dunedin AIRPORT

Annual Report 2024

Hump Ridge Track | 3 hr 35 min

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Company Particulars

Directors

Chris Hopkins
Chair

Catherine Taylor
Deputy Chair

Tim Hunter

Chief Executive

Daniel De Bono

General Manager Finance & Commercial

Chris Cope

General Manager Operations & Infrastructure

Nick Rodger

General Manager Business Development

Megan Crawford

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Banker

Westpac
101 George Street
Dunedin

Solicitors

Gallaway Cook Allan
123 Vogel Street
Dunedin

Auditor

Rudie Tomlinson of Audit NZ
On behalf of the Auditor-General

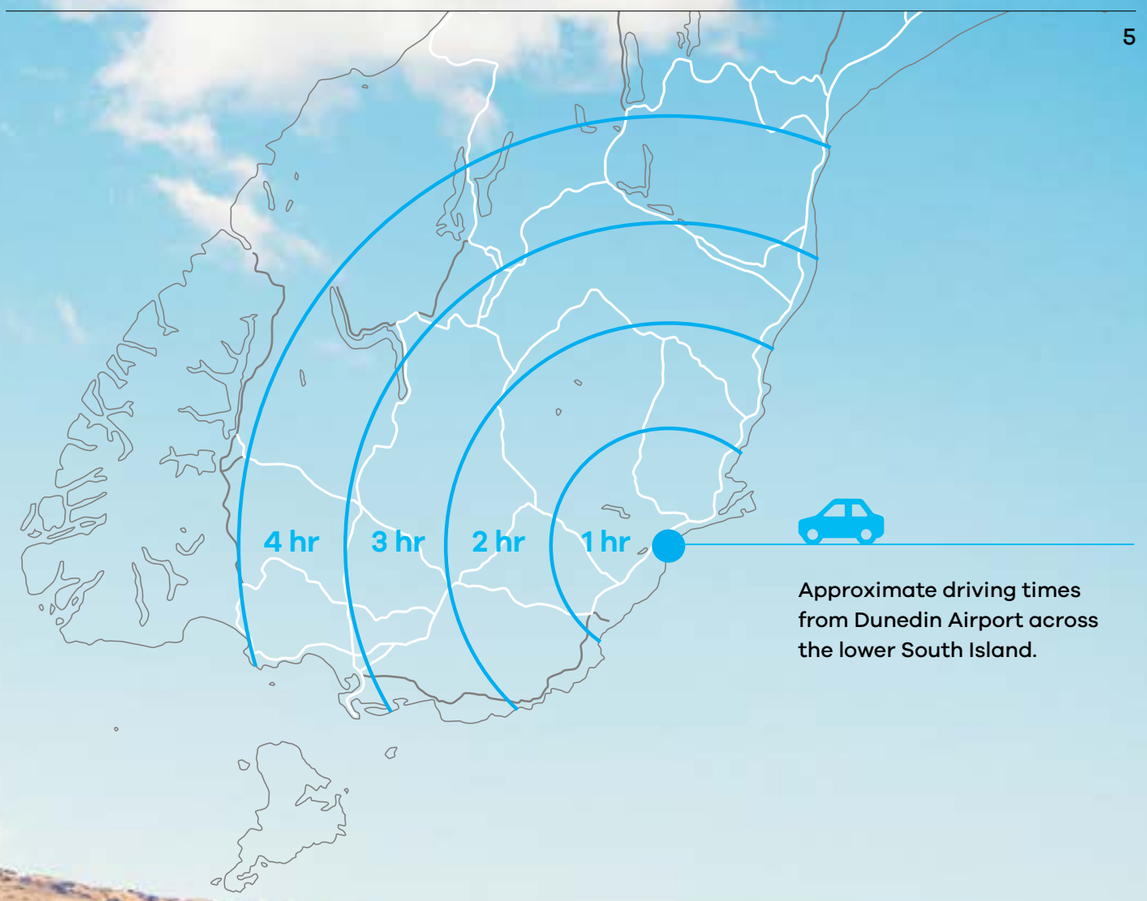
Nugget Point, Catlins | 1 hr 15 mins

Waiho i te toipoto, kaua i te toiroa

Let us keep close together, not wide apart

Porpoise Bay, Catlins | 1 hr 32 mins

Where ever you are going you are not far away.



Approximate driving times from Dunedin Airport across the lower South Island.

Dunedin is a gateway to a most extraordinary part of New Zealand. The lower South Island is a place of wonder, with numerous adventures and sights to enjoy. Visitors can explore Dunedin's vibrant culture, discover Waitaki's stunning landscapes or take in the world-famous Fiordland region. Dunedin is the perfect base for adventures throughout the area, with its easy access to the South Island's most beautiful spots.

Dunedin Airport is actively working to promote the region, partnering with other agencies, authorities and airports to ensure everyone knows what we do: that the lower South Island is a truly stunning part of the world.

We are working hard to ensure more people visit this diverse area, while remaining focused on our sustainability goals.

Bannockburn, Central Otago | 2 hr 44 min

Chair and CEO's Report

We are delighted to present Dunedin International Airport Limited's (DIAL) annual report for the 12 months to 30 June 2024.

Chris Hopkins (left)
Chairperson

Daniel De Bono (right)
Chief Executive

Chair and CEO's Report

This year was marked by the achievement of crucial milestones, including some international flights for one-off events and positive progress in attracting airlines to re-introduce scheduled Trans-Tasman services. Dunedin Airport is committed to bringing back direct Trans-Tasman travel, knowing how important it is for our community and the region's economic growth.

Two Qantas 737-800s and a Fiji Airways 737 Max, from Australia and Fiji respectively, were the first international flights on our runway since 2020. We were thrilled to welcome P!nk's hundred-strong crew in March and the Fijian Drua team in May.

Also in May, CEO Daniel De Bono completed a successful trip to Australia, meeting with airline and airport executives to discuss the resumption of a Trans-Tasman route. Media interest in the trip was high, which helped us convey some of the complexities of the process and give credit to the team working hard behind the scenes.

Domestically, we have seen a softening of demand. This year we welcomed 903,396 passengers, just over 80% of our capacity of 1,109,974. Our busiest month was March 2024 with 80,644 passengers.

The dip in demand resulted from a recessionary macro environment and suppressed corporate and Government demand for air travel. Demand for recreational travel also fell as customers grappled with high inflation and a cost of living crisis.

We were pleased to progress our Flight Plan 2050 goals including route development, infrastructure resilience, sustainability, and customer experience. These are all being advanced within our overarching aims of building strategic partnerships, taking care of our team, and offering our customers an excellent experience. Our team and leaders foster a proactive culture of excellence in delivering our services and always seek ways to improve the status quo.

Safety is our top priority and this year we were proud to deliver a New Zealand-first initiative with Aviation Security, designed to improve our security culture. The collaboration took place in October last year and resulted in Dunedin Airport staff and tenants having new training, skills and knowledge to help further our proactive security culture.

Despite this year's difficult macro environment, we are pleased to report a 3.2% increase in operating revenue, to $21.1 million, while our aeronautical revenue was up 1.6% to $10.7 million. Non-aeronautical revenue was $10.4 million, up 5.0%. Our operating surplus before taxation was down 9.7% to $5.4 million.

Our total declared dividend paid is $2.5 million, with shareholder funds of $88.7m.

Dunedin Airport remains intensely focused on its sustainability goals. We recognise the responsibilities of our sector and the critical nature of our leadership in this space. We continue to drive toward our goals of Net Zero operations by 2030, and annual reduction targets. We are pleased to report further reductions in our operational emissions this year, with these being 23% down on our FY19 baseline year.

As part of this commitment, we announced the addition of a new role, General Manager Sustainability and Planning. This appointment will made in FY2025, with the appointee joining our Executive Leadership Team and ensuring we continue on our journey toward being one of the most sustainable airports in Aotearoa New Zealand.

The release of our "One Trip to See It All" campaign has seen a huge response. The campaign was founded on the groundbreaking partnership between airports in the lower South Island. We are very proud of our collaboration with Invercargill and Queenstown airports, which reflects our shared vision for the success of our region. Together, we can remove barriers to travel schedules, and in doing so, create a more attractive offering to international and domestic travellers.

After four years of aviation development work, Dunedin Airport will welcome direct flights from and to the Gold Coast from June 2025, with our airline partner, Jetstar. An announcement of this service was made on the 16th September—we are extremely proud of the mahi and support that has enabled Dunedin and the region to once again be connected to Australia.

The leadership team has continued to develop and refine the business over the year while the Board has remained focused on implementing best-practice governance.

The Board said farewell to Shane Ellison at the end of May. Shane contributed strongly with his commercial insights, expertise in leadership, and connection to the land. Our Board intern Michael Price completed his time with us, and we welcome Angela Davis as our intern for the year ahead.

We're excited for the year ahead as we continue to bring our strategy to life, focusing on enhancing the customer experience and executing our capital plan to ensure sustainable, long-term success.

Ngā mihi

Daniel De Bono
Chief Executive

Chris Hopkins
Chair

Year at a glance

Domestic Capacity

Down

0.7%

2023 - Total seats 1,118,153

2024 - Total seats 1,109,974

International Capacity - Nil

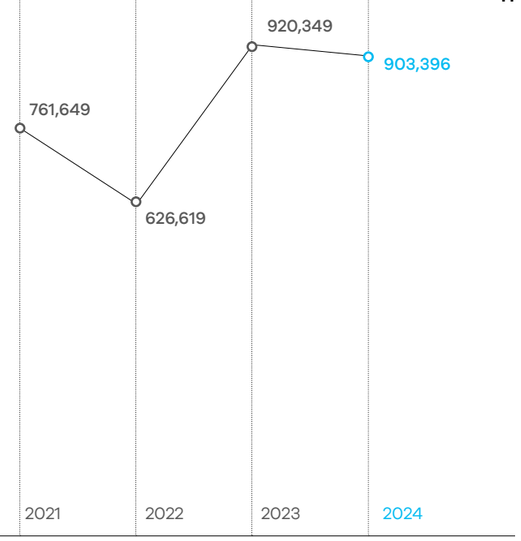
Total Passengers

On regular scheduled services

903,396

Down

1.8%



Financial Summary

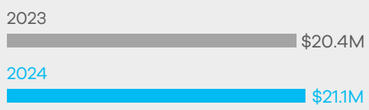
This summary should be read in conjunction with the full financial statements in section 3 or online at www.dunedinairport.co.nz

Operating Revenue

$21.1M

Up

3.2%



Non Aeronautical Revenue

$10.4M

Up

5.0%

Shareholder Funds

$88.7M

Up

3.8%

Total Dividend Paid

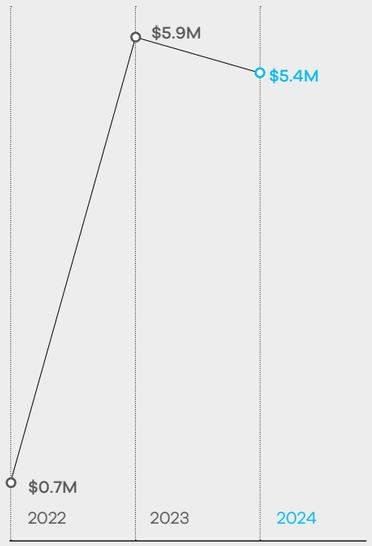
$2.5M

Operating Surplus before Taxation

$5.4M

Down

9.7%

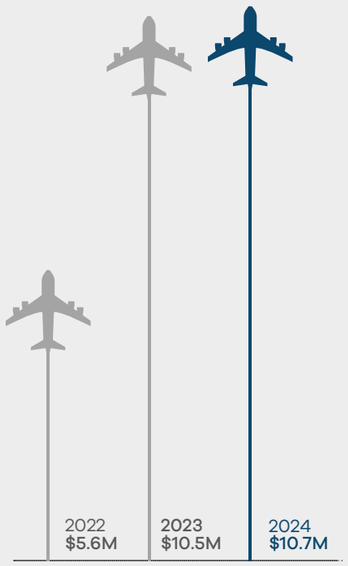


Aeronautical Revenue

$10.7M

Up

1.6%



Busiest Month of the Year

MARCH 2024

80,664

Our Strategy

OUR PURPOSE

To share the lower South with the world, connecting people, business, and communities to our taoka.

