions aviation technology - New Zealand will need to leverage the buying power of bigger, wealthier economies.
RESOURCE EFFICIENCY RESILIENCE ENERGY SOURCE	Onsite renewable energy generation shields CIAL from fossil fuel supply scarcity issues and rising energy prices
MARKETS	Opportunity for CIAL to partner with airlines that are aligned with our climate goals.
MARKETS	First mover advantage afforded through rapid decarbonisation and opportunity to become a green hub in New Zealand.
MARKETS	Kōwhai Park, unlocks opportunity and attracts investors, tenants, customers, relationship and reputation with local and external stakeholders, enhanced ability to partner
RESILIENCE	Leadership position enables CIAL to advocate for policy through trusted engagement with regulator and key stakeholders.
ENERGY SOURCE	Ability to invest in infrastructure is an advantage (also land access) enables investment and leverage of clean tech.

# STRATEGY SUMMARY

In FY23 CIAL implemented a new strategy, Horizons 2030. The strategy focuses on what is needed to navigate the three big macro shaping forces - Digital Transition, Climate Change and the Future of Work - over the remainder of the current decade.

## Great Foresight, for this Generation and the Next

- H30 shows our plan for how we will continue to make foresightful decisions that have multi-stakeholder benefits for today and tomorrow. Our success is built on over 85 years of mostly good decisions that have benefited the generations ahead. When we position ourselves ahead of the trends that will shape us, we create value for Ōtautahi Christchurch and Te Waipounamu the South Island now and for the future
- Our focus remains on meeting the needs of Ōtautahi Christchurch. Post-recovery Christchurch is an exciting place to be. With Te Pae, Metro Sports, a new CBD and other new infrastructure Christchurch will re-establish itself as a premier destination for conferences, events and tourism. Ōtautahi Christchurch, with Te Waipounamu the South Island supporting it, will be a growth engine for the next decade

## Purpose & Mission

We are a purpose driven organisation and our team have decided our purpose is best described as:

“ CHAMPIONING TE WAIPOUNAMU THE SOUTH ISLAND AND AOTEAROA NEW ZEALAND, FOR TODAY AND TOMORROW ”



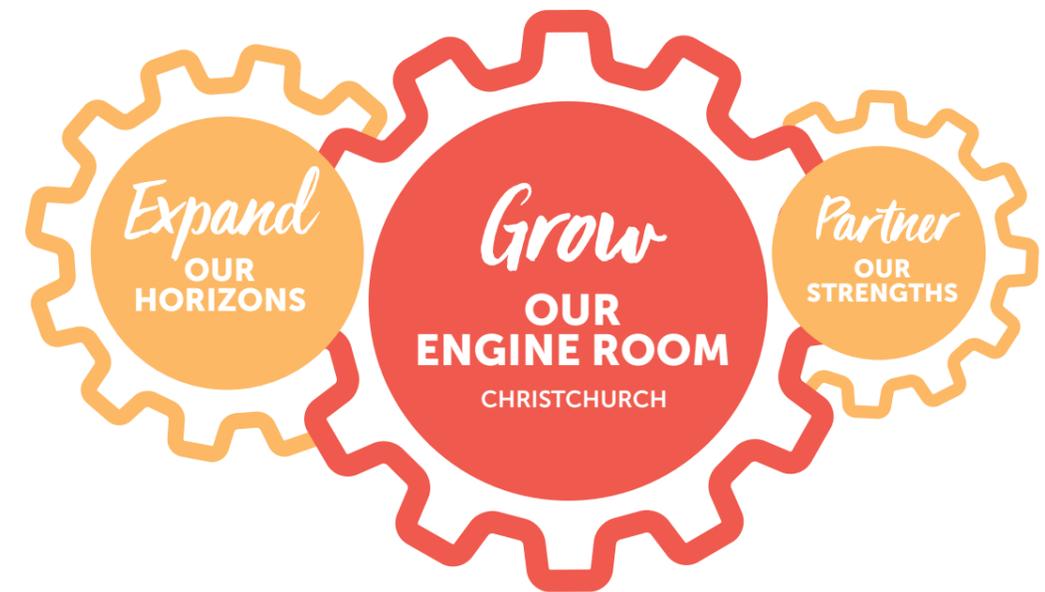
It will achieve an ambitious Mission:

## CHRISTCHURCH AIRPORT IS RECOGNISED FOR



## Our Activation Framework

The main priority under H30 remains growing our engine room at our home base in Ōtautahi Christchurch.



