

2021 Annual Report

Queensland
Airports LIMITED





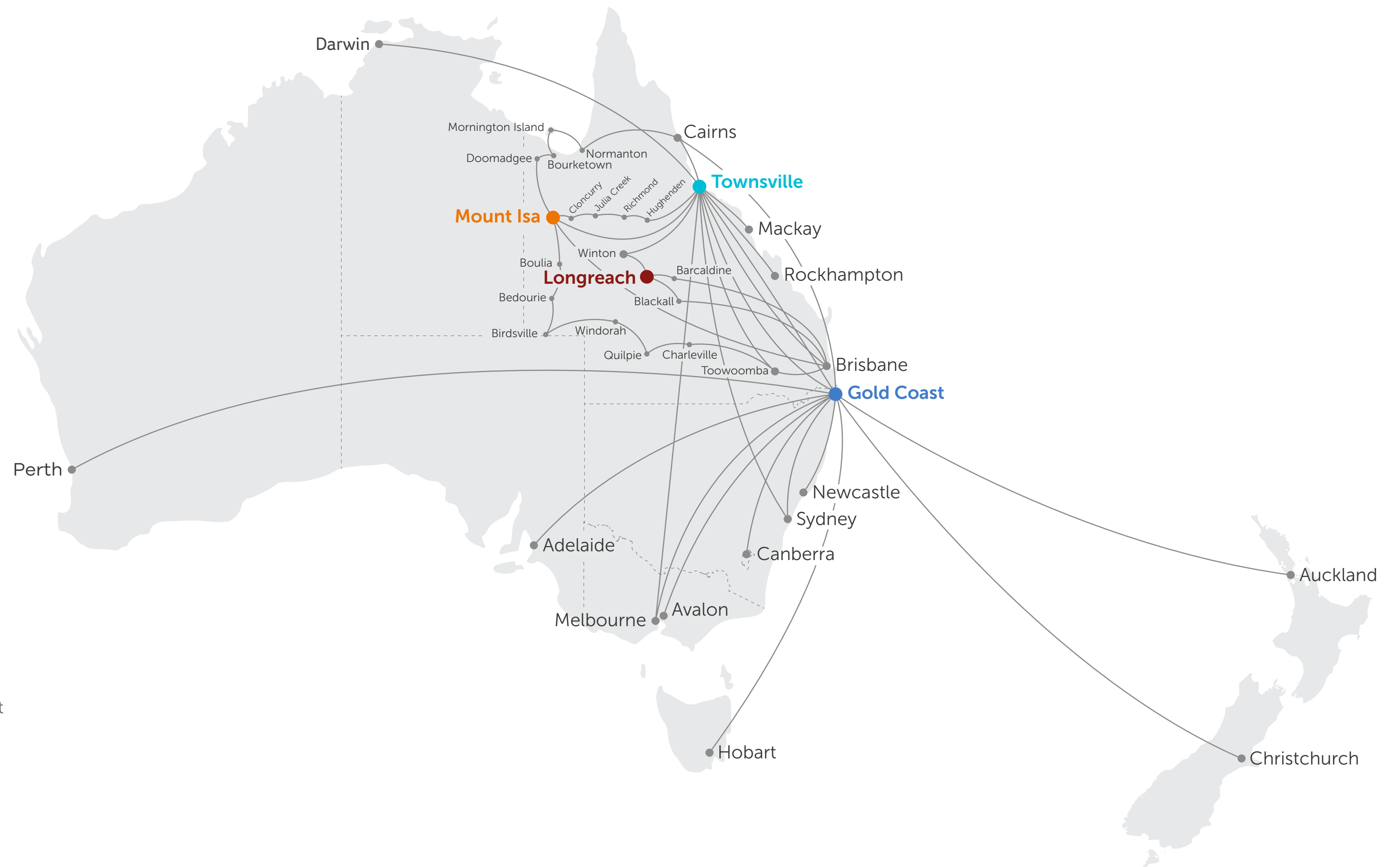
About us

Queensland Airports Limited is an accomplished airport operator that owns and operates Gold Coast, Townsville, Mount Isa and Longreach airports.

