



INTERIM REPORT

For the six months to 31 December 2016

3,240,856 Passenger Movements

Total passenger movements increased by 135,392 (4.4%) as compared to the same six month period ended 31 December 2015 (3,105,464).

- *Domestic* movements - 2,436,484 ↑ 3.2%
- *International* movements - 804,372 ↑ 7.9%

\$86.4m Total Operating Revenue

Total normalised operating revenue* increased by 6.5% for the six months ended 31 December 2016 compared with the same period last year (\$82.7m).

- *Aeronautical* Revenue - \$42.5m ↑ 6.4%
- *Non-Aeronautical* Revenue - \$43.9m ↑ 6.6% *

\$53.3m EBITDA

EBITDA from operations increased by 4.9% for the six months ended 31 December 2016 compared with the same period last year (\$50.8m).

\$18.3m Net Profit after Tax

The net surplus after tax increased by 12.9% for the six months ended 31 December 2016 compared with the same period last year (\$16.2m).

\$16.4m Declared Interim Dividends

The declared total interim dividends for the six months ended 31 December 2016 at \$16.4m has increased by 12.9% as compared to the prior year interim dividends (\$14.5m).

\$1,288m Total Assets (Book Value)

\$345m Drawn Borrowings

* *Normalised after removing revenue from the International Antarctic Centre from the prior year comparative, as this was sold at the end of October 2015.*

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OPERATIONAL AND FINANCIAL REVIEW

Aeronautical

The six months to 31 December 2016 saw total passenger movements increase by 135,392 or 4.4% compared to the same period last year. Domestic passenger numbers grew by 3.2% for the period which was less than expected. International passenger numbers have risen by around 8%, with a number of new international air services introduced in November and December.

Domestic passenger growth was lower than expected due to Destination Christchurch continuing to lose domestic market share against other major New Zealand destinations and lower than expected international growth rates at Auckland Airport, resulting in lower than expected flow through onto domestic services.

The growth in international passenger numbers continues to be driven by Christchurch International Airport Limited (“CIAL”) increasing airline capacity (finding planes) and the work our teams have been doing with regional and national stakeholders in international markets (filling planes) including:

- Increased services from China Southern Airlines;
- Up-gauging of the Emirates Christchurch-Sydney service to an A380 aircraft;
- Qantas adding new services from Christchurch to Melbourne and Brisbane;
- Increased services from Fiji Airways.

Growing passenger numbers continues to be a key focus for Christchurch International Airport Limited (“CIAL”), with the approach being based on a dual focused strategy of ‘finding planes’ and ‘filling planes’ with a 2025 aspirational target of achieving 8.5 million passengers p.a.

The new or increased services outlined above have increased our connections to key regional airport hubs, Melbourne, Sydney, Brisbane, Auckland and driven strong international visitor growth into the South Island and New Zealand. The work that CIAL has been undertaking in partnership with the regions of the South Island and Tourism New Zealand in China, South East Asia and Australia (through the ‘South’ program) has seen this growth spread to regions such as the West Coast, Nelson/Marlborough, Dunedin and the South Coast.

Christchurch Airport continues to show strong growth as a point of entry for Chinese visitors (+37% growth in arrivals from Chinese residents, +53% growth in arrivals by Hong Kong residents and +25% from Taiwan residents). Following the South work in China, we are seeing a higher proportion of free independent travellers from China when compared to the national average. Chinese arrivals at Christchurch travel in smaller groups are younger more educated professionals, more female and young couples, visit more regions and spend on average 28% more per visit than the national average.

Financial Performance

Total normalised operating revenue for the six months to 31 December 2016, at \$86.4m, was 6.5% ahead of the same period last year (after eliminating the revenue stream from the International Antarctic Centre (“IAC”) which was sold at the end of October 2015).

Aeronautical revenue of \$42.5m has increased by 6.4% on the comparable prior year period (given increase in aircraft movements and passenger numbers) whilst normalised non-aeronautical revenue¹ has grown 6.6% compared to the comparative period. The underlying growth in non-aeronautical revenue was due predominantly to increased rental streams from the on-going property development program.