VISION – FLIGHT PLAN 2050

A sustainable, thriving gateway in the lower south.

STRATEGIC PILLARS

- Infrastructure
- Sustainability
- Network
- Customer

OUR FOUNDATION

- Safety
- People
- Partnerships

VALUES THAT GUIDE US

- Be You
- Better Together
- Can Do
- Make It Easy
- We Care
- Make It Happen

Executive Team

Pictured, from left:

Megan Crawford
General Manager Business Development

Nick Rodger
General Manager Operations & Infrastructure

Daniel De Bono
Chief Executive

Chris Cope
General Manager Finance & Commercial

Safety

Our top priority is to exceed expectations and never compromise on safety.

This year, Dunedin Airport delivered a New Zealand-first collaboration with Aviation Security Service (AvSec) that drove an improved security culture.

The concept was developed due to the strong relationship between Dunedin Airport and AvSec, and a desire to improve the security culture by sharing advanced knowledge and training.

The collaboration took place in October 2023 and was a huge success, Dunedin Airport staff and tenants are now able to use their new training to identify and prevent security incidents and improve the airport's overall culture.

We also set up a Safety and Security Committee to coordinate all businesses operating on the airport precinct and ensure consistency in our safety and security measures. This was a direct result of the work done with AvSec. This committee enables all in the airport community to share information, upcoming projects and events, as well as ideas for improving safety and security. It also allows us to acknowledge the achievements and progress we have made.

Another milestone was the renewal of our Aerodrome Operational Certificate. The certificate is renewed every five years, requiring an in-depth audit from the Civil Aviation Authority (CAA) into the airport's operational procedures and activities. This ensures the airport satisfies all requirements set by the CAA and the International Civil Aviation Organisation (ICAO).

We also rolled out our Critical Risk System, including a Critical Risk Assurance programme, to ensure Dunedin Airport applies the appropriate level of focus and attention on the most critical safety risks.

We identified these critical risks through workshops with staff, with a programme now in place to track the controls that are in place to manage these risks, and continually review whilst looking for new ways to further improve safety.

We were the first New Zealand Airport to stand-up an integrated airport management suite called Aerosimple. Aerosimple has enabled enhanced integration of our operational processes, asset management and safety reporting systems.

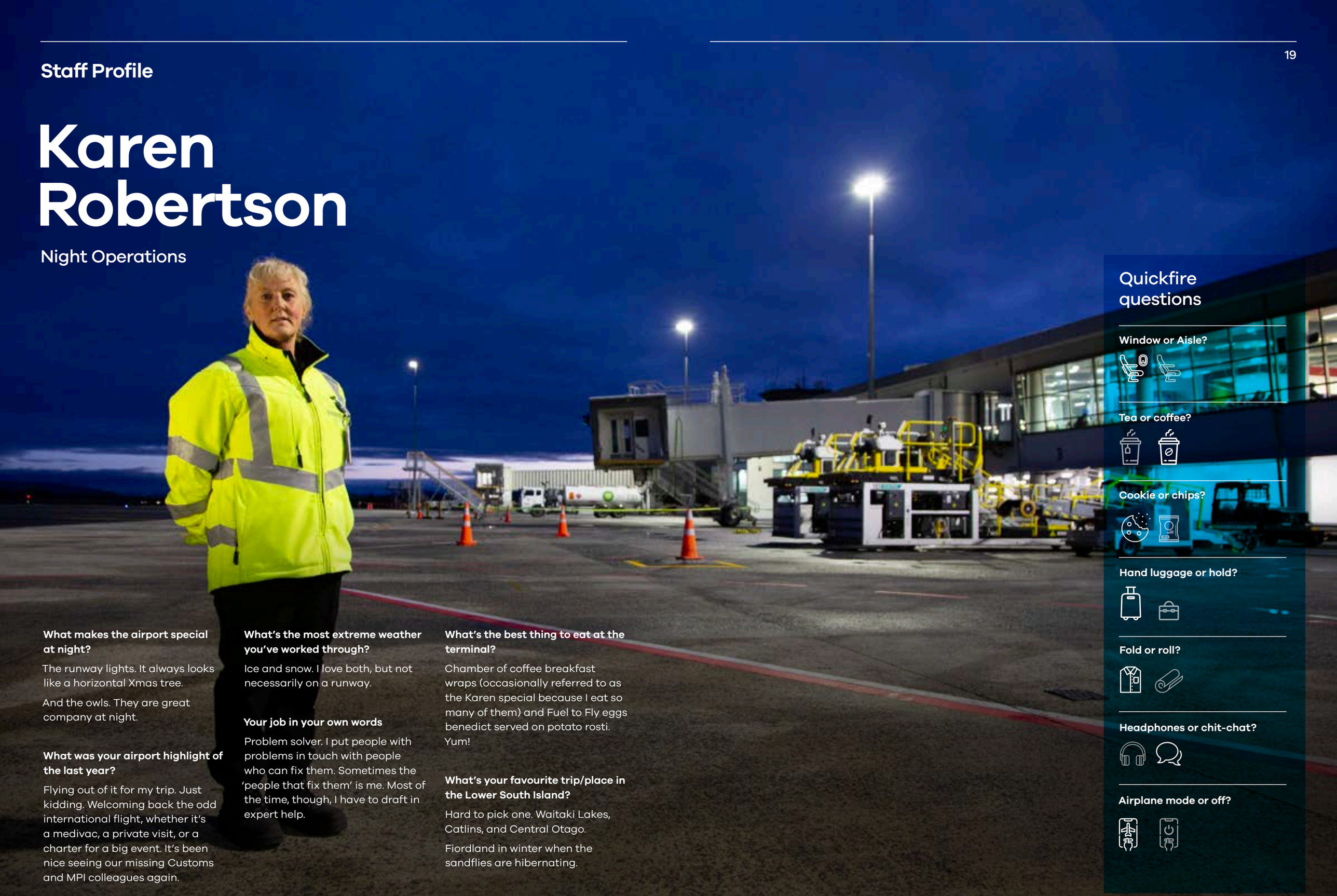
The introduction of Airside Vehicle and Driver Permits is another initiative designed to keep staff and visitors safe. Implementation included the preparation of an Airside Vehicle Control Manual and driver training programmes.

Safety is Dunedin Airport's highest priority and we continue to work proactively to find ways to take even better care of our team and our customers.

Curio Bay, Catlins | 2 hr 17 mins

Karen Robertson

Night Operations



What makes the airport special at night?

The runway lights. It always looks like a horizontal Xmas tree.

And the owls. They are great company at night.

What was your airport highlight of the last year?

Flying out of it for my trip. Just kidding. Welcoming back the odd international flight, whether it's a medivac, a private visit, or a charter for a big event. It's been nice seeing our missing Customs and MPI colleagues again.

What's the most extreme weather you've worked through?

Ice and snow. I love both, but not necessarily on a runway.

Your job in your own words

Problem solver. I put people with problems in touch with people who can fix them. Sometimes the 'people that fix them' is me. Most of the time, though, I have to draft in expert help.

What's the best thing to eat at the terminal?

Chamber of coffee breakfast wraps (occasionally referred to as the Karen special because I eat so many of them) and Fuel to Fly eggs benedict served on potato rosti. Yum!

What's your favourite trip/place in the Lower South Island?

Hard to pick one. Waitaki Lakes, Catlins, and Central Otago.

Fiordland in winter when the sandflies are hibernating.

Quickfire questions

Window or Aisle?

Tea or coffee?

Cookie or chips?

Hand luggage or hold?

Fold or roll?

Headphones or chit-chat?

Airplane mode or off?

People

Employee satisfaction and engagement continue to record high measures at Dunedin Airport, as the survey results in the table show. It's a great place to work!

The Airport is proud to be accredited as a Living Wage Employer and we continued to review and enhance our employment brand to grow our offering as an employer of choice.

Our wellbeing programme was launched, including a calendar of activities comprising social functions, educational workshops, and opportunities for growth and self-care.

A heightened focus to drive productivity and efficiency is further advanced with the ongoing training and development available, consistently looking to improve soft and hard skills of our team members.

An indicator of our journey is our significant reduction in time to fill new vacancies with great local talent.

The Airport's staff engagement survey gave a score of 85%. Highlights include:

97%

of team members agree or strongly agree they understand Dunedin Airport's purpose—to share the lower South Island with the world, connecting people, business, and communities to our taoka (treasure).

77%

of team members agree or strongly agree the company values resonate with them.

83%

of team members agree or strongly agree that the senior and executive management team understand their job and are respectful towards them.

84%

of team members agree or strongly agree that the overall management team is committed to providing the best possible resources to enable them to do their job.

87%

feel Dunedin Airport takes employee health & safety, and wellbeing into account consistently.

85%

feel a sense of personal achievement at work.

82%

of respondents agree or strongly agree the culture at Dunedin Airport is satisfactory for them.

94%

feel there is someone at work they can talk to about anything going on in their life.

79%

would recommend Dunedin Airport as a great place to work.

Partnerships

We were thrilled to recently release our “One Trip To See It All” campaign, the result of our partnership between airports in the lower South Island.

The Southern Way’s first-of-its-kind campaign with Air New Zealand encourages travellers to take advantage of three airports—Dunedin, Invercargill, and Queenstown—as entry points into the lower south of New Zealand. One-way car hire opportunities will enable visitors to “fly-in-fly-out” any of the three airports to explore the entire lower South Island. The campaign builds on the work of Southern Way (a collaboration of the eight Regional Tourism Organisations in the lower south) to promote longer-stay, lower-impact itineraries.

In March, Dunedin Airport welcomed back its first international flights since the COVID-19 pandemic. Crew for the city’s incredible P!nk concert arrived on two Qantas 737-800s, on March 3 and 4. The 100-strong team came from Perth and returned to Sydney and Melbourne.

We were thrilled to host another international flight in May, with the arrival of a special Fiji Airways 737 Max flight carrying Fiji’s Drua team and supporters from Nadi. This was an opportunity to strengthen our relationship with Fiji Airways and we will continue to explore charter and scheduled services with them.

It was fantastic to see international flights back on the ground in Dunedin, and we look forward to welcoming more including scheduled direct flights from and to the Gold Coast beginning in June 2025 with our airline partner Jetstar.

We’re also proud to continue our collaborative work with Nelson, Napier and Dunedin airports, building demand between the destinations.

Around The Airport

We also embarked on the update of our existing masterplan (which dated back to 2016) with the award to consulting firm DKMA for our Passenger and Flight Forecast Update, and procurement of design services for our landside access and car parking redevelopment project.

The team finalised the design for procurement of our Taxiway Alpha overlay project and water storage precinct project. We also delivered specialised training in wildlife hazard management, and updated our Wildlife Hazard Management Plan.

It's been a busy year for infrastructure and operations teams at Dunedin Airport.

A full refurbishment of the Gate 1 airbridge was completed in early 2024 with the installation of new insulation, wall linings, ceiling panels, carpet tiles, and a heat pump along with a full exterior paint. This vastly improves the passenger experience for embarking and exiting the aircraft.

We also completed the replacement of the terminal flooring system, which, along with the LED lighting upgrade, has significantly enhanced the public areas of our terminal while also reducing energy consumption.

Outside, significant maintenance and improvements were undertaken, including:

- Our annual pavement maintenance in collaboration with Downer - the 'mill and fill' of 1000m2 of pavement on the runway, taxiway, and apron.
- Reconstruction of the emergency service access road from the BP compound to the airport fire station, completed by Downer under a design and build contract. The result was excellent.
- Delivered operational upgrades to our wastewater treatment plant.
- Introduced two EV utility vehicles, and one PHEV-hybrid into our fleet.