QAL is Australian-owned and committed to delivering for the communities where we operate.

QAL is a privately-owned company and its shareholders include superannuation and investment funds:

- Gardior as trustee for The Infrastructure Fund
- Perron Investments Pty Ltd
- QAL Investments No. 2 Pty Ltd as trustee for QAL Investments Trust
- STC Funds Nominee as trustee for the Project Cricket State Super Unit Trust
- State Street Australia Ltd as custodian for Sunsuper Superannuation Fund
- Lipno Holdings Pty Ltd
- Allan Moss



QAL route map as at 30 June 2021.



Strategic framework

QAL's strategic framework links the company's vision and values to our corporate pillars of shareholder value, customer experience, social responsibility, high performing workforce and accomplished operators. Key initiatives throughout the year are summarised under the strategic pillars in this report.

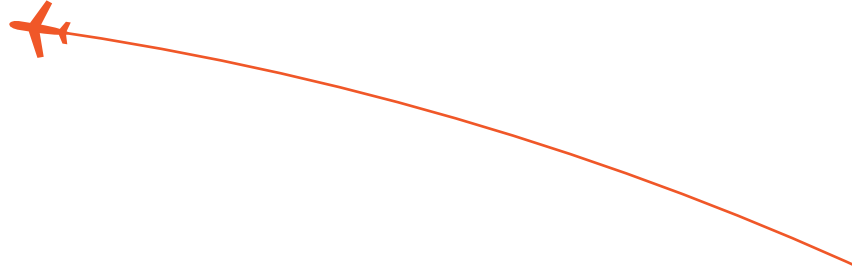


We will fulfill our vision by

- Growing our airports through collaboration with our partners
- Providing seamless, high-quality experiences for our customers
- Connecting, and being connected to, the communities in which we operate
- Engaging with our customers throughout their journey
- Fostering growth within our communities
- Investing in our people and empowering them to help achieve our vision
- Elevating and setting the industry standard through innovation and creative thinking



From the Chair and CEO



The operating and financial conditions for the aviation sector deteriorated in FY21 as border closures, snap lockdowns and hotspot declarations continued to significantly and unpredictably disrupt travel for much of the year.

The numbers

Queensland Airports Limited saw a 49.2 per cent fall in passenger numbers across the four ports for the year, down to 3.18 million. On the Gold Coast, a port that relies heavily on connections to the Sydney and Melbourne markets, just 2 million passengers came through the gates compared to 4.8 million in FY20 – a year that was also impacted by COVID-19. Passenger numbers in the northern ports of Townsville, Mount Isa and Longreach were less impacted given their connection primarily to intrastate markets.

The Board and the executive team continued to steer the business through the crisis, with measures to reduce costs, defer capital and optimise liquidity, while operating in a safe and secure manner. Group EBITDA of \$42 million was less than half the pre-pandemic number of \$96.5 million (in 2019).

There are some positive signs for the future. When borders were open, passenger numbers climbed quickly at Gold Coast Airport. In May 2021 for example, 80 per cent of 2019 passenger volumes were recorded. Connections from the Gold Coast to Canberra, Adelaide and Hobart operated beyond pre-COVID-19 capacity for much of the second half of the financial year. In March, Rex chose the Gold Coast as one of the first destinations in its domestic expansion.

Projects progress

Despite the challenging environment, the QAL team remains focused on navigating through the crisis and being well positioned for the recovery. To accommodate future passenger growth and enhance the customer experience, priority capital projects continued. The Gold Coast Airport terminal expansion was slowed but will achieve completion in 2022, in line with travel restrictions easing. Civil works were completed for the Airside Processing Zone project at the front of the Gold Coast terminal. The project and operations teams worked with contractors to ensure important airside works were successfully completed during a quieter operating period. Civil works were progressed on surplus land near Gold Coast Airport to support revenue diversification strategies. Federal Government grants were secured for the security screening projects to start in Townsville and Mount Isa.