¹ ‘Non-aeronautical revenue’ includes terminal concessions, terminal office and operational area leases, campus property leases, car parking and ground transport and other commercial revenues

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CIAL's normalised operating cost base for the six month period (after eliminating the operating costs of the IAC) is below budget for the period and reflects the continued strategic focus on lifting productivity. Increased costs have been incurred predominantly in the area of aeronautical development and marketing reflecting the significant work undertaken in securing the additional airline capacity outlined above, in what is becoming an increasingly competitive airport market, and in professional fees relating to participation in various regulatory activity during the period.

Overall earnings before interest costs, tax, depreciation, amortization and fair value movements ("EBITDAF") – the company's key underlying financial performance measure, at \$53.3m, was 4.9% ahead of the same period last year.

With the combined interest and depreciation costs for this six month period being relatively consistent with last year, this EBITDAF growth has flowed through to an improved net surplus after tax of \$18.3m which is an increase of 13% compared to the same period last year. This has resulted in the Board declaring an interim dividend of \$16.4m, also 13% up on last year.

CIAL's balance sheet has maintained its existing gearing ratio (ratio of debt to debt plus equity), at a rate around 30%, and the company has sufficient funding facilities in place to fund its current capital expenditure forecast requirements. (including a level of headroom as per the company's liquidity policy)

In December 2016, CIAL successfully completed the finalisation of a number of new bank facilities and facility extensions with a number of our banking partners.

CIAL's PSE3 Pricing Proposal was provided to all substantial airline customers in November 2016 with an initial briefing held to ensure that customers had a clear understanding of the framework of CIAL's proposal. Initial formal feedback from customers has recently been received and CIAL is currently in the process of considering that feedback.

Property

CIAL has continued its investment in the development of its property portfolio (noting this is investment in new revenue and dividend generation activity only), spending around \$40m in capital expenditure in the first six months of the FY17 financial year (\$23m in prior period).

The development of the Novotel Christchurch Airport is tracking as planned against program and budget. It continues to be positively received internationally and remains on target for completion around December 2017. The JUCY Snooze Backpacker was opened in November 2016 and has been trading well.

The construction of the Freight Apron Project and South Island Logistics Centre (housing Freightways and Courier Post) is also progressing well and on schedule.

The development of CIAL's other property precincts Mustang Park (rental vehicle center) and Dakota Park (freight and logistics) also continues to progress well and work continues to secure an anchor tenant for Stage 1 of Harvard Park, our trade retail precinct.

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Kaitiaki

In 2013 CIAL began a project of improving the productivity and energy efficiency in the Terminal. Significant savings have been achieved to date with cumulative savings now being worth over \$1m at today's rates.

In addition CIAL has achieved material advances in landfill diversion rates for the airport campus with a diversion rate of 43% of total waste away from landfill for the last quarter of 2016 – a 2.5% absolute increase on the previous quarter.

CIAL remains focused on a risk based leadership approach to building the Health & Safety ecosystem and the Board is active in this process of how we are protecting our people and key stakeholders. Leadership at all levels is key to a proactive culture and work is being activated to keep building safety leadership.

Innovation

In January 2017, CIAL hosted a successful launch of New Zealand's first autonomous shuttle to the Minister of Transport, the Mayor and other councilors, MPs and other interested parties. Planning for the two year trial has now commenced.

CIAL was a sponsor and speaker at the Singularity University New Zealand summit in November 2016. At that CIAL issued an open invitation to those who needed a place to trial new technologies in the area of big data, virtual reality, smart transport or any other space that an airport might provide a basis to trial, to reach out. CIAL is open to progressing conversations accordingly, focusing on our role as facilitator and not an investor.

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FINANCIAL STATEMENTS

Statement of financial performance for the six months ended 31 December 2016

	Note	For six months ended 2016 \$000	For six months ended 2015 \$000
REVENUE			
Operating revenue	2	86,436	82,703
Interest income		104	126
Total revenue		86,540	82,829
EXPENSES			
Operating costs	3	33,170	31,927
Financing and interest costs		10,389	10,126
Depreciation, amortisation and impairment		17,606	18,302
Total Expenses		61,165	60,355
Surplus before tax		25,375	22,474
Tax attributable to operations		7,105	6,291
Surplus after tax		18,270	16,183

The accompanying notes form part of these financial statements.