Our 4Ps framework will drive our activation.



CIAL's PLANES, PASSENGERS, PROPERTY and PLANET framework has proven to be a successful approach to thinking about our core operations and is well understood and embraced across the organisation. It will continue to be used to organise the activity to be undertaken under each strategic priority.

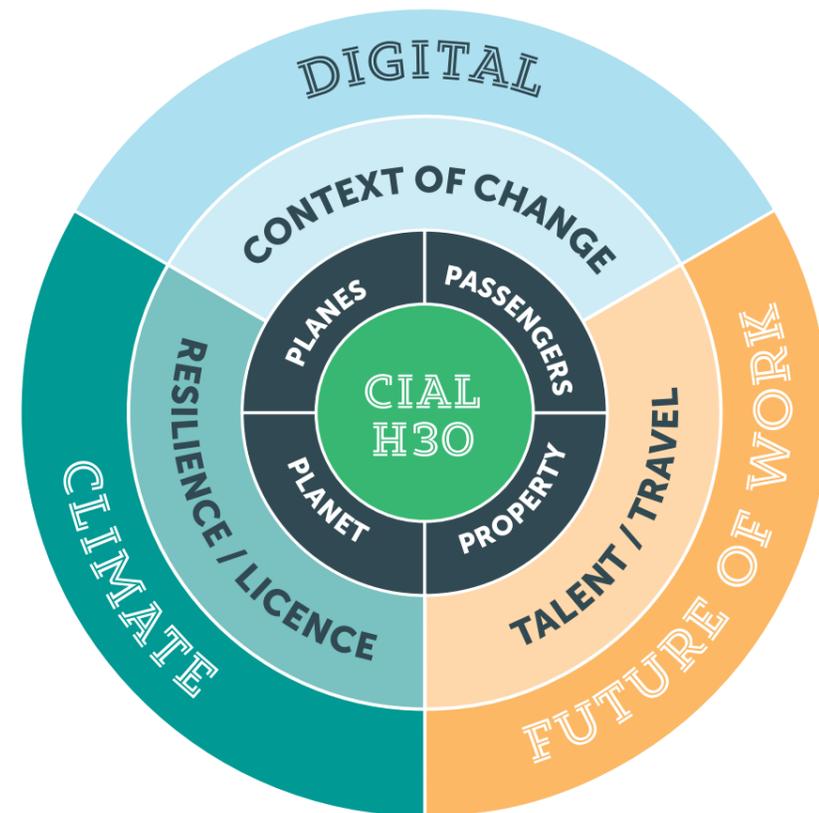
# STRATEGY SUMMARY

## Macro Shaping Forces & Overlay to Strategy Development

We know climate change is a significant shaping force for how we live and adapt to our changing planet, with key aspects of adaptation, mitigation and transition including:

- Businesses will be fully engaged in climate adaptation and emerging asset redundancy challenges
- Consumer and future workforce expectations that businesses will be proactive
- Markets will be pricing carbon and climate change into decision making
- New technology and new generation close to point of consumption will be essential to society scale energy transition
- Aviation may provide the highest foreign exchange to CO2 emissions outcomes of any transport network

In the short-term, the development of renewable energy, energy network capacity and the infrastructure for low emissions aircraft will directly, and positively, impact on climate, resilience, licence to operate and talent attraction and will open opportunities across all aspects of our business



## How we will position ourselves in the transition to a low emissions, climate-resilient future state

We have identified a range of opportunities that will help us to address the main risks as we transition to a low carbon future - some of the key opportunities include:

- The energy source transition opportunity of 'electrifying operations reduces reliance on increasingly costly fuel for both us and our supply chain, potentially opens up new aviation markets' and addresses the transition risk related to increasing demand for hydrogen. Hydrogen presents an opportunity to displace extractive industries with a zero-carbon alternative and we are assessing the immediate opportunities for the airport.
- We identified a market opportunity to be a first mover and market leader in New Zealand future aviation infrastructure, supply and expertise. Market leadership will enhance our ability to access low emissions aviation technology. We are proud of the partnerships we have formed with organisations such as Airbus and Rosenbauer and international airports such as Hamburg, made possible by our leadership position. Leading on sustainability will help to potentially resolve supply chain-related procurement risk inherent with being a relatively small New Zealand-based organisation.
- A resource efficiency and resilience opportunity, relating to onsite renewable energy generation, has the potential to shield us from fossil fuel supply scarcity issues and rising energy prices. This opportunity has already been harnessed via our power purchase agreement for onsite renewable energy generation.
- We identified an energy source opportunity associated with our ability to invest in infrastructure and land access, which enables investment in and leverage of clean technology. We are already harnessing this opportunity via plans for Kōwhai Park. We are considering investing in new high voltage connections and substations (sized to meet the energy demand of end-of-transition goal) onsite, including a 2-way connection and high voltage ring designed to support decarbonisation of our entire property precinct. Additional land has also been purchased adjacent to the airport to house a biodiversity habitat, renewable energy precinct overflow and additional buildings. There is also a site set aside for largescale hydrogen-powered aircraft, designed to accelerate the path to low emission aviation. Research is currently underway to understand the land space and cost requirement to support a transition to hydrogen.
- An additional market opportunity relates to the benefit of potential preferred partnerships with airlines that are aligned with our climate goals. As airlines are seeking to address obligations under CORSIA and to understand how they can meet emissions reduction goals we can harness this opportunity through increasing establishing partnerships to provide end-to-end 'green corridors'.

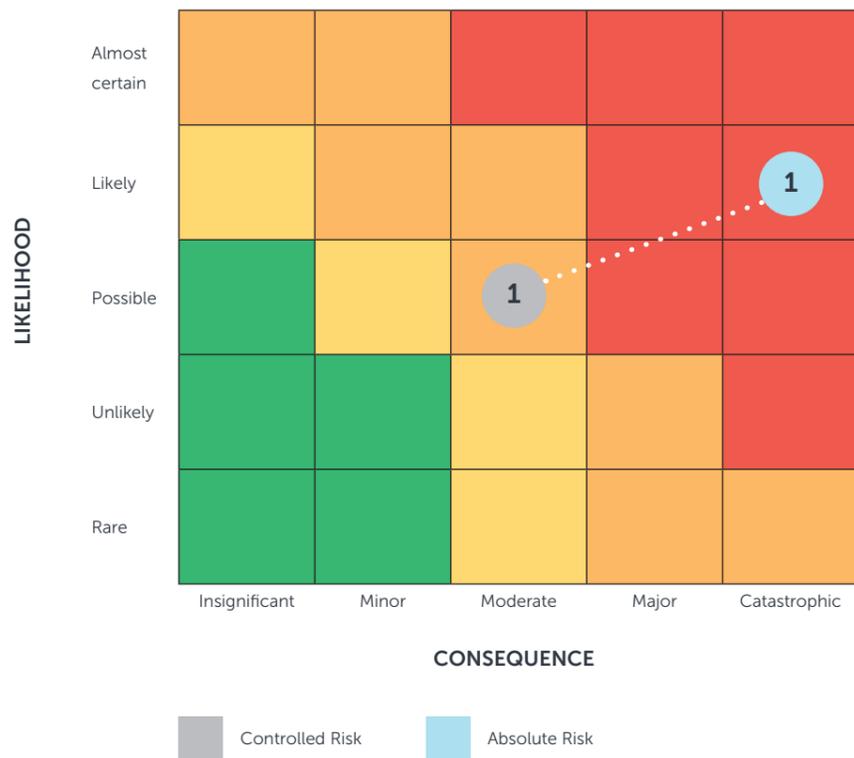
# RISK MANAGEMENT SUMMARY

Our risk management framework provides the Board and the Executive Leadership Team with a clear understanding of how both strategic and operational risk is managed across the organisation. It sets out the high level approach to each stage of risk management:

- Risk identification, considering the objectives of the business plan and strategy, across business-as-usual and projects.
- Risk analysis requires the determination of consequence and likelihood to derive a risk rating. The severity rating then allows for the comparative prioritisation of risk to ensure that CIAL's resources are focused on the area of greatest exposure or opportunity. CIAL uses a five point scale for both consequence and likelihood (see diagram).
- Risks are then evaluated, to agree on the risks that represent the greatest exposure.
- Risk treatment can then be considered and, depending on the risk appetite, options could include avoiding the risk, reducing the likelihood or reducing the consequences. The treatment then informs the business strategy and planning.
- Monitoring is through the Risk, Audit and Finance (RAF) committee's quarterly review, informed by updates from key managers and ELT. External advisors are engaged to undertake a peer review of risk monitoring and reporting activity.
- The level of reporting is determined by the severity of the risk, with key risks reported to the Board.

The climate risk assessment process used the same five-point scale, and the risks identified have been integrated into the enterprise risk management framework, to be prioritised and managed in the same manner as all other identified risks.

We intend to undertake a full climate risk assessment review every three to five years, or as indicated through an annual review for any material changes that indicate a reassessment is required.



**Consequence** is a measure of the impact of an event on the business or activity being assessed.

**Likelihood** is a measure of the probability of that event occurring.

CIAL utilises a five point scale for both consequence and likelihood.

**Severity** is the combination of consequence and likelihood expressed as either a numerical score or qualitative rating – the matrix uses colours to indicate a four point severity scale.

Our climate change risk assessment process adopts the New Zealand Ministry for the Environment's National Climate Change Risk Assessment (NCCRA) methodology for identifying, analysing, and evaluating physical climate risks and opportunities (risks and opportunities directly related to the physical impact of a climate hazard). The climate risk assessment also draws on the Taskforce for Climate-related Financial Disclosures (TCFD) framework guidance for identifying and assessing transition risk and opportunities.

The risk assessment process was undertaken by a group of subject matter experts from across the business, and the results of this were presented to the Risk Audit and Finance Committee for review and feedback, prior to being presented to the Board for review and feedback. The ratings were subsequently updated to incorporate the Board's feedback.

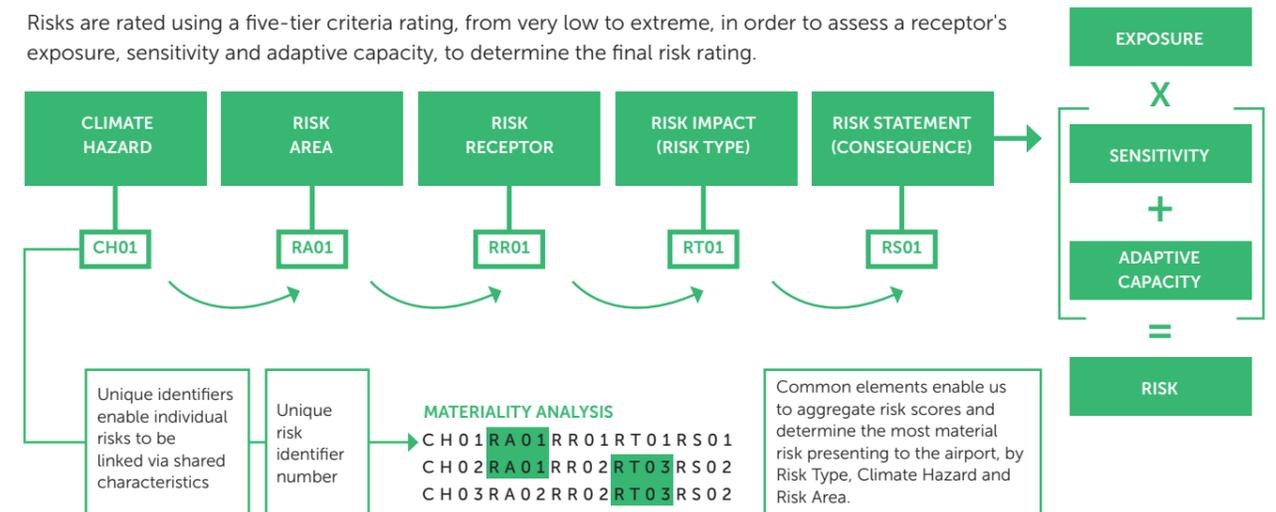
Our most recent physical climate risk assessment involved 17 subject matter experts from across the business to identify and rate Physical risks and opportunities, and we ran a series of workshops, facilitated by Deloitte, to identify the risks, based on our subject matter experts (SMEs)' insights, knowledge and observed events and to assess and rate the level of exposure, sensitivity and adaptive capacity of the airport to the risks identified by the group, over the selected time horizons and scenarios.