Greg Joyce

Head of Maintenance

What's your most essential tool?

My Gerber Multi-Tool.

What is the most complex maintenance job?

Complex jobs at the airport are usually for specific contractors, but keeping the sewerage plant running can be complex at times.

What do you love most about Dunedin?

The slower pace - No traffic jams and the cooler weather.

Your job in your own words.

Each day is never the same. I'm always encountering something new that needs attention. It may be a quick fix or need a specific tradesperson to sort. Daily checks of the critical plant is a must.

What's the best thing to eat at the terminal?

Cheese rolls and banana loaf from Chamber of Coffee.

What's your favourite trip/place in the Lower South Island?

Catlins area.

Quickfire questions

Window or Aisle?
Either

Tea or coffee?

Cookie or chips?

Hand luggage or hold?

Fold or roll?
Stuff (no folding)

Headphones or chit-chat?

Airplane mode or off?

Customer

At Dunedin Airport, enhancing the customer experience is at the heart of everything we do in the terminal, whether it's for everyday travellers or those visiting for major events.

St Kilda | 26 min

A highlight of every year is connecting visitors to Dunedin with major sporting and entertainment events. The customer experience team and commercial tenants came together in late July to deliver a terminal activation for the FIFA Women's World Cup 2023™, the biggest women's sporting event in the world. The following month, the All Blacks were welcomed with a haka performance as they arrived to compete in the Bledisloe Cup. We welcomed revellers to the city for the Red Hot Chilli Peppers, Rod Stewart, and local legends Six60 concerts. There were even some Hollywood stars in there like Jason Momoa who took the time to make some memorable moments with our staff.

The P!NK concert in March was an excellent example of how the entire airport community can create an engaging customer experience. The airport and our partners staged a 'takeover', including pink signage at the entrance and pink lights along the front window of the terminal. Our customer experience and Airport Emergency Services (AES) teams wore pink clothes, Chamber of Coffee offered a pink hot chocolate, Fuel to Fly had a special for pink gin, and Discover Dunedin turned its retail display pink. It is exciting to have such a huge artist perform in our city.

Major events are crucial to Dunedin's vibrant culture and have a significant impact on the city's economy. The airport is proud to provide a warm welcome for visitors and performers, connecting them to Dunedin and the lower South Island.

In addition to major events, the airport has also made improvements for the everyday customer experience. This includes the creation of the Team Leader role, expansion of the customer experience team, and completion of various projects such as introducing hidden disabilities lanyards, improving the Christmas activation, and updating terminal wall images and digital videos highlighting the Southern Way destinations.

By continually improving our facilities and creating memorable experiences, Dunedin Airport remains a pivotal gateway, ensuring every visitor feels a warm welcome and a lasting connection to our vibrant city and region.

Sustainability

Dunedin Airport is committed to being one of New Zealand's most sustainable airports, knowing how important this is for our country's shared future.

As an airport, we play a critical role in connecting people while also protecting our planet, and we are proud to be leaders in this space.

This year we took significant steps toward sustainability, under our three pillars of action: People, Planet, and Community and Partnerships. We advanced our goals in a number of ways, including:

Danseys Pass, Central Otago | 2 hr 13 min

People

Dunedin Airport nurtures a culture of trust, diversity, dignity and wellbeing. We value our people and this year we were formally registered as a Living Wage Employer and launched our Diversity, Equity, and Inclusion Policy. This has solidified our commitment to building and growing a diverse, equitable and inclusive workplace.

We also announced the new position of General Manager - Sustainability and Planning, which will be part of our Executive Leadership Team. The appointment will be made in FY25, ensuring we continue to focus on this crucial element of our strategy with integrity, urgency and accountability. The new General Manager will keep us pushing hard toward our Net Zero 2030 operations targets.

We continue our support of the Otago region through sponsorships, donations and volunteering, which we now run under our 'People' pillar. Sponsorship of local organisations and events keeps us engaged with our community and demonstrates our commitment to its people, and their health and wellbeing. Events also create the opportunity to promote the region both domestically and internationally, supporting economic growth. We are proud to continue our 13-year history of sponsoring local organisations and events, for the benefit of the whole region.

Planet

This year we will focus on our Net Zero 2030 goal, ensuring that we play our part in decarbonising the aviation sector. We will continue to reduce our waste to landfill each year, lightening our carbon footprint and supporting the restoration of the environment.

This year we have proactively worked to reduce our electricity and fuel usage with electric vehicles when possible, terminal lighting replacements, and EV charging for rental car partners. In FY25, we will be installing a 269 kW terminal roof top solar system, which will reduce our Scope 2 emissions by 22t whilst supplying over 12% of our electricity needs and improving the resilience of the airport facilities.

We also completed the third-party verification process for our Airport Council International (ACI) airport carbon accreditation application. Our clear commitment in this space means we are now on track to be awarded a higher certification level than originally envisioned.

Community and Partnerships

We love our beautiful part of Aotearoa New Zealand. We work hard to promote its many attractions and wonderful people. Our ambition is to sustainability connect more people to this area, supporting the regional economy and distinct local culture, while protecting and enhancing its natural environment.

We know collaboration is key to promoting our region, while also ensuring we reach our sustainability goals. We maintain excellent relations with our retailers, tenants and suppliers to ensure the most effective advancement of our shared ambitions.

This year the Southern Airports Alliance (Dunedin, Queenstown and Invercargill airports) strengthened its partnership, working together on a sustainability and regional connectivity initiative.

Zero carbon

DCHL companies have been directed by the DCC to reduce their organisational footprint. The companies have also committed to working alongside the DCC to support city wide emissions reduction, as set out in the DCHL Carbon Reduction roadmap.

Dunedin City Wide Zero Carbon targets

In 2019, the Council declared a climate emergency and brought forward its climate mitigation targets for the city as a whole. There are two targets as follows:

Target 1:

• Net zero carbon by 2030 (excluding biogenic methane):

Net zero carbon means that any greenhouse gases (excluding biogenic methane) emitted into the atmosphere in Ōtepoti Dunedin are in balance with the amount of carbon absorbed out of the atmosphere by trees, also known as sequestration.

Target 2:

• Reduce biogenic methane emissions:

Biogenic methane is methane produced and released from living organisms like plants and animals. In 2021/22, 85% of the Dunedin City Territorial Area biogenic methane was generated by ruminant animals in agriculture, and 15% generated by waste to landfill and wastewater. The city's biogenic methane reduction targets are the same as the central government targets:

- 10% reduction from 2017 levels by 2030.
- 24-47% reduction from 2017 levels by 2050.

These two targets apply to the Dunedin City Territorial Area. Emissions are calculated using a predominately production-based methodology- the Global Protocol for Community-Scale Greenhouse Gas Inventories BASIC+. Emissions include those from stationary energy (e.g. electricity, coal, or biomass), transport, waste, industrial processes and product use, and the agriculture and forestry sectors.

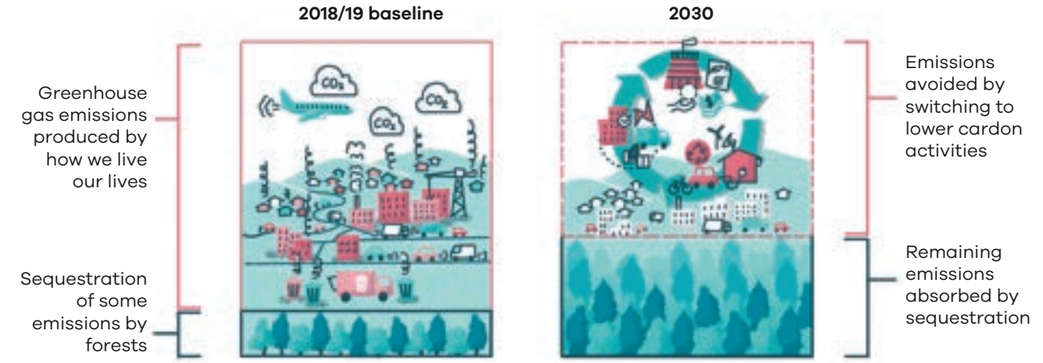
The Global Protocol for Community-Scale Greenhouse Gas Inventories BASIC+ is production-based methodology which means it focuses on the emissions produced within the territorial area (such as petrol vehicles, livestock, and burning LPG in the city). It also includes emissions from electricity use and cross-boundary transport.

Globally produced emissions that relate to consumption in the city are excluded (e.g., embodied emissions relating to products produced elsewhere but consumed within the geographic area, such as imported food products, cars, phones, clothes etc.).

The city's emission footprint is calculated every three years, with the most recent footprint being calculated for the 2021/2022 financial year. The next scheduled footprint calculation will be completed for 2024/25.

1 Net Zero Carbon by 2030

Dunedin can achieve net zero carbon (excluding biogenic methane) through reducing its total emissions by 40% and increasing its carbon sequestration by 64% upon 2018/19 levels. This would require significant reductions in emissions from transport, stationary energy, agriculture, and industrial processes and product use.



Net zero carbon means that any greenhouse gases (excluding biogenic methane) we emit into the atmosphere in Dunedin are in balance with the amount of carbon absorbed out of the atmosphere by trees, also known as sequestration.

2 Reduce biogenic methane emissions

2017 benchmark

2030: 10% reduction

2050: 24–47% reduction

Dunedin's biogenic methane reduction targets are the same as the central government targets

The **Zero Carbon Plan** sets out how Dunedin can achieve these two targets if everyone works together across the city.

The good news is, people and businesses in Dunedin have already been taking action.

Addressing climate change will take all of us. Work is underway at all levels, from international agreements, to national and city-level action, to organisations and households.

Section 2

Carbon Emissions Report

Greenhouse Gas Emissions Summary

We remain dedicated to our emissions reduction strategy, guided by our 2030 target to reduce Scope 1 and 2 emissions by 46.2% from our FY19 baseline.

These targets have been developed using tools available from the Science Based Target Initiative (SBTi).

Science-based targets give companies a clearly-defined path to reduce greenhouse gas emissions in line with limiting global warming to 1.5°C. They define how much and how quickly a business must reduce its emissions to be in line with the Paris Agreement goals.

Dunedin Airport does not currently use emissions offsets and, in alignment with the SBTi framework, does not intend to use offsets to achieve interim targets.

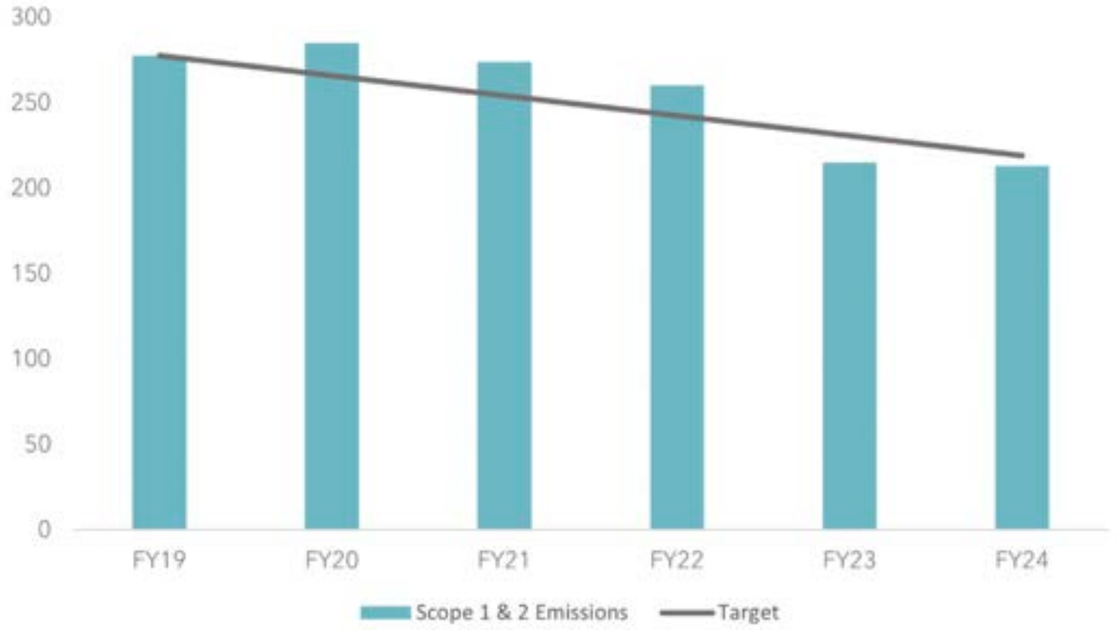
We have established an Emissions Reduction Strategy which has identified actions we can take to reduce our emissions by the required 46.2%.

The actions we will undertake to achieve the reduction are factored into Airport planning for the 6-year period to 2030. Based on the timing of these actions we have set interim reduction targets for each year.

We will report annually on whether we are on track to meet our goal. This assessment will be completed through comparing our reductions to date against those set out in our Emissions Reduction Strategy.

For the fifth consecutive year, we have prepared our Greenhouse Gas (GHG) Emissions Inventory Report for the financial year ending June 30 June 2024 (FY24).

Annual Scope 1 & 2 Emissions (tCO2-e)



In FY24, our carbon emissions totalled 24,067 tonnes of CO2 equivalent (tCO2-e). This represents a reduction of 3,506 tCO2-e, or 13%, compared to our FY19 baseline. For emissions within our direct operational control (Scope 1 and 2), we are pleased to report a 23% reduction from FY19, surpassing our FY24 emissions reduction target.

The organisational boundary for this emissions inventory includes the operations and emissions associated with Dunedin Airport only. Dunedin Airport does not own any other entities.

In 2024, Dunedin Airport's FY19-23 footprints were recalculated to meet the requirements of the Level 3 Airport Carbon Accreditation (ACA) standard, using the Airport Carbon and Emissions Reporting Tool (ACERT) workbook. This recalculation used the ACERT workbook default emissions factors, and relevant Ministry for the Environment (MfE) 2024 factors where possible (the most recent emissions factors available at the time).

This recalculation resulted in updated emissions factors being used to calculate sources across the inventory. Additional Scope 3 emissions sources not previously reported on, such as public landside access and aircraft Auxiliary Power Unit (APU) time are also included in the updated inventories.

As a result, we have recalculated our baseline year (FY19) because the scope of value chain emissions has surpassed the 10% significance threshold established by Dunedin City Holdings at the group level.

The measurement and reporting of this GHG Inventory have been performed in accordance with ISO14064-1:2018 *Quantification and reporting of greenhouse gas emission*s and the Level 3 requirements of the Airport Carbon Accreditation standard as administered by Airports Council International.

Greenhouse Gas Emissions Summary

Direct GHG emissions (Scope 1)

Emissions from sources that are owned or controlled by the company:

- Mobile consumption emissions related to vehicles, machinery, aircraft ground service equipment (GSE) and machinery owned or operated by the Airport.
- Emergency generator fuel usage
- Wastewater treatment plant emissions used for the airport facilities as well as the Momona village.

* *Note: The original calculation methodology used the Intergovernmental Panel on Climate Change (IPCC) wastewater model. The FY19-23 inventory has been updated using the MfE 2023 domestic wastewater average for to meet the requirements of the ACA standard.*

* *Note 2: Fugitive emissions from refrigerant use from Dunedin Airport's Heating, Ventilation and Air Conditioning (HVAC) system have been excluded as the data is unavailable. The materiality of this is unknown.*

Indirect GHG emissions (Scope 2)

Emissions from purchased net energy from external suppliers which is consumed by the company.

- Purchased electricity that is consumed at sites we operate from. This excludes the electricity used by our tenants as that is counted as their own direct emissions, and reported by us as a Scope 3 emission.

* *Note: The original FY19-23 inventories used the most recent MfE factor for purchased electricity available at the time. The FY19-23 inventories were updated using MfE 2023 emissions factors for the relevant inventory years. Due to a methodology change from MfE, the emissions factors have changed, resulting in a change in reported emissions.*

Indirect GHG emissions (Scope 3)

Emissions that occur because of our activities but from sources not owned or controlled by Dunedin Airport. These emissions are sometimes referred to as value chain emissions. They include:

- Business travel (flights, road transport and accommodation).
- Landside access - cargo delivered to airport tenants.
- Employee commuting & working from home.
- Aircraft landing and takeoff emissions.
- Aircraft taxiing emissions.
- Aircraft Auxiliary Power Unit (APU) use.
- Aircraft de-icing emissions.
- Passenger landside access
- Aircraft de-icing emissions.
- Electricity transmission & distribution losses.
- Commercial Tenant Electricity Consumption (purchased from the company).
- Waste generated from our operations. We have included the waste generated by our commercial tenants.
- Dairy Farm emissions (excluded from the ACA inventory).

* *Note: Consistent with FY23's GHG reporting, based on an operational control evaluation, emissions from the dairy farm have been included as Scope 3, Category 13: downstream lease assets but are not included in the ACA reporting.*

* *Note 2: Emissions from purchased goods and services (from contractors) and the embodied carbon in the materials of capital goods has been excluded due the unavailability of data. The materiality of this is unknown.*

* *Note 3: Emissions from third-party ground handling fuel usage have been excluded due to the unavailability of data. The materiality of this is assumed to be significant.*

Notes

All emission calculations were undertaken using the ACERT template in order to meet the ACA Level 3 standard. This template uses a calculation methodology for quantifying the GHG inventory using emission source activity data multiplied by relevant GHG emissions factors.

The emissions factors used are the default factors provided in the ACERT workbook unless otherwise stated. Where possible, New Zealand-specific emissions factors were entered into the workbook, sourced from MfE, with the most up-to-date figures available at the time used (published May 2024 by MfE).

Emissions for domestic air travel were calculated using MfE 2024 emissions factors (with radiative forcing). Emissions for international air travel were calculated using the ICAO online calculator and applying radiative forcing factors. The emissions were entered into the ACERT workbook.

Our inventory provides an account of Scope 1 and 2 GHG emission sources and available Scope 3 emission sources for the reporting period.

Greenhouse Gas Emissions Summary

Results

Dunedin International Airport's base year emissions (FY19) were 27,573 tCO2-e and a comparison to the FY24 emissions is shown below:

GHG emissions comparison between baseline year and FY24 by activity (tCO2-e)

Emission Source	FY19 Emissions	FY24 Emissions	Change
Scope 1			
Fuels - Transport & Stationary	94	76	-19%
Fire Training	N/A	N/A	
Waste Water Treatment Plant	9	9	3%
Sub total emissions	**103**	**85**	**-17%**
Scope 2			
Electricity consumption	174	128	-27%
Sub total emissions	**174**	**128**	**-27%**
Scope 3			
Public Landside Access	22,602	19,383	-14%
Landing and Take Off	3,937	3,822	-3%
Aircraft APU	499	413	-17%
Employee Commuting and Working From Home	117	101	-13%
Business Travel	12	38	226%
Tenant Electricity Purchased from Airport	70	54	-22%
Losses (Consumption)	34	9	-72%
Third Party Use of Deicing Chemicals Waste	N/A	8	
Sub total emissions	26	24	-8%
	27,296	**23,854**	**-13%**

Emissions by Scope – DIAL

Our measured GHG emissions for the year end 30 June 2024 are 24,067 tCO2-e (2023: 24,275 tCO2-e). Scope 3 emissions make up the majority of emissions - 99%. This includes significant emissions sources, such as the commute of passengers, visitors and airport tenants to and from the airport, and the emissions associated with aircraft landing and take-offs at the airport. A breakdown of the emission activities is shown in the table below.

Emissions by Scope - Total for DIAL (tCO2-e)

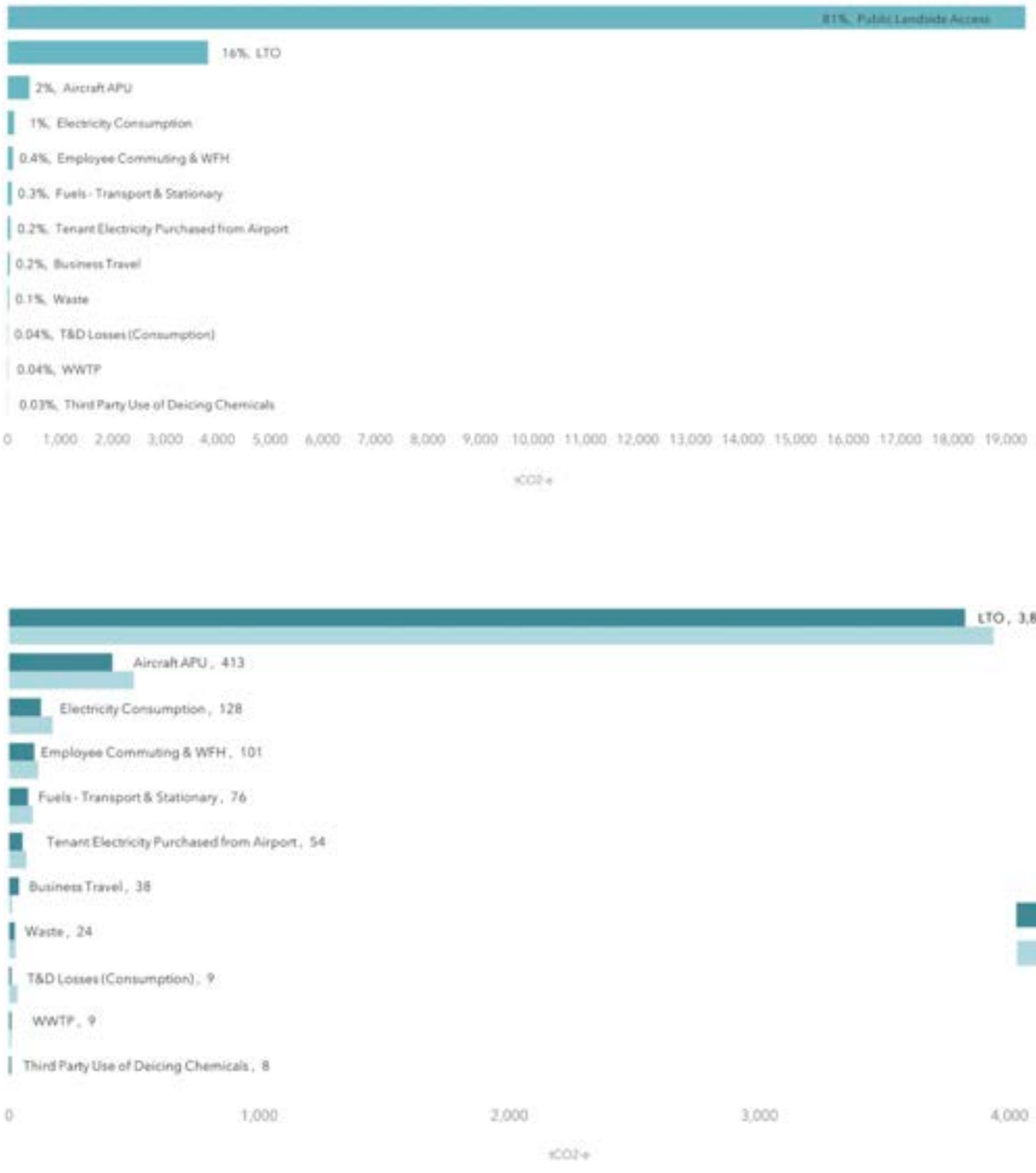
Emissions	FY19 (Base year)	FY23	FY24	Change (%) (FY19 baseline)
Scope 1 - Direct	103	77	85	-17%
Scope 2 – Indirect energy	174	138	128	-27%
Scope 3 – Other indirect emissions	27,296	24,060	23,854	-13%
Total	27,573	24,275	24,067	-13%
Scope 1 & 2	277	215	213	-23%

Displayed emissions for FY19 differ from previously reported FY19-23 inventories, as outlined above.

Greenhouse Gas Emissions Summary

Emissions by Source – DIAL

Our emissions by source (excluding Dairy Farms) are summarised below.



Total Emissions (including the Dairy Farm)

As outlined earlier in the report, emissions from the dairy farm have been excluded from ACA reporting. However, we still account for these as Scope 3 (downstream leased assets) in our annual disclosure reporting. The table below presents our total calculated emissions, including those from the dairy farm.

Emission source	FY23 Emissions (tCO_2-e)	FY24 Emissions (tCO_2-e)	Change
Scope 1			
Fuels - Transport & Stationary	66	76	16%
Fire Training	1	N/A	
WWTP	10	9	-6%
Sub total emissions	**77**	**85**	**11%**
Scope 2			
Electricity consumption	138	128	-8%
Sub total emissions	**138**	**128**	**-8%**
Scope 3			
Public Landside Access	19,604	19,383	-1%
LTO	3,786	3,822	1%
Aircraft APU	403	413	3%
Employee Commuting & WFH	117	101	-13%
Business Travel	49	38	-21%
Tenant Electricity Purchased from Airport	54	54	1%
T&D Losses (Consumption)	29	9	-68%
Third Party Use of Deicing Chemicals	N/A	8	
Waste	20	24	22%
Downstream leased assets - Dairy farm (excluded)	2,076	1,984	-4%
Sub total emissions	**24,060**	**23,854**	**-1%**
Total emissions (tCO_2-e)			
Scope 1	77	85	11%
Scope 2	138	128	-8%
Scope 3	24,060	23,854	-1%
Total Emissions	**24,275**	**24,067**	-1%
Scope 1 & 2	**215**	**213**	**-1%**

All emissions expressed in terms of tCO_2-e
Emissions from dairy farm are excluded from totals

Greenhouse Gas Emissions Summary

Next Steps

Now that we have completed the fifth GHG inventory, our next steps are to:

- Finalise our ACA Level 3 certification with Airports Council International
- Continue to expand reporting to include a wider set of Scope 3 emissions, and
- Continue to Implement GHG emissions reduction initiatives as identified in DIAL's emissions reduction strategy.

We are committed to playing our part in efforts to reduce global GHG emissions by reducing the emissions we are responsible for emitting. This means we will:

- Reduce our Scope 1 and 2 emissions by 46.2% by 2030 from our 2019 base year;
- Be Net Zero for our airport operations Scope 1 and Scope 2 emissions by 2030;
- Reduce our airport operations Scope 3 emissions that occur from our suppliers, waste, waste water, infrastructure builds and employee commuting. We commit to setting a reduction target for each of these Scope 3 emission categories by 2025.

Our emissions reduction target for the airport's scope 1 & 2 emissions has been set using the Science-Based Targets methodology, which aligns to the goals of the Paris Agreement to limit global warming to no more than 1.5˚C.

For our dairy farm, we commit to setting an emissions reduction target that is aligned with the NZ Government agricultural emissions reduction target. Concurrently, we will continue to review our Farming operation to determine if Dairy farming remains appropriate compared to other prospective land uses which may be more compatible with the airport context in the longer term.

We will continue to refine, adjust and optimise our emissions reduction plan year on year.

Nicola Adam

Finance Assistant

Strangest expense claim you've processed?

I don't recall having to process any strange ones.

What comes first: a love for planes or accounting?

Planes, as they take you to your holiday destinations!

Where do you hope to travel this year?

I've not long returned from 9 nights in Hawaii and will be heading to Fiji in November for some R&R

Your job in your own words.

I have a few different tasks in my role but possibly the most important ones are making sure the bills are paid and the wages are processed.

What's the best thing to eat at the terminal?

A breakfast wrap from Chamber of Coffee along with one of their great coffees!

What's your favourite trip/place in the Lower South Island?

Te Anau

Quickfire questions

Window or Aisle?

Tea or coffee?

Cookie or chips?

Hand luggage or hold?

Fold or roll?

Headphones or chit-chat?

Airplane mode or off?

Section 3

Annual Financial Statements

for the Year ended
30 June 2024

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Akarua, Bannockburn | 2 hrs 44 min

Statement of Service Performance

It is Dunedin Airport's objective to be a successful business. This success is measured by setting a number of goals and objectives, identified at the start of each year. These objectives will be measurable and our performance against these objectives will be reported annually.

Strategic Goal:

Safety & security are our top priorities

Objectives	Performance Measures	Update
Strive for 'Zero harm' to anyone as a result of our operations	Nil Serious harm to our staff, airports users or contactors	NOT ACHIEVED There was one serious harm injury during the 2024 financial year.
	Nil Runway Incursions	ACHIEVED There were nil Runway Incursions during the 2024 financial year.
	*LTIFR <4.66	ACHIEVED The 12-month rolling LTIFR as of 30 June 2024 was 2.35.
	Achieve FY24 DIAL Safety Plan targets	NOT ACHIEVED There was one serious harm injury during the 2024 financial year. All other areas of the Safety Plan were met.
Actively manage wildlife hazard and risk of bird strike	Strike rate <5 strikes per 10,000 on 12-month moving average	ACHIEVED The 12-month rolling strike rate for the second quarter of 202 4 was 3.3, with a low and downward Incident Rate Trend.

*LTIFR – Lost Time Injury Frequency Rate

Strategic Goal:

To be sustainable

Objectives	Performance Measures	Update
Implement DIAL's Sustainability Strategy	Achieve FY24 sustainability targets	NOT ACHIEVED Dunedin Airports Sustainability Policy directs management to develop Action Plans to deliver on our priorities. The Action Plan for 2024 included 14 actions, 6 of which were completed in the 2024 financial year. Delays in the recruitment of a dedicated General Manager Sustainability & Planning impacted achieving of all 14 actions. Dunedin Airport is committed to completing our uncompleted 2024, and our 2025 actions in the 2025 financial year.
Maintain full compliance with the Resource Management Act (RMA)	Zero breaches	ACHIEVED There were no Resource Management Act breaches during the 2023-2024 financial year.
Implement DIAL's Carbon and Waste Reduction strategy	Measure and report our carbon emissions in the Annual Report	ACHIEVED FY24 GHG inventories measured and disclosed in 30 June 2024 Annual Report.
	Achieve FY24 carbon and waste reduction targets	ACHIEVED FY24 carbon reduction target (under 245t Scope 1 & 2) achieved against our FY19 baseline. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards. Landfill diversion rate increased from FY23. However, no specific diversion targets were set for FY24.

Strategic Goal:

To provide kaitiakitanga and to make the best use of our assets

Objectives	Performance Measures	Update
Maintain our assets to ensure no delays caused by DIAL to scheduled passenger operations	Zero on time performance (OTP) delays to regular passenger transport (RPT) operations due to airport infrastructure	NOT ACHIEVED There were two recorded delays to RPT operations attributable to airport infrastructure.
Plan, renew and upgrade core infrastructure to ensure sustainable long-term viability and resilience of the airport campus	Implement Water Storage master plan	IN PROGRESS Procurement of Water Storage infrastructure commenced during 2023-2024 financial year.
	Implement Wastewater master plan	IN PROGRESS Capital upgrade of Waste Water Treatment Plant started during 2023-2024 financial year, design/build contractor engaged to undertake investigation and design work for a new Waste Water Treatment Plant.
	Implement Electrification master plan	IN PROGRESS Site upgrades to enable rental EV charging were completed during 2023-2024 financial year. Higher level infrastructure upgrades in design phase.
	Develop Stormwater management strategy	NOT ACHIEVED Tactical work to improve stormwater management and discharge quality delivered during 2023-2024 financial year, while strategy development placed on hold pending resolution of regulatory changes.
Provide a high standard of service to our customers.	'Very good' or greater achieved across all areas in customer insight survey	ACHIEVED Four customer insight surveys were completed this financial year. A majority of "very good" or better was achieved across all four surveys.

Strategic Goal:

To grow our business

Objectives	Performance Measures	Update
Re-establish and build our international air route connectivity	New international air route	NOT ACHIEVED International Regular Scheduled Services were not reinstated to the airport during the 2024 financial year. However, Trans-Tasman services will commence in June 2025
Optimise and sustainably grow domestic passenger volumes	Year on Year improvement in Domestic passenger volumes, with strong seat load factors (SLF)	NOT ACHIEVED Domestic passenger volumes totalled 903,396 for the 2024 financial year. This represents a 1.8% decrease on the prior year. Seat load factors remained consistent with the prior year at 81%.
Optimise non-aero revenue derived from passenger traffic	Year on year increase in net Passenger Spend Rate (PSR)	ACHIEVED Passenger Spend Rate has increased by $0.75 (3.1%) over the prior financial year.
	Year on year increase in net Income per Passenger (IPP)	ACHIEVED Income per Passenger has increased by $0.30 (5.5%) over the prior financial year.
	Execute our access strategy (ground transport)	IN PROGRESS The Landside Access and Carpark Design professional services project was awarded and commenced during the 2023-2024 financial year.
Develop a long term, sustainable strategy for our commercial land holdings i.e., Farms, Village, Service station and commercial property.	Finalise Air Cargo strategy	ACHIEVED Stage One of Air Cargo strategy completed. No further strategic development to occur in this space. Watching brief will be maintained on opportunities.
	Implement our Farm Strategy	NOT ACHIEVED Delayed pending the recruitment of a General Manager Sustainability & Planning. Wildlife Hazard management strategy to be interfaced into Farm planning.

Strategic Goal:

To develop & strengthen our customer, partner & shareholder relations

Objectives	Performance Measures	Update
Implement initiatives to improve the performance of our relationships.	Conduct stakeholder engagement surveys once a year with our strategic partners to review the strength of the relationships	ACHIEVED A stakeholder engagement survey was completed with 20 respondents.
	Continue and build on our relationship with local iwi	ACHIEVED Engagement with our local Runaka (Otakou) continuing to develop. Cultural narrative and co-design engagement for the access strategy (ground transport) to commence early in the 2025 financial year.
Provide sponsorship to community events and organisations.	Invest 0.25% of prior year operating revenue to sponsorship	NOT ACHIEVED $30,422 was provided in sponsorship and donations to events and organisations. This represents 0.15% of prior year operating revenue.
Operate on a "no surprises" basis with shareholders	Substantive matters reported to shareholders within 24 hours, which have potential to significant impact negatively on DIAL or our shareholders	ACHIEVED No substantive matters were noted in the 2024 financial year.

Strategic Goal:

To be a great place to work

Objectives	Performance Measures	Update
Maintain and optimise the wellbeing of our people	Achieve FY24 Wellbeing plan targets	**ACHIEVED** Wellbeing programme introduced. Measured through feedback in staff engagement survey where 86.5% of responding staff feel Dunedin Airport takes employee health & safety, and well-being into account consistently.
Ensure that our people are engaged with the company's Vision, Purpose, and Values	Improvement in our annual engagement survey score	**ACHIEVED** Engagement score improved from 74% to 85% engaged.
Cultivate, maintain, and optimise an equitable & diverse workforce	Develop a People and Culture Strategy	**ACHIEVED** People & Culture Strategy created.
	Develop a Diversity, Equity and Engagement Strategy by 30 June 2024	**ACHIEVED** Diversity, Equity & Inclusion policy implemented.

TREND STATEMENT

For the year-ended 30 June

	2024	2023	2022	2021	2020
Revenue	$000	$000	$000	$000	$000
Operating Revenue:					
Aeronautical	10,716	10,547	5,630	6,359	5,987
Percentage of Total Revenue	50.5%	51.1%	42.6%	43.5%	39.8%
Non-aeronautical	10,350	9,858	7,739	8,216	9,164
Percentage of Total Revenue	48.8%	47.7%	58.5%	56.3%	61.0%
Interest income	133	99	12	1	7
Dividend income	128	57	47	25	1
(Loss)/Gain on sale of assets	(34)	(1)	(5)	-	(97)
Gain/(Loss) on investments	(76)	88	(201)	3	(31)
Total revenue	**21,217**	**20,648**	**13,222**	**14,603**	**15,031**
Percentage movement from prior year	2.8%	56.2%	(9.5%)	(2.8%)	(12.6%)
Surplus before tax	**5,350**	**5,927**	**748**	**2,988**	**2,341**
Percentage movement from prior year	(9.7%)	692.4%	(75.0%)	27.6%	(54.8%)
Shareholders' equity	**88,685**	**85,431**	**82,097**	**71,457**	**69,193**
Comprehensive Income as percentage of Shareholders' equity	**6.5%**	**5.1%**	**13.7%**	**3.2%**	**11.3%**
Dividends paid	2,500	1,023	624	-	2,372
Dividend rate cents per share	**28.41**	**11.63**	**7.1**	**-**	**27.0**
Capital expenditure	3,920	4,660	893	918	7,569
Net operating cashflow	7,136	9,263	3,827	5,810	3,563
Net asset backing per share	**$10.08**	**$9.70**	**$9.33**	**$8.12**	**$7.86**
Equity ratio	**71.7%**	**74.6%**	**72.0%**	**69.6%**	**66.1%**

STATEMENT OF COMPREHENSIVE INCOME

For the year-ended 30 June

	Notes	**2024**	2023
		$000	$000
Operating revenue	4	21,066	20,405
Interest received		133	99
Dividend received		128	57
(Loss)/gain on investment		(76)	88
(Loss)/gain on sale of property, plant & equipment		(34)	(1)
Total revenue		**21,217**	**20,648**
Directors fees		137	117
Finance costs – interest expense		529	570
Depreciation	3	4,480	4,214
Wages and salaries		3,850	3,273
Other operating expenses		6,871	6,547
Total expenses		**15,867**	**14,721**
Operating surplus before income tax		**5,350**	**5,927**
Income tax expense		1,519	1,611
Disestablishment of tax depreciation on buildings		4,255	-
Total income tax expense	5	5,774	1,611
Operating (deficit)/surplus after income tax		**(424)**	**4,316**
Other comprehensive income			
Items that may be subsequently reclassified to profit and loss:			
Cash flow hedges (loss)/gain taken to hedge reserve		(160)	57
Income tax on these items including prior period adjustments		45	(16)
Items that will not be subsequently reclassified to profit and loss:			
Gain on revaluation of property, plant and equipment		7,951	-
Income tax on these items including prior period adjustments		(1,658)	-
Total comprehensive income		**5,754**	**4,357**

This statement is to be read in conjunction with the notes on pages 15 to 27

STATEMENT OF CHANGES IN EQUITY

For the year-ended 30 June

	Notes	2024	2023
		$000	$000
Equity at the beginning of the year		**85,431**	**82,097**
Comprehensive income		5,754	4,357
Transactions with owners			
- Dividend paid		(2,500)	(1,023)
Closing equity		**88,685**	**85,431**

BALANCE SHEET

As at 30 June

	Notes	2024	2023
		$000	$000
Shareholders' equity			
Share capital	6	8,800	8,800
Hedge reserve	7a	88	203
Revaluation reserve	7b	55,046	48,812
Retained earnings	8	24,751	27,616
		88,685	**85,431**
Current liabilities			
Trade & other payables	9	2,105	2,044
Other liabilities		35	40
Tax payable	5a	882	1,712
Employee Entitlements		461	353
		3,484	4,149
Non-current liabilities			
Term loans	11	10,500	9,000
Deferred taxation	5b	21,073	15,889
		31,573	24,889
Total equity & liabilities		**123,742**	**114,469**
Represented by:			
Current assets			
Trade & other receivables	12	1,851	1,498
Prepayments	13	17	72
Cash & cash equivalents	10	3,789	1,723
Stock on hand	14	26	42
Hedge derivatives	15a	-	111
		5,683	3,446
Non-current assets			
Property, plant & equipment	3	117,077	109,900
Investments	16	724	800
Deferred taxation	5b	136	151
Hedge derivatives	15a	122	172
		118,059	111,023
Total assets		**123,742**	**114,469**

Authorised for and on behalf of the directors.

C Hopkins
Chairperson
30 September 2024

C Taylor
Director
30 September 2024

STATEMENT OF CASHFLOWS

For the year-ended 30 June

	Notes	2024	2023
		$000	$000
Cash flow from operating activities			
Cash was provided from:			
Receipts from customers		20,888	20,339
Interest received		133	99
Dividend received		128	57
Cash was applied to:			
Payments to suppliers		6,740	6,341
Payments to employees		3,724	3,348
Interest paid		529	570
Taxation paid		3,020	973
Net cash flows from operating activities		**7,136**	**9,263**
Cash flows from investing activities			
Cash was provided from:			
Sale of property, plant and equipment		95	1
Cash was applied to:			
Purchase of property, plant and equipment		4,165	3,952
Net cash flows from investing activities		**(4,070)**	**(3,952)**
Cash flows from financing activities			
Cash was provided from:			
Loan drawdown		1,500	-
Cash was applied to:			
Loan repayment		-	4,250
Dividends paid		2,500	1,023
Net cash flows from financing activities		**(1,000)**	**(5,273)**
Net increase/(decrease) in cash held		2,066	38
Plus opening cash brought forward		**1,723**	**1,685**
Cash & cash equivalents held 30 June	10	**3,789**	**1,723**

This statement is to be read in conjunction with the notes on pages 15 to 27

NOTES TO FINANCIAL STATEMENTS

For the year-ended 30 June 2024

1. REPORTING ENTITY

The financial statements presented here are for the reporting entity Dunedin International Airport Limited (the Company).

The Company was established under the Airport Authorities Act 1966 and incorporated in New Zealand under the Companies Act 1993. The Company is a Council Controlled Trading Organisation as defined in the Local Government Act 2002.

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002.

These financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the Company operates. The financial statements are rounded to the nearest thousand ($'000).

Revenue, expenses, assets and liabilities are recognised net pf the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Under the Accounting Standards Framework, the Company is eligible to apply Tier 2 For-profit Accounting Standards (New Zealand equivalents to International Financial Reporting Standards – Reduced Disclosure Regime ('NZ IFRS RDR')) on the basis that it does not have public accountability and is not a large for-profit public sector entity. Therefore, these financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and comply with NZ IFRS RDR.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments and certain items of property, plant and equipment.

The accounting policies are set out in the individual notes below and have been applied consistently to all periods in these financial statements.

New Standards, Interpretations and Amendments Adopted by the Company

No new or revised standards and interpretations that have been approved but are not yet effective have been adopted by the Company for the year ended 30 June 2024.

3. PROPERTY, PLANT & EQUIPMENT

Property, Plant and Equipment are those assets held by the Company for the purpose of carrying on its business activities on an ongoing basis.

Land, buildings, runway, apron, and taxiways are stated in the balance sheet at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and subsequent impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the balance sheet date.

Any revaluation increase is recognised in other comprehensive income and accumulated in the Revaluation Reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the

extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Plant and equipment, office equipment and motor vehicles are stated at cost less any subsequent accumulated depreciation and any accumulated impairment losses.

Self-constructed assets include the direct cost of construction including borrowing costs to the extent that they relate to bringing the Property, Plant and Equipment to the location and condition for their intended service.

Depreciation is charged so as to write off the cost of assets, other than land and capital work in progress. Rates used have been calculated to allocate the asset's cost less estimated residual value over their estimated remaining useful lives. Depreciation of capital work in progress commences when the assets are ready for their intended use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation rates and methods used are as follows:

	Rate	Method
Land and land improvements	0% - 12.5%	DV & SL
Runway, apron and taxiway	0% - 13.9%	DV & SL
Buildings	1% - 40%	DV & SL
Plant & equipment	2% - 67%	DV & SL
Motor vehicles	7% - 25%	DV & SL
Fixtures, fittings, office and computer equipment	7.5% - 40%	DV & SL

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognised.

(a) Land, airside pavements, roading, and dairy farm plant and equipment were revalued at 30 June 2024 by independent registered valuers, CBRE Limited and WSP New Zealand Limited.

The total fair value of these assets at 30 June 2024, the effective date of the revaluation, was **$52,257,300**. Land was valued by reference to market sales, market comparison and investment valuation. The specialised assets being runway, taxiways, aprons and infrastructure assets were valued using the Optimised Depreciated Replacement Cost (O.D.R.C.) methodology.

(b) If revalued assets were stated on the historical cost basis, the carrying value of these classes would be **$9,708,200**.

(a) 2024	Land and Land Improvements	Land and Improvements Subject to Lease	Runway, Apron, Taxiway	Buildings	Buildings Subject to Lease	Plant & Equipment	Dairy Farm Plant and Equipment	Office Equipment	Motor Vehicles	WIP	Total
Cost or Valuation	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Balance at beginning of period	19,192	678	26,052	43,346	14,981	7,469	705	473	1,843	3,533	118,471
Purchases	(425)	-	469	425	2	306	7	55	237	2,844	3,920
Transfers	430	-	39	1,859	621	840	-	138	1,206	(5,133)	-
Revaluations	2,386	188	2,444	-	-	24	(89)	-	-	-	4,953
Reclassifications	-	-	-	83	(83)	2	(2)	-	-	-	-
Disposals / Write offs	-	-	-	(105)	(33)	(17)	-	(3)	(133)	(85)	(376)
Balance at end of period	21,583	1,066	29,004	45,608	15,488	8,623	621	663	3,153	1,159	126,968
Accumulated Depreciation											
Balance at beginning of period	147	-	1,320	1,505	594	4,135	63	384	423	-	8,571
Depreciation	132	-	1,278	1,507	581	661	61	51	209	-	4,480
Transfers	-	-	-	-	-	-	-	-	-	-	-
Revaluations	(266)	-	(2,592)	-	-	(16)	(124)	-	-	-	(2,998)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-
Disposals / Write offs	-	-	-	(20)	(6)	(16)	-	(3)	(117)	-	(162)
	13	-	6	2,992	1,169	4,764	-	432	515	-	9,891
Balance at end of period	21,570	1,066	28,998	42,616	14,319	3,859	621	231	2,638	1,159	117,077

(a) 2023	Land and Land Improvements	Land and Improvements Subject to Lease	Runway, Apron, Taxiway	Buildings	Buildings Subject to Lease	Plant & Equipment	Dairy Farm Plant and Equipment	Office Equipment	Motor Vehicles	WIP	Total
Cost or Valuation	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Balance at beginning of period	19,192	678	26,025	43,021	14,981	7,256	700	419	633	951	114,056
Purchases	-	-	27	16	-	114	-	23	1	4,479	4,660
Transfers	-	-	-	309	-	105	5	32	1,209	(1,660)	-
Revaluations	-	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-	-
Disposals / Write offs	-	-	-	-	-	(7)	-	(1)	-	(237)	(245)
Balance at end of period	19,192	678	26,052	43,346	14,981	7,468	705	473	1,843	3,533	118,471
Accumulated Depreciation											
Balance at beginning of period	8	-	4	71	22	3,545	-	348	367	-	4,365
Depreciation	139	-	1,316	1,434	572	597	63	37	56	-	4,214
Transfers	-	-	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-	-
Disposals / Write offs	-	-	-	-	-	(7)	-	(1)	-	-	(8)
	147	-	1,320	1,505	594	4,135	63	384	423	-	8,571
Balance at end of period	19,045	678	24,732	41,841	14,387	3,333	642	89	1,420	3,533	109,900

4. OPERATING REVENUE

The Company recognises revenue from the following major sources:

- Landing Charges and Departure Fees
- Car Parking
- Fuel and Non-Fuel Sales
- Milk Sales
- Operating Lease Rental Revenue

Landing Charges and Departure Fees:
Landing charges are charged on a per passenger or airplane weight basis for landing and disembarking the airport. Departure fees are charged on a per passenger basis. The charges cover runway costs, airport services and other miscellaneous services that the Company is required to provide while a plane is on the ground under civil aviation rules. Revenue is recognised net of any rebates paid to airlines under incentive agreements. The revenue earned is recognised over-time due to the counterparty simultaneously receiving the benefit as the Company provides the services.

Car Parking:
Revenue from car parking is earned by charging customers a fee for the use of the airport carpark. The fee is based on a tiered system where the charge per day varies depending on the length of stay. The revenue earned meets the criteria to be recognised over-time as the customer simultaneously receives the benefit of using the carpark as the service is provided.

Fuel and Non-Fuel Sales:
Revenue from fuel and non-fuel sales is earned through petrol & other miscellaneous sales (net of any discounts) from the petrol station owned by the Company. Revenue is recognised at the point in time control transfers to the customer, being when the customer pays for the fuel purchased.

Milk Sales:
The Company own two dairy farms which sells milk to Fonterra. Revenue is based on the farm gate milk price at the time of sale applied to the quantity of milk supplied. Revenue is recognised at the point in time in which control of the product passes to Fonterra, being when the milk is loaded into the tanker.

Operating Lease Rental:
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging a lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

	2024	2023
	$000	$000
Revenue from Contracts with Customers:		
Over Time:		
Landing Charges and Departure Fees	10,715	10,547
Car Park	3,745	3,605
Point in time:		
Fuel and Non-Fuel Sales	1,038	1,019
Milk Sales	1,114	1,147
Total Revenue from Contracts with Customers	**16,612**	**16,318**
Other Income:		
Operating Lease Rental (including overhead recoveries)	4,029	3,867
Other Revenue	425	213
Government Grants	-	7
Total Operating Revenue	**21,066**	**20,405**

Government Grant revenue relates to the receipt of the Governments COVID-19 subsidies.

5. TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

	2024	2023
	$000	$000
Income tax		
Operating surplus/(deficit) before income tax	5,350	5,927
Taxation @ 28%	1,499	1,659
Plus / (Less) the tax effect of differences		
Expenses not deductible	2	54
Loss/(gain) on investments	21	(25)
Disestablishment of Tax Depreciation on Buildings	4,255	-
Prior period adjustment	(3)	(77)
Income tax expense/(credit)	**5,774**	**1,611**
Effective tax rate	28.4%	27.2%
Represented by		
Current tax provision	2,188	2,330
Deferred tax provision	3,586	(719)
Income tax expense/(credit)	**5,774**	**1,611**

(a) Provision for Tax

Balance at beginning of year	(1,712)	(355)
Current tax provision	(2,183)	(2,324)
Terminal tax payment/(refund)	(64)	(39)
Provisional tax paid	3,082	1,012
Prior period adjustment	(5)	(6)
Balance at 30 June	**(882)**	**(1,712)**

(b) Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

	Opening	Charged	Charged	Prior Period Adjustment			Closing Balance Sheet	
2024 ($000)	Balance	to Equity	to Income	Equity	Income	Assets	Liabilities	Net
Property, plant and equipment	(15,790)	(1,658)	(3,592)	-	8	-	(21,032)	(21,032)
Employee benefits	93	-	1	-	(2)	92	-	92
Provisions	58	-	(18)	-	2	42	-	42
Revaluations of interest rate swaps	(79)	45	-	-	-	-	(34)	(34)
Prepayments	(20)	-	15	-	-	-	(5)	(5)
Balance at 30 June	**(15,738)**	**(1,613)**	**(3,594)**	**-**	**8**	**134**	**(21,071)**	**(20,937)**

	Opening	harged	Charged	Prior Period Adjustment			Closing Balance Sheet	
2023 ($000)	Balance	to Equity	to Income	Equity	Income	Assets	Liabilities	Net
Property, plant and equipment	(16,483)	-	613	-	80	-	(15,790)	(15,790)
Employee benefits	101	-	(11)	-	3	93	-	93
Provisions	62	-	(4)	-	-	58	-	58
Revaluations of interest rate swaps	(63)	(16)	-	-	-	-	(79)	(79)
Prepayments	(57)	-	37	-	-	-	(20)	(20)
Balance at 30 June	**(16,440)**	**(16)**	**635**	**-**	**83**	**151**	**(15,889)**	**(15,738)**

On 28 March 2024, the Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) Act passed into law. The Act removed depreciation deductions for tax purposes for commercial long-life buildings with an estimated useful life of 50 years or more, with effect from the 2024/25 income tax year. Application of the change in tax law was required to be reflected in the Company's 30 June 2024 tax balances as the legislation was enacted prior to balance date. The effect of this change is to recognise an additional deferred tax liability of $4.255m with the change impacting tax expense in the 30 June 2024 year.

6. EQUITY – SHARE CAPITAL

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Issued Capital
8,800,000 (2023: 8,800,000) ordinary authorised and issued shares.

All shares have equal voting rights and share equally in dividends and any surplus on winding up. There are no par values for these shares.

	2024 $000	2023 $000
7. RESERVES		
a) Hedge Reserve		
Balance at beginning of year	203	162
Cash flow hedges (loss)/gain	(160)	57
Net movement in deferred tax arising on hedges	45	(16)
Balance at 30 June	**88**	**203**

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments relating to interest payments that have not yet occurred.

b) Revaluation Reserve		
Balance at beginning of year	48,812	48,812
Revaluations included in comprehensive income	7,951	-
Net movement in deferred tax arising on revaluations	(1,658)	-
Transfer to Retained Earnings on disposal of property, plant and equipment	(59)	-
Balance at 30 June	**55,046**	**48,812**

The revaluation reserve arises on the revaluation of land, buildings, airside pavements and certain plant and equipment. Where revalued assets are sold or disposed of, the portion of the properties revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to retained earnings.

8. RETAINED EARNINGS		
Balance at beginning of year	27,616	24,323
Operating (deficit)/surplus after income tax	(424)	4,316
Dividends paid	(2,500)	(1,023)
Transfer from Revaluation Reserve on disposal of property, plant and equipment	59	-
Balance at 30 June	**24,751**	**27,616**

9. TRADE & OTHER PAYABLES

Trade payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade payables are unsecured and are usually paid within 30 days of recognition.

Trade payables	1,234	1,563
Accruals	719	330
GST Payable	152	151
Balance at 30 June	**2,105**	**2,044**

10. CASH

In the statement of cashflows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

	2024 $000	2023 $000
Cash floats	6	6
Westpac cheque account	3,783	1,717
Balance at 30 June	**3,789**	**1,723**

The carrying amount of cash assets approximates their fair value.

Subsequent to balance sheet date, $1,750,000 was repaid off the multi option credit facility.

11. TERM LOANS

Term loans are initially recorded at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Finance charges, premiums payable on settlement or redemption and direct costs are accounted for on an accrual basis to profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Multi option credit facility	10,500	9,000
Short term advance facility	-	-
Balance at 30 June	**10,500**	**9,000**
Classified as:		
Current liability	-	-
Non-current liability	10,500	9,000
Balance at 30 June	**10,500**	**9,000**

(a) Westpac has provided a multi option credit line (MOCL) facility of $22,500,000 with a maturity date of 30 November 2025. Subsequent to year end, the maturity date was extended to 30 November 2026.

Interest is payable on the drawn down balance at BKBM plus a 1.30% margin (to the extent the Company does not have an interest rate swap – see Note 15).

The Westpac Banking Corporation holds as security for the advances a first mortgage over the property of the Company and a negative pledge over all other assets. The Company uses interest rate swaps to manage its exposure to interest rate movements. These are detailed in Note 15.

(b) Financial banking covenants relating to the facility are:

Equity Ratio:
Total shareholders' funds / total assets > 40%

Earnings Ratio:
Earnings (net profit before funding costs, income tax, depreciation, extraordinaries for the relevant financial year but after any payments and other benefits to directors and Shareholders) are not less than 1.75 times funding costs.

	2024 $000	2023 $000
Reconciliation to Cashflows from Financing Activities		
Opening Balance	9,000	13,250
Net loans drawdown/(repayment)	1,500	(4,250)
Movement in fair value	-	-
Closing Balance	**10,500**	**9,000**

12. TRADE & OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses. The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance. The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default.

The expected credit losses on trade and other receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Payment terms are typically the 20th day of the month following invoice date.

Trade Receivables	1,982	1,749
Provision for Expected Credit Losses	(131)	(251)
Balance at 30 June	**1,851**	**1,498**

As at balance date, an assessment was undertaken on trade debtors to assess customers' ability to meet repayments including a high-level assessment on the ability to trade in the future. As a result of this assessment, the Company reduced the provision for expected credit losses to **$131,000** (2023: $251,000).

13. PREPAYMENTS

Tenant rent relief in advance	17	72
Balance at 30 June	**17**	**72**

	2024 $000	2023 $000

14. STOCK ON HAND

Stock on hand represents petrol and other stock for the Momona Garage are valued at the lower of cost (using the FIFO method) and net realisable value. Any write-down from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

Opening Balance	42	72
Purchases	922	903
Cost of Sales (Included within Other Operating Expenditure)	(938)	(933)
Closing Balance	**26**	**42**

15. FINANCIAL RISK MANAGEMENT

a) Interest Rate Risk

The Company's activities expose it primarily to the financial risks of changes in interest rates resulting in variation of cash flows on floating rate debt. The Company uses interest rate swaps to manage its exposure to interest rate movements on its multi option facility borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. These interest rate swap contracts have been designated as cash flow hedges.

The use of financial derivatives of the Company is governed by the interest rate hedge accounting policy approved by the Board of Directors. The policies provide written principles on the use of financial derivatives.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition derivative financial instruments are remeasured to fair value. Fair value is derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the Income Statement. For a cash flow hedge amounts deferred in equity are recognised in the Income Statement in the same period in which the hedged item affects net profit or loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Income Statement as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the Income Statement for the period.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in profit or loss.

	2024 $000	2023 $000
Interest rate swaps		
- maturing less than 1 year	-	111
- maturing 1 to 5 years	122	172
Balance at 30 June	**122**	**283**

b) Categories of Financial Assets and Financial Liabilities

Financial Assets at amortised cost:		
Trade & other receivables	1,851	1,498
Cash & Cash Equivalents	3,789	1,723
Financial Assets at fair value through profit or loss:		
Investments	724	800
Financial Assets at fair value through other comprehensive income:		
Derivative Financial Instruments in Hedge Accounting Relationships	122	283
Financial Liabilities at Amortised Cost:		
Term Loans	10,500	9,000
Trade & Other payables (excluding GST)	1,953	3

Management consider all financial assets and financial liabilities carrying values to closely approximate fair value.

16. INVESTMENTS

Investments in equity securities are recognised as financial assets at fair value through profit or loss. Fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Any resultant gains or losses are recognised in profit or loss.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Non-current investments

Shares at market value in farmer cooperative Companies involved with dairy farm companies	**724**	**800**

Of this sum **$688,000** (2023, $762,000) is represented by shares in Fonterra Co-operative Group. These shares are required to be held by the Company based on production and can only be realised when production reduces, or the Company ceases dairying operations.

17. CONTINGENT LIABILITIES

There were no contingent liabilities outstanding at 30 June 2024 (2023 $NIL).

18. CAPITAL COMMITMENTS

There were no capital commitments as at 30 June 2024 (2023 $117,218).

19. RELATED PARTY TRANSACTIONS

The shareholders of the Company are The Crown and Dunedin City Holdings Limited, which is wholly owned by the Dunedin City Council. Each owns 50%.

(a) The Company undertakes many transactions with State Owned Enterprises, Government Departments and Dunedin City Council Controlled enterprises.

Businesses which have common ownership, and which provided services/supplies to the Company during the year were:

- Dunedin Venues Management Limited (Dunedin City Holdings Limited controlled) – corporate membership
- Delta Utilities Limited (Dunedin City Holdings Limited controlled) – ground maintenance and tree felling.

Transactions with entities with common ownership with details of purchases for the year and balances owing at 30 June being as follows:

	Annual Purchases (GST Exclusive)		Payable at 30 June (GST Inclusive)	
	2024	2023	**2024**	2023
	$000	$000	$000	$000
Dunedin Venues Management Limited	15	12	-	-
Delta Utilities Limited	164	40	4	4

(b) Businesses in which directors, including directors whose appointment ceased during the financial year, and key management personnel have a substantial interest and which provided services/supplies to the Company during the year were:

- Tāwhirimātea Advisory Limited (S Ellison) – subsequent to the cessation of Mr Ellisons directorship on 1 May 2024, Mr Ellison provided advisory services to the Company.

Transactions with entities in which directors and key management personnel have an interest with details of purchases for the year and balances owing at 30 June are as follows:

	Annual Purchases (GST Exclusive)		Payable at 30 June (GST Inclusive)	
	2024	2023	**2024**	2023
	$000	$000	$000	$000
Tāwhirimātea Advisory Limited	6	-	7	-

(c) Compensation of key management personnel:

The remuneration of directors and other members of key management during the year was:

	2024	2023
	$000	$000
Total	998	1,023

The remuneration of directors is agreed annually, after consultation with the shareholders, and approved at the Company's annual meeting. The remuneration of the Chief Executive is determined by the Board and the remuneration of key management personnel is determined by the Chief Executive having regard to the performance of individuals and market trends.

Remuneration includes any retention payments, termination benefits and ex-gratia payments.

(e) Transactions with shareholders with details of purchases for the year and balances owing at 30 June being as follows:

	Annual Purchases (GST Exclusive)		Owing at 30 June (GST Inclusive)	
	2024	2023	**2024**	2023
	$000	$000	$000	$000
Dunedin City Council rates & services	304	302	1	-

20. LEASE COMMITMENTS

The Company enters into lease agreements as a lessor with respect to some of its land and buildings. Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company as Lessor

The Company has various operating leases with tenants at the airport. Minimum lease receivables under non-cancellable operating leases are as follows:

	2024	2023
	$000	$000
Under 1 year	2,290	2,610
1 to 2 years	1,803	2,276
2 to 3 years	861	1,715
3 to 4 years	205	822
4 to 5 years	-	203
Over 5 years	-	-

The Company as Lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

21. SUBSEQUENT EVENTS

Subsequent to balance sheet date the Directors approved a fully imputed dividend of $2,350,000 to be distributed in the 2024-25 financial year.

SHAREHOLDER INFORMATION

INTERESTS REGISTER

The following are particulars of general disclosures of interest given by the Company directors and key management personnel pursuant to section 211 of the Companies Act 1993.

CHRIS HOPKINS

Blestoe Securities Limited	Director
Chalmers Properties Limited	Director
Company HQ Limited	Director/Shareholder
CompanyHQ NZ Limited	Director
Farra Engineering Limited	Director
Fiordland Pilot Services Limited	Director
G W Batts Trustee Limited	Director
Health Central Limited	Director
inMR Measure Limited	Director/Shareholder
NIMEO Industrial Limited	Director/Shareholder
Oakwood Group Limited	Director
Our Planit Limited	Director/Shareholder
Port Chalmers Container Terminal Limited	Director
Port Otago Limited	Director
Silveracres Trust	Independent Trustee
SouthMed Limited	Director/Shareholder
Spade Word Limited	Director/Shareholder
Te Rapa Gateway Limited	Director
Veritide Limited	Director/Shareholder

TIMOTHY HUNTER

Eglinton Experiences Limited	Director
Kawarau Jet Services Advisory Board	Director
Milford Sound Lodge Advisory Board	Director
Milford Sound Tourism Limited	Director
Southern Discoveries Limited Director	Project Manager

CATHERINE TAYLOR

Diabetes New Zealand	Trustee
Diabetes New Zealand Research Foundation	Trustee
Energy Efficiency Conservation Authority	Director
John Nesfield Trust	Trustee
Nelson Airport Noise Advisory Committee	Independent Chair
Nelson City Council	Independent Chair
Nelson Marine Precinct Limited	Director
New Zealand Law Foundation	Trustee
Port Noise Liaison Committee (Port Nelson)	Independent Chair
R & C Taylor Trustee Company Limited	Director
The Cranfylde Charitable Trust	Trustee
The RN & CJ Taylor Family Trust	Trustee
Waka Kotahi - New Zealand Transport Agency	Member

SHANE ELLISON (ceased 1 May 2024)

Auckland Light Rail Limited	Director
Koau Capital Partners Limited	Director
oOh! Media	Advisor
Queensland Investment Corporation	Director
Tāwhirimātea Advisory Limited	Director/Shareholder
Waipā Networks Limited	Director

DANIEL DE BONO

The Happy Living Project Limited	Director

MEGAN CRAWFORD

Theomin Gallery Committee	Committee Member
Tourism Waitaki Limited	Director

NICK RODGER

Flirtey Limited	Shareholder
Watercooled Classic Limited	Director

Directors' Interests in Contracts

Details of contracts involving directors' interests entered into during the year ended 30 June 2024 are provided in Note 20 to the Financial Statements. All transactions were conducted on an arms' length commercial basis.

Directors' Insurance

In accordance with section 162 of the Companies Act 1993 and the Constitution, Dunedin International Airport Limited has arranged policies of Directors' Liability Insurance which, together with a deed of indemnity, ensure that the directors incur no monetary loss as a result of actions undertaken by them as directors, provided that they operate within the law.

Principal Activities of the Company

The Company's principal activity is the operation of Dunedin International Airport. Areas of land adjacent to the airport held for possible expansion purposes are dairy farmed in partnership with a sharemilker. The Company also owns a small residential housing estate on land adjoining the airfield to the north and Momona Garage.

State of Affairs

The directors note that the financial position of the Company remains sound and the state of the Company's affairs is satisfactory.

Remuneration of the Directors

The directors of Dunedin International Airport Limited and their remuneration for the year ended 30 June 2024 are as follows:

Director	Board Meetings Attended (out of a possible)	Committee	Remuneration ($000's)
Chris Hopkins – Chairperson	14 of 14	ARC/PRC/SORC	52
Catherine Taylor (ARC Chairperson)	14 of 14	ARC/SORC	26
Timothy Hunter (SORC Chairperson)	13 of 14	SORC	26
Shane Ellison – Deputy Chairperson (ceased 1 May 2024)	13 of 13	PRC/SORC	27

On 1 August 2024 Catherine Taylor was appointed Deputy Chairperson.

ARC – Audit and Risk Committee
SORC – Safety Operations Risk Committee
PRC – People and Remuneration Committee

Directors' Benefits

No director of Dunedin International Airport Limited has, since the end of the previous financial year, received or become entitled to receive a benefit other than a benefit included in the total remuneration received or due and receivable by the directors shown in the financial statements. There were no notices from directors of the Company requesting to use Company information received in their capacity as directors which would not otherwise have been available to them.

Executive Remuneration
Executive remuneration is made up of two components:

1) Fixed remuneration consisting of base salary and benefits.

2) Short-term performance incentives.

   Short-term performance incentives (the Scheme) are payable up to 10% of base salary and are payable if the Company achieves a minimum of 90% of budgeted EBITDAF. If this threshold is not achieved, no payments will be made under the Scheme.

   When activated, there are two parts to the Scheme:

   Part one
   60% of the short-term performance incentives is payable on achieving 100% of the individuals agreed Key Performance Indicators as detailed in the annual Employee Performance Review.

   Part two
   40% of the STI is payable on the company achieving the following:
   a) Achievement of minimum of 95% budgeted EBITDAF;
   b) Achievement of company strategic objectives in line with achievement of the Statement of Intent;
   c) Health, Safety and Wellbeing of DIAL employees, with zero significant safety incidents and/or serious injuries or fatalities.

Actual salary paid includes holiday pay paid as per New Zealand legislation.

Benefits include retention payments, short term performance incentives, the Company's contribution to KiwiSaver, fuel card and road user charges (as applicable), a contribution to home broadband, and any termination benefits received, including ex-gratia payments.

A summary of the Chief Executive Officers salary and benefits are included in the table below:

	2024			2023		
Employee	**Salary**	**Benefits**	**Total**	**Salary**	**Benefits**	**Total**
Daniel De Bono	$278,100	$54,126	$332,226	$136,212	$6,523	$142,735
Richard Roberts	-	-	-	$140,778	$132,051	$272,829

On 30 September 2022 Richard Roberts resigned as Chief Executive. On the same date, Daniel De Bono was appointed as acting Chief Executive.

On 1 January 2023 Daniel De Bono was appointed as Chief Executive.

The salary and benefits noted above for Daniel De Bono include only those received in his role as Chief Executive.

The number of employees whose remuneration and benefits are within specified bands are as follows:

Remuneration Range	**2024 No. Employees**	**2023 No. Employees**
$150,000 - $160,000	-	1
$170,000 - $180,000	1	-
$180,000 - $190,000	-	1
$190,000 - $200,000	2	-
$220,000 - $230,000	-	1
$250,000 - $260,000	-	1
$330,000 - $340,000	1	-

Gender Diversity

The table below summarises the gender diversity of the Company as at 30 June 2024:

	2024	
Directors		
Male	2	67%
Female	1	33%
	3	
Senior Management		
Male	3	75%
Female	1	25%
	4	
All Staff (including Senior Management)		
Male	34	77
Female	10	2
	44	

Subsequent Events

The directors are not aware of any other matters or circumstances since the end of the financial year not otherwise dealt with in this report or the Company's financial statements that has significantly or may significantly affect the operation of Dunedin International Airport Limited, the results of those operations or the state of affairs of the Company.

Auditors

The auditor of Dunedin International Airport limited is Rudie Tomlinson of Audit New Zealand on behalf of the Auditor-General. Audit fees for the year ended 30 June 2024 were $121,047 for the Statutory Audit of the 30 June 2024 Financial Statements, and $32,400 for the Disclosure Financial Statements.

C Hopkins
Chairperson
30 September 2024

C Taylor
Director
30 September 2024

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Dunedin International Airport Limited's financial statements and statement of service performance for the year ended 30 June 2024

The Auditor-General is the auditor of Dunedin International Airport Limited (the company). The Auditor-General has appointed me, Rudie Tomlinson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company in section 3 on pages 11 to 27, that comprise the balance sheet as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the company in section 3 on pages 2 to 8.

In our opinion:

- the financial statements of the company:
    - present fairly, in all material respects:
        - its financial position as at 30 June 2024; and
        - its financial performance and cash flows for the year then ended; and
    - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime; and
- the statement of service performance of the company presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2024.

Our audit was completed on 30 September 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the inherent uncertainties in the measurement of greenhouse gas emissions. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Emphasis of matter – Inherent uncertainties in the measurement of greenhouse gas emissions

The company has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. Without further modifying our opinion and considering the public interest in climate change related information, we draw attention to Section 3 page 4 of the statement of service performance, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Board of Directors for the financial statements and the statement of service performance

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the statement of service performance for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of service performance, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the statement of service performance.

For the performance targets reported in the statement of service performance, our procedures were limited to checking that the information agreed to the company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported statement of service performance within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in section 1 on pages 0 to 33, section 2 on pages 0 to 11 and section 3 on pages 0 to 1, 9 to 10, and 28 to 31 but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit, we have carried out an assurance engagement pursuant to the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999 which is compatible with those independence requirements.

Other than the audit and the assurance engagement, we have no relationship with, or interests in, the company.

Rudie Tomlinson
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand

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AIRPORT