INTERIM REPORT

Statement of comprehensive income for the six months ended 31 December 2016

	For six months ended 2016	For six months ended 2015
	\$000	\$000
Surplus after tax	18,270	16,183
<i>Other comprehensive income</i>		
Cash flow hedges	9,263	(819)
Other comprehensive income for period, net of tax	9,263	(819)
Total comprehensive income for the period	27,533	15,364

Statement of movements in equity for the six months ended 31 December 2016

	For six months ended 2016	For six months ended 2015
	\$000	\$000
Equity at the beginning of the period	791,175	766,766
Total comprehensive income for the period	27,533	15,364
<i>Transactions with owners</i>		
Dividends paid to shareholders	(16,514)	(14,703)
Equity at end of period	802,194	767,427

The accompanying notes form part of these financial statements.

INTERIM REPORT

Statement of financial position as at 31 December 2016

		As at 31 December		As at 30 June
	Note	2016	2015	2016
		\$000	\$000	\$000
EQUITY				
Share capital		57,600	57,600	57,600
Reserves		463,543	443,274	454,280
Retained earnings		281,051	266,553	279,295
TOTAL EQUITY		802,194	767,427	791,175
NON-CURRENT LIABILITIES				
Borrowings	4	307,643	255,938	256,026
Derivative financial instruments		10,825	13,399	22,856
Deferred taxation		108,673	104,023	105,070
Trade and other payables		1,035	1,136	1,086
TOTAL NON-CURRENT LIABILITIES		428,176	374,496	385,038
CURRENT LIABILITIES				
Current Portion of Borrowings	4	38,000	49,000	68,000
Trade and other payables		13,429	11,938	12,214
Taxation payable		4,486	8,714	2,878
Derivative financial instruments		2,084	604	1,339
TOTAL CURRENT LIABILITIES		57,999	70,256	84,431
TOTAL EQUITY AND LIABILITIES		1,288,369	1,212,179	1,260,644
NON-CURRENT ASSETS				
Property, plant and equipment		937,246	918,004	929,234
Investment Properties		318,177	261,184	303,692
Intangible Assets		3,610	4,258	3,985
Trade and other receivables		6,360	7,449	6,546
TOTAL NON-CURRENT ASSETS		1,265,393	1,190,895	1,243,457

The accompanying notes form part of these financial statements.

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Statement of financial position as at 31 December 2016 (continued)

	As at 31 December		As at 30 June
	2016	2015	2016
	\$000	\$000	\$000
CURRENT ASSETS			
Cash and short-term deposits	4,846	5,554	763
Receivables and pre-payments	17,371	14,875	15,684
Inventories	759	855	740
TOTAL CURRENT ASSETS	22,976	21,284	17,187
TOTAL ASSETS	1,288,369	1,212,179	1,260,644

For and on behalf of the Board



D Mackenzie
Chairman



C Drayton
Director

28 February 2017

The accompanying notes form part of these financial statements.

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Statement of cash flows for the six months ended 31 December 2016

	Note	For six months ended 2016 \$000	For six months ended 2015 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Receipts from customers		87,561	83,556
Interest received		104	126
Net Goods and Services Tax received		1,522	1,783
		<u>89,187</u>	<u>85,465</u>
<i>Cash was applied to:</i>			
Payments to suppliers and employees		35,560	43,749
Financing and interest costs		10,291	10,083
Income tax paid		5,500	5,000
		<u>51,351</u>	<u>58,832</u>
Net Cash Inflows from Operating Activities		<u>37,836</u>	<u>26,633</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash was provided from:</i>			
Proceeds from sale of businesses	7	-	5,163
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment, intangibles & investment properties		40,239	23,320
Net Cash (Outflows) from Investing Activities		<u>(40,239)</u>	<u>(18,157)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Cash was provided from:</i>			
Borrowings		48,000	9,000
<i>Cash was applied to:</i>			
Borrowings		25,000	-
Dividends paid		16,514	14,703
Net Cash (Outflows) from Financing Activities		<u>6,486</u>	<u>(5,703)</u>

The accompanying notes form part of these financial statements.