The outputs of the physical risk workshops were then put through Deloitte's materiality quant model to rank risks by their independent score, and to identify the most material risks by climate hazard, by risk type, and by risk area. The process is set out in the diagram below.

Transition risks and opportunities were identified and assessed in a series of workshops that drew on the expertise and experience of 11 SMEs from across the business.

The climate risk and opportunity assessment included risks within the airport's direct sphere of operational control (for example, assets and operations within the airport campus, over which the airport has direct control); tier 1 upstream risks, (for example, supply chain logistics, resourcing through contractors, and energy security); and tier 1 downstream risks, directly related to airside (for example, risks presenting for airline customers).

## THE CLIMATE RISK ASSESMENT AND RATING METHODOLOGY PROCESS IS AS FOLLOWS:



# METRICS AND TARGETS SUMMARY

Our GHG Inventory report for the year ending 30 June 2022 is available on our website, and the report for the year ended June 2023 is expected to be available on our website by September 30.

We are developing the processes and methodologies to appropriately measure the percentage of assets / operations that are subject to climate change risk, in preparation for the first period of reporting under NZ CS 1 next year.

Our key metrics and targets are set out in the following table:

METRIC	TARGET	TIME FRAME	INTERIM TARGET	PERFORMANCE AGAINST TARGET	ASSUMPTIONS & SOURCES OF UNCERTAINTY
GHG Emissions	To be net zero by 2030	2030		We partner with CarbonZ to support permanent New Zealand native forestry restoration that removes GHG emissions from the atmosphere, we draw down 125% of our remaining GHG emissions from the atmosphere, going beyond neutral.	Assumptions and sources of uncertainty are covered in detail in the GHG Inventory document.
GHG Emissions	To be absolute zero emissions for our Scope 1 and 2 by 2050	2050	2035 Maintain trend with our milestone emissions reduction goal of 84% reduction in Scope 1 & 2 (using FY15 carbon baseline)	FY23 has seen a decrease in our GHG inventory compared to 2022. In FY23 there was an increase in purchased electricity between years. However, we remain on track with our emission reduction trajectories to achieve our 2035 target. Planned development of onsite solar energy is expected to further address our Scope 2 emissions and support the broader campus and aviation industry with Scope 3 emissions. We have used the most recent MFE factors released in July 2023 when comparing the movement in emissions between the years	Assumptions and sources of uncertainty are covered in detail in the GHG Inventory document.  To achieve our 2050 target, new technologies will be required.
GHG Emissions	To influence reductions in our Scope 3 stakeholder's emissions where possible	Ongoing		Our Scope 3 reductions influence is active and ongoing – with Kōwhai Park renewable energy precinct, and MOU with Air New Zealand and hydrogen consortium demonstrating partnerships to accelerate de-carbonisation	Reduction in Scope 3 emissions is predominantly outside of the direct control of CIAL.  For our key stakeholders to achieve emissions reductions, new technologies will be required.



Photographic contributions by: Wayne Williams and Kelly Shakespeare. Front cover image by Tim Ward.



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