The Rydges Gold Coast Airport opened, further activating the airport precinct and delivering a key tourism asset for the Gold Coast. The hotel will further build the attraction of Gold Coast Airport and the region as a whole for travellers.

Looking ahead

Travel restrictions continue at the time of preparing this report, but Queensland has a roadmap to reopen. And a fast-tracked vaccine rollout is central to the recovery of our business and the industry. We look forward to the time when restrictions ease and a return to open travel can commence.

It is important to recognise our team members, who have continued to deal incredibly well with the challenges while preparing for the recovery. Working at the cross-border Gold Coast Airport has delivered added complexity for our employees who live in northern NSW. Our Board and key partners also deserve our sincere thanks for patiently and pragmatically working through issues as they are encountered.

Given the passion and resilience of our team, and the fundamentals of the destinations we support, we are confident that our business is well placed for recovery in 2022.

John O'Neill
Chairman

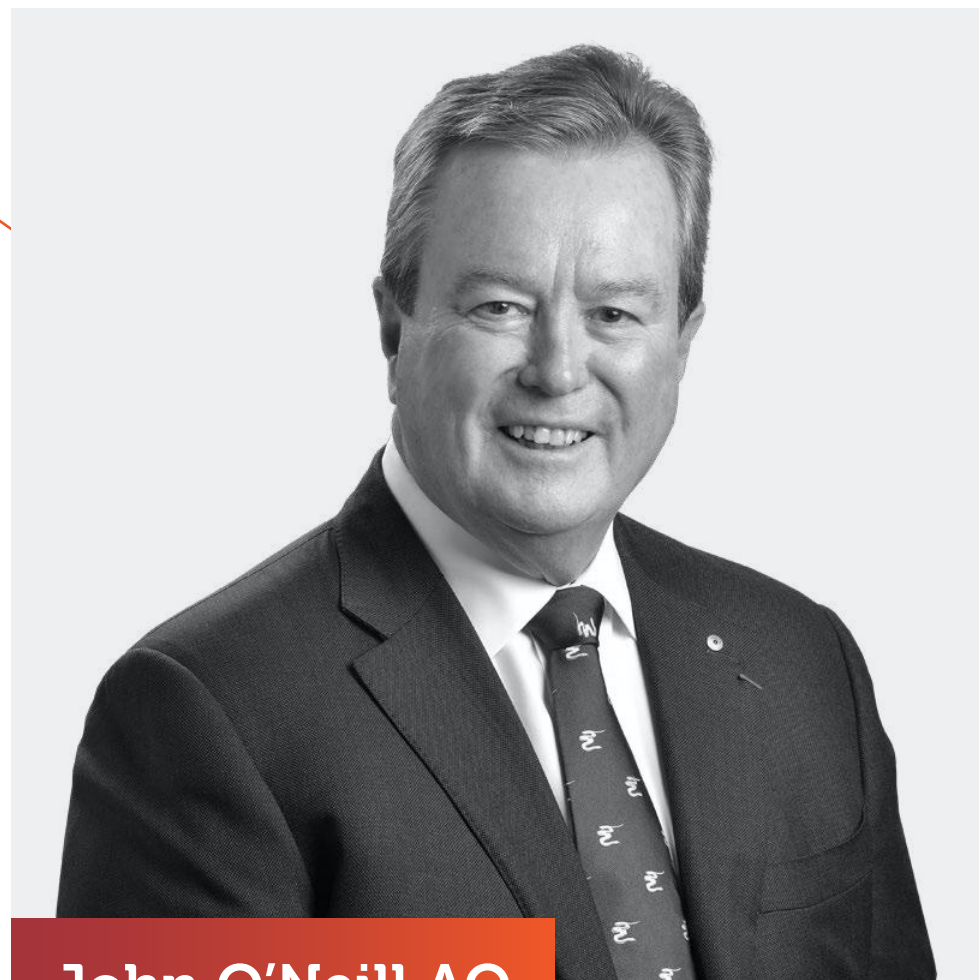
Chris Mills
Chief Executive Officer

"In particular I would like to acknowledge the leadership of our CEO, Chris Mills, during these unprecedented times and to thank him and his executive team for their resilience and dedication. Also, I want to thank my fellow directors for their tireless support for the business and express gratitude to the shareholders for their understanding and continued support."