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Statement of cash flows for the six months ended 31 December 2016 (continued)

	For six months ended 2016	For six months ended 2015
	\$000	\$000
Net Increase In Cash Held	4,083	2,773
Add cash at beginning of the period	763	2,781
CASH AT END OF THE PERIOD	4,846	5,554
Cash	9	9
Bank and deposits	4,837	5,545
Cash At End Of The Period	4,846	5,554
RECONCILIATION WITH OPERATING SURPLUS		
Net operating surplus after tax	18,270	16,183
<i>Items Not Involving Cash Flows</i>		
Amortised borrowing costs and fair value hedge ineffectiveness	123	17
Amortisation of lease surrender	323	317
Accrued interest within derivatives	69	126
Depreciation, amortisation and impairment	17,606	18,302
	36,391	34,945
<i>Impact Of Changes In Working Capital Items</i>		
Increase/(decrease) in accounts payable*	1,683	(7,873)
(Increase)/decrease in accounts receivable	(1,823)	(1,986)
(Increase)/decrease in inventories	(23)	256
Increase/(decrease) in taxation payable	1,608	1,291
	1,445	(8,312)
Net Cash Flows From Operating Activities	37,836	26,633

* includes impact of movement in capital items

The accompanying notes form part of these financial statements.

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Abridged notes to the financial statements for the six months ended 31 December 2016

1. Accounting Policies

The company has used the same accounting policies and methods of computation as were used in the 2016 annual financial statements.

The financial statements have been prepared in accordance with the requirements of the Companies Act 1993, the Local Government Act 2002, the Financial Reporting Act 1993 and the New Zealand equivalents to International Financial Reporting Standards.

These unaudited statements for the six months ended 31 December 2016 have been prepared in accordance with NZ GAAP and are in compliance with NZ IAS 34.

Christchurch International Airport Limited is a company registered under the Companies Act 1993.

2. Operating Revenue

	For six months ended 2016	For six months ended 2015
	\$000	\$000
Landing and Terminal charges	42,500	39,950
Rent and Lease income	30,859	28,755
Ground transportation and other trading activities	9,944	10,995
Other revenue	3,133	3,003
	<hr/> 86,436 <hr/>	<hr/> 82,703 <hr/>

3. Operating Costs

	For six months ended 2016	For six months ended 2015
	\$000	\$000
Staff	13,124	12,867
Asset management, maintenance and airport ops	4,947	4,871
Rates and insurance	4,351	4,109
Marketing and promotions	5,792	4,786
Professional services and levies	1,565	1,561
Commercial entity running costs	29	361
Other	3,362	3,372
	<hr/> 33,170 <hr/>	<hr/> 31,927 <hr/>

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4. Borrowings

As at 31 December 2016, the Company has committed bank funding facilities for an aggregate \$295,000,000 (2015: \$235,000,000) with five banks. In the prior period the Company also had a fully drawn subordinated loan facility of \$25,000,000 from its majority shareholder, CCHL. This was repaid in October 2016. In addition, the Company has an overdraft facility of \$1,000,000.

During December 2016, the Company extended the maturity of two existing facilities by five years. Additionally new facilities were also arranged with an existing provider and a new funding partner.

Total bond funding at 31 December 2016 is \$125,000,000 (2015:\$125,000,000). The funds raised from these bond issues were used to refinance in part the Company's maturing debt facilities. \$75,000,000 of the bond funding is held at amortised cost, adjusted by the fair value of the designated hedge instrument.

All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed. The negative pledge deed requires that no security interest is provided over any assets for borrowings, unless an equivalent security interest is created for the borrowing group and bond holders. Interest rates paid during the period, including offsetting interest rate swaps, ranged from 3.7% to 6.7%. (2015: 3.1% to 6.7%). The bonds constitute direct, unsecured, unsubordinated obligations and will rank equally with all other unsecured, unsubordinated indebtedness.

	As at 31 December		As at 30 June
	2016	2015	2016
	\$000	\$000	\$000
Less than 1 year	38,000	49,000	68,000
1 > 3 Years	130,809	76,000	74,000
3 > 5 Years	176,834	130,140	132,212
Greater than 5 Years	-	49,798	49,814
	<hr/>	<hr/>	<hr/>
	345,643	304,938	324,026
	<hr/>	<hr/>	<hr/>
Total available funding	420,000	385,000	385,000

5. Related Party Transactions

Christchurch City Holdings Limited (CCHL), a wholly owned subsidiary of the Christchurch City Council (CCC), owns 75% and the New Zealand Government owns 25% respectively of the issued share capital of the company. Christchurch International Airport Limited enters into a large number of transactions with government departments, Crown entities, State-owned enterprises and other entities controlled or subject to significant influence by the Crown. All transactions with related entities:

- are conducted on an arm's length basis
- result from the normal dealings of the parties
- meet the definition of related party transactions only because of the relationship between the parties being subject to common control or significant influence by the Crown.

The New Zealand Government directly controls Air New Zealand, a major customer of CIAL from both an aeronautical and rental and lease perspective. Pricing agreements are renegotiated for aeronautical charges with all airline customers of CIAL, including Air New Zealand, every five years. Air New Zealand also leases a number of properties within the terminal and the wider CIAL campus.

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	For six months ended 2016	For six months ended 2015
	\$000	\$000
<i>Transactions with owners during the period to 31 December</i>		
Purchases from CCC and subsidiaries	909	554
Rates paid to CCC	2,347	2,175
Revenues from CCC and subsidiaries	4	5
Interest paid to CCHL	389	746
Dividend paid to CCHL	12,386	11,028
Dividend paid to the Crown	4,128	3,675
Amounts payable to CCC and subsidiaries	3	309
Amounts receivable from CCC and subsidiaries	1	2
Subordinated loan balance payable to CCHL	-	25,000

Non-Shareholder Related Party Transactions

Some directors of the company are, or have been during the period, directors of other companies or organisations with whom Christchurch International Airport Ltd may transact. Such transactions are all carried out on an arm's-length basis and are conducted on normal commercial terms. No amounts were written off or forgiven during the reporting period and outstanding balances were settled under normal trading terms.

6. Commitments

	As at 31 December 2016	As at 31 December 2015
	\$000	\$000
Total capital expenditures committed to, but not recognised in, the financial statements	68,473	18,009

7. Sale of International Antarctic Centre

The International Antarctic Centre (IAC) business was sold on the 29th October 2015. As such, trading results have not been included within the prior year Statement of Financial Performance subsequent to that date. The major asset balances related to the IAC were fully recovered through the sale process, including goodwill, fixed assets and inventory.

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HOW DID WE COMPARE AGAINST OUR STATEMENT OF INTENT?

TARGETS	Progress to 31 December		
	FY 2017 Total Plan \$000	HY 2017 Actual \$000	HY 2017 Target \$000
a) FINANCIAL			
Total Revenue	176,023	86,540	86,806
EBITDAF	108,562	53,264	52,661
Net Profit after tax	39,610	18,270	16,920
EBITDAF as a % Revenue	61.6%	61.5%	60.7%
Net Profit after tax as % of average equity	5.0%	2.3%*	2.2%*
Net Profit after tax as % of average total assets	3.1%	1.4%*	1.4%*
b) PASSENGER NUMBERS			
	2017 Total Plan	HY 2017 Actual	HY 2017 Target
Passenger			
Domestic	5,175,124	2,436,484	2,585,484
International	1,682,374	804,372	837,839
Total	6,857,498	3,240,856	3,423,323
c) RATIO OF SHAREHOLDERS' FUNDS TO TOTAL ASSETS			
	FY 2017 Total Plan	HY 2017 Actual	HY 2017 Target
Shareholder Funds/Total Assets %	61.0%	62.3%	61.5%
Gearing (debt / (debt + equity)) %	31.8%	30.1%	31.1%
EBITDAF Interest Cover X	4.9	5.14	5.00
Free Funds Interest Cover X	4.2	4.45	4.41
Free Funds / Debt %	19.7%	13.4%*	13.4%*

* the half year actual and target amounts are based on NPAT numbers for the six month period to date, and hence will be proportionately lower than the full year target shown in the first column. It should also be noted that the NPAT in the second half of FY17 is forecast to include any uplift in investment property revaluations, and hence will generate a higher return ratio than in the first half of the year.