— John O'Neill AO | Chairman of QAL Board



QAL Board



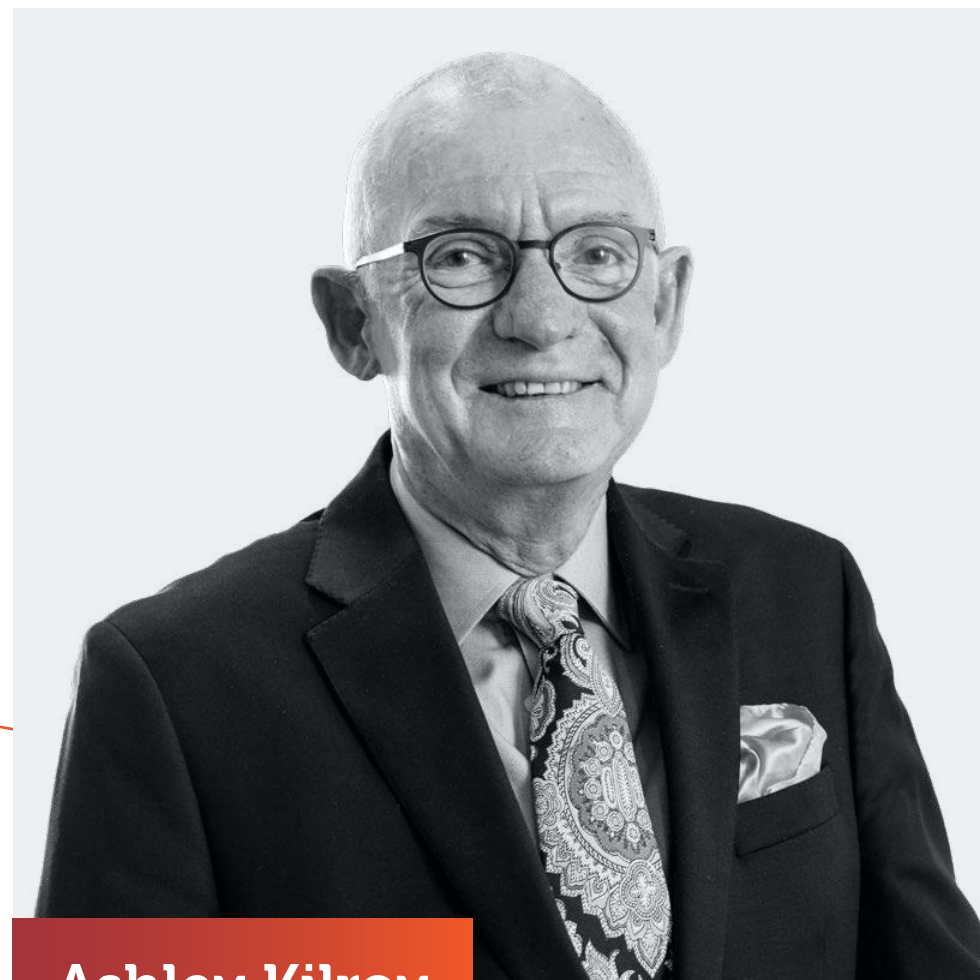
John O'Neill AO

Independent Chairman appointed 1 July 2019

John has created success running three major organisations in banking and in international sports. Previous senior management roles include State Bank of New South Wales, Australian Rugby Union (ARU) and Football Federation Australia (FFA). John was appointed to the position of inaugural Chairman of Events New South Wales in 2007, serving in that role until 2010.

John was appointed as Chairman of Star Entertainment Group in 2012 and Bates Smart Advisory Board in 2018. He is a Director of Everview Investments and Destination Brisbane Consortium Integrated Resort Group. John is also an Advisory Council Member of China Matters.

John was a recipient of the Australian Sports Medal in 2000 for his ongoing contribution to the nation's sporting success and was appointed an Officer of the Order of Australia in 2004.



Ashley Kilroy

FAICD, Non-Executive Director appointed 26 October 2012

Ashley is a former airline executive with more than 40 years' aviation management experience with TAA/ Australian Airlines and Qantas.

Ashley's experience includes senior executive roles in commercial, airport management and regional airlines. Ashley is Chairman of Aviation Australia Pty Limited and a Non-Executive Director of Mildura Airport Pty Limited and Aviation Australia Riyadh College of Excellence.



Alan Mulgrew

BA (Mgmt), Dip Corp Fin, GRAICD, JP, Non-Executive Director appointed 25 March 2013

Alan has more than 30 years' experience as a senior executive heading up large capital-intensive organisations, both in Australia and overseas – including Perth and Sydney airports. He is a Non-Executive Director of Akuna Bay Pty Ltd, CBH Group, Strategic Solutions (WA) Pty Ltd and Interflour Group Pte Ltd.

He is former Chairman of Western Power, Western Carbon, Australian Renewable Fuels Pty Ltd and Tourism Western Australia and a former Director of Adelaide Airport Ltd and Tesla Corporation.



Amanda McMillan OBE

BAcc, CA, Non-Executive Director appointed 24 August 2018

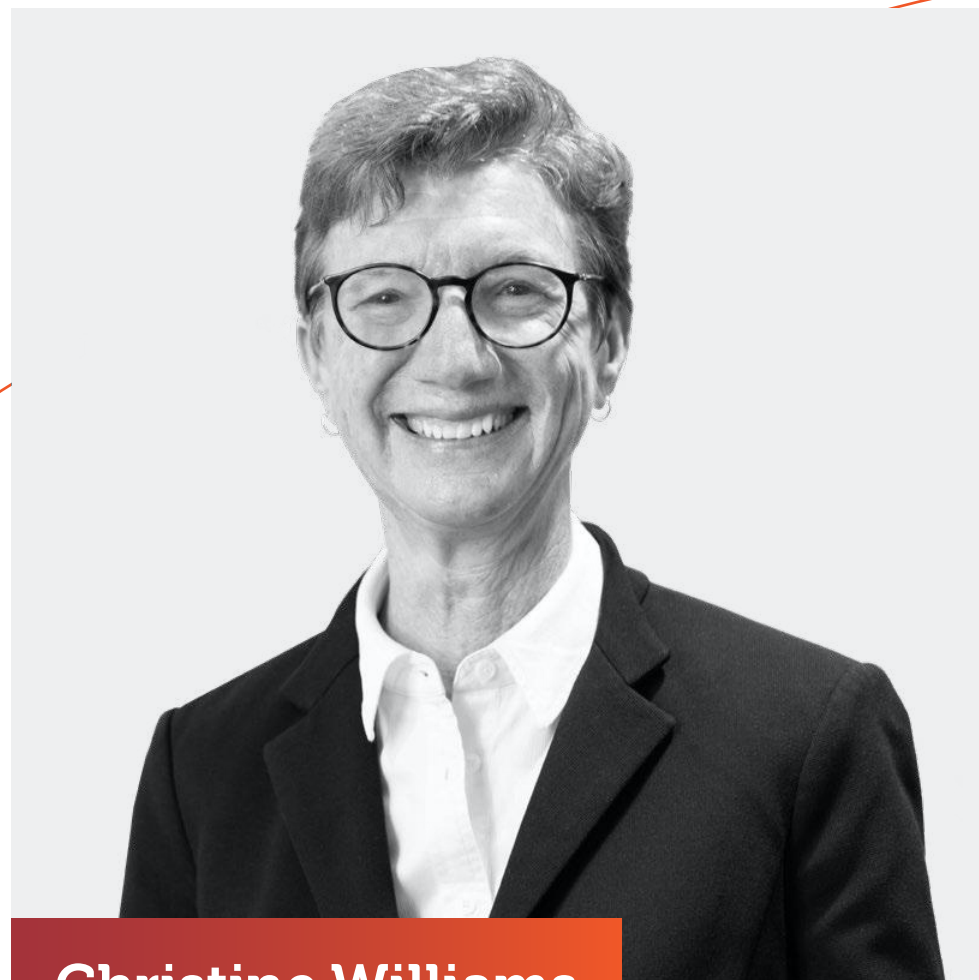
Chairman of the Risk and Audit Committee

Amanda is an experienced airport executive and chartered accountant based in Sydney where she is an Executive Director in Macquarie's Infrastructure and Real Assets division. Amanda is a Director of Perth Airport Group, North Queensland Airports Group, One Rail Australia and Bingo Industries. She is the former Chief Executive Officer of AGS Airports Limited, one of the United Kingdom's leading airport groups and the operator of Aberdeen, Glasgow and Southampton airports. She is also the former Chairman of Hobart Airport Group.

Amanda has been awarded an OBE by Her Majesty the Queen for her services to business and tourism and holds honorary doctorates from the University of Glasgow and the Glasgow Caledonian University.



QAL Board



Christine Williams

MA, LLB, GAICD, Non-Executive Director appointed 15 June 2021

Christine has more than 30 years' experience as a transactional lawyer and senior business executive in the infrastructure, property and financial services industries. She has worked in private practice and as part of the leadership teams for high-profile real estate and infrastructure funds management businesses. Until recently retiring and becoming a consultant to Macquarie Group, Christine was the Global General Counsel for the Macquarie infrastructure and real asset division known as MIRA, for more than 21 years.

She has broad local and international experience in listed and unlisted fund establishment, capital raising, mergers and acquisitions and project finance.

Her corporate governance experience includes acting as an adviser to several listed and unlisted boards, and directorships for not-for-profit organisations.



Elizabeth Albergoni

LL.B, LL.M (Hons 1) Non-Executive Director appointed 1 March 2019

Elizabeth is an Investment Director based in Sydney for HRL Morrison & Co. Elizabeth has responsibility for the performance of a number of the investments HRL Morrison & Co manages on behalf of its clients.

She has extensive industry executive experience, including nine years with Sydney Airport immediately prior to joining HRL Morrison & Co and several years working as a competition and regulatory lawyer, focused on infrastructure.

Elizabeth is a Director of Perth Airport Group, UTA Registry Investments Group, Australian Registry Services Group and an Executive Board Member of the World Airport Lawyers' Association.



Steven Fitzgerald

BEcon, Non-Executive Director appointed 23 March 2018

Chairman of the Remuneration Committee

Steven is Head of Asset Management at Morrison & Co and a director of Transgrid Services Group, Perth Airport Group and NSW Electricity Networks Group. Previously he was CEO of Wellington International Airport and ran Infratil's European airports.

Steven also worked for Sydney Airport, where he held a number of senior roles which included General Manager Airport Operations, Head of Commercial Trading and Manager Economics.



QAL Management Team

As pictured, left to right.

Marion Charlton

Chief Operating Officer
Joined 2008

Adam Rowe

Chief Commercial Officer
Joined 2017

Chris Mills

Chief Executive Officer
Joined 2014

Amelia Evans

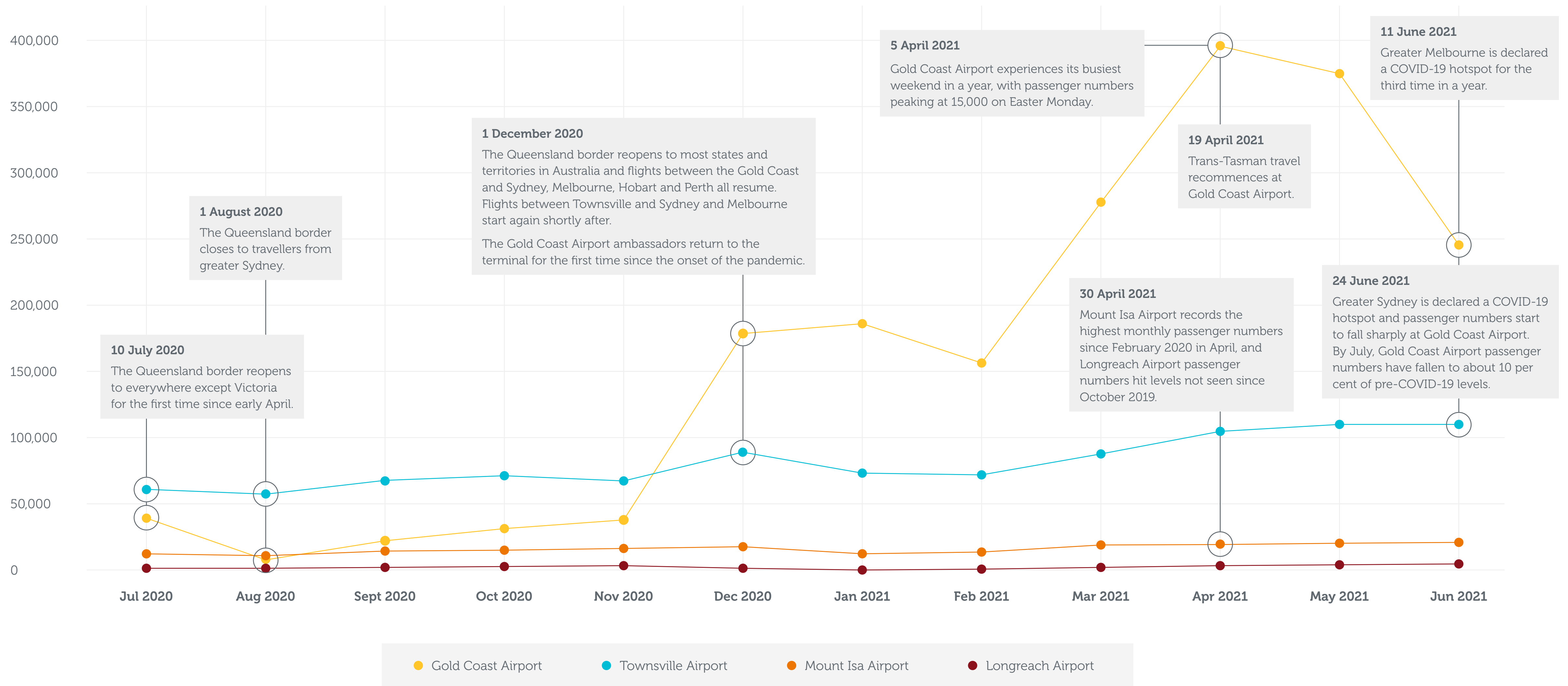
Chief Financial Officer
Joined 2016

David Hedges

General Counsel and Company Secretary
Joined 2019



COVID-19 impacts on passenger numbers





COVID-19 impacts continued

Steering the business through COVID-related challenges continued to be the priority for the QAL Board and management team in FY21.

External stakeholder engagement stayed high, as QAL leaders and team members liaised with lenders, business partners, and all levels of government. Rent relief was provided to tenants in the form of waivers and deferrals. An intense focus on the safety of our passengers, partners and people continued.

A return to workplace plan was implemented for our team, as the hybrid workplace continued to operate in part because of lockdowns and home quarantine requirements. A check-in system was implemented across the group, to assist with contact tracing. In our terminals, cleaning and communication continued throughout the year, no matter what the passenger numbers. On the Gold Coast, a COVID-safe operations plan was developed and endorsed by the Queensland Chief Health Officer, Dr Jeanette Young.



Fast stats

Borders were closed or **hotspots** declared in key markets for QAL's ports **17 times** during FY21.