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d) CORPORATE SOCIAL RESPONSIBILITY

Performance target	Performance Measures	
	2017	Progress to 31 December 2016
Health & Safety		
1. Lost Time Injuries	<ul style="list-style-type: none"> Better than industry standards, with ultimate target of Nil. 	<ul style="list-style-type: none"> One Lost time Injury (LTI) was sustained to a staff member in the first half of the FY17 year. The number of LTI's has been steadily decreasing over the last twelve months. This is below the industry benchmark standard of 8.
2. Lost Time injury frequency rate (LTI / million hours worked)	<ul style="list-style-type: none"> Better than industry standards, with ultimate target of Nil. 	<ul style="list-style-type: none"> The CIAL LTI frequency rate sits at 2.0 and is below that of our industry peer group which is 7.88.
3. Near Miss Frequency Rate (Near misses/million hours worked)	<ul style="list-style-type: none"> Increase over the prior year, reflecting an improved near miss reporting culture. 	<ul style="list-style-type: none"> The Near Miss frequency rate at 101.0 is below that of the prior year, however reporting in recent months has increased and trending upwards. CIAL continues to remind staff of the importance of near miss reporting.
Sustainability		
4. To investigate and implement cost-effective ways in which to progressively reduce the amount of solid waste arising from airport activities being disposed of to landfill through the development of waste minimisation and recovery measures	<ul style="list-style-type: none"> Continue to investigate and implement waste minimisation initiatives that ensure landfill diversion rates are sustained or increased 	<ul style="list-style-type: none"> Over December 2016 an incentive was launched to encourage terminal staff to improve recycling given December is typically associated with higher volumes of waste. This incentive resulted in CIAL's highest monthly diversion figure of 48.32% (2.38% absolute increase on Nov-16). This is a 4.8% improvement for the half-year.
5. To minimise the impact of airport activities on groundwater quality through cost-effective measures to avoid or mitigate the risks of contamination	<ul style="list-style-type: none"> Ensure on-going compliance with NZ Drinking Water Standards through regular monitoring of potable drinking groundwater supply Continue Environmental Compliance and Monitoring Programme with existing airport operators and new operators on airport land. Ensure all new operators are provided with Environmental Training Label storm water drainage systems in all new developments 	<ul style="list-style-type: none"> All samples YTD have been compliant with the NZ Drinking Water Standards All required tenant audits for FY17 have been completed. All new airport operators have received Environmental training and Environmental Compliance Management Plans. Propel have been engaged to re-label storm water sumps over the summer period during favorable conditions.
6. To manage Operational Risk	<ul style="list-style-type: none"> Achieve a Bird Strike incidence rate of 3<4/10,000 aircraft movements on a 12 month rolling average basis in line with level set for airports of a similar scale Work with territorial authorities and other stakeholders to implement management strategies for pest birds which pose bird strike hazard risks 	<ul style="list-style-type: none"> For calendar year 2016, the strike rate was 8.9/10,000 movements. Small birds (sparrows/finches) were responsible for 70% of strikes recorded. Agreements have been put in place with Environment Canterbury relating to the management of Black-back Gulls on the Waimakariri River. This has resulted in two control efforts in late 2016.

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	<ul style="list-style-type: none"> ▪ Work with statutory authorities and the community to achieve general acceptance of noise contours and associated policies and rules in regional and district plans to protect the 24/7 airport operating status ▪ Continue to facilitate a community liaison group to discuss noise and airport operational and development activities 	<ul style="list-style-type: none"> ▪ CIAL is required to establish a noise liaison committee by mid-year 2017 in conjunction with Christchurch City Council to generate acceptance of noise contours and ensure airport operations are protected. ▪ Community liaison group is still successfully operating.
<p>7. To minimise the effects of noise and vibration associated with aircraft and airport operations and to comply with relevant noise rules</p>	<ul style="list-style-type: none"> ▪ Adhere to new noise contours in the Regional Policy Statement 	<ul style="list-style-type: none"> ▪ Annual compliance report is currently being prepared. Preliminary results indicate there are no compliance concerns.
<p>8. To minimise the energy consumption by airport activities through the pursuit of efficient energy practices</p>	<ul style="list-style-type: none"> ▪ Continue to investigate and implement energy saving initiatives that ensure energy consumption is reduced ▪ Investigate energy efficiency options which have a mid to long term payback (5-10 years) ▪ Continue to investigate and implement energy-saving initiatives that ensure energy consumption is reduced with a targeted reduction of 5-7% ▪ Increased engagement with industry bodies involved with sustainable building design and energy efficiency 	<ul style="list-style-type: none"> ▪ CIAL have continued to work with EECA on the continuous commissioning program. Savings attributed to the program (compared to business as usual March 2012 – February 2013) at today’s energy rates and excluding tenants: Electricity – 3,640,000 kWh/yr (21%) or \$370,000 /yr; Thermal fuels – 1,360,000 kWh/yr (21%) or \$100,000 /yr. ▪ Various options have been explored and implemented. Trials are currently underway exploring minimum required temperatures to maintain in the heating hot water loop of the artesian heat pump system and additional use of fresh air for cooling. ▪ A 6% total energy reduction was achieved as of October 2016. This target is currently being revised to determine what can be achieved as part of the continuous commissioning program. Savings could be potentially in excess of 10% total energy reduction ▪ CIAL continues to work with EECA. Further collaborative discussions have been held with Orion determine strategic opportunities. Furthermore, the Sustainability Strategy external working group has formed with members of the group having expertise in energy management.
<p>Community Engagement</p>		
<p>9. To deliver on our corporate social responsibility and community interest obligations</p>	<ul style="list-style-type: none"> ▪ Continue to be a key sponsor of meaningful events which attract visitors to Christchurch and the city’s residents to attend and/or take part and contribute to the growing city 	<ul style="list-style-type: none"> ▪ Sponsorship included Night Noodle Markets, Special Children’s Christmas Party, Penrith Panthers rugby league game, Singularity University, NZ Chinese Language Week, Warbirds over Wanaka, Rata Foundation Conference, Christchurch Art Gallery Foundation, and Christchurch Pops Choir.

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	<ul style="list-style-type: none"> ▪ Support community initiatives and organisations through the CIAL Community Fund, charity fundraisers and other donations through the year ▪ To engage and communicate openly with stakeholders through the Chief Executive and GMs initiating and accepting invitations to meetings, speeches, addresses and workshops 	<ul style="list-style-type: none"> ▪ Community organisations supported include Burnside Rugby, Harewood Golf Club, Birthright Canterbury Trust, Christchurch Cathedral Choir, City Parks Community Patrols, Drug-ARM, 180 Degrees, Halswell Hall Inc., Oak Development Trust, Listen! Our Voices Count, Papanui Merivale Plunket. ▪ The Chief Executive, members of the Executive team and other senior managers conducted a large number of speeches, addresses and presentations across the city and the South Island.
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Our People

<p>10. To build a Champion Team who has the capability and passion required to create our place in the world</p>	<ul style="list-style-type: none"> ▪ Refresh strategies aligned with team connection and collaboration, leadership and delivery 	<ul style="list-style-type: none"> ▪ A new People Strategy has been developed, encompassing team connection and collaboration, leadership and delivery ▪ The People Strategy has been presented to the business and staff focus groups conducted to develop the programs and projects that will activate and deliver the strategy ▪ The CIAL Leadership Development Program has been launched, including a particular focus on the continued development of the Health & Safety Leadership culture. ▪ The CIAL leadership Seminar Series has been launched ▪ The Aspiring Leaders Program is on track to be launched in March 2017 ▪ A Culture and Engagement Strategy has been developed with implementation commencing in January 2017 ▪ A reward and recognition strategy is in final draft including rewarding our team for their commitment to being great Kaitiaki. The reward and recognition strategy will be launched in mid-March 2017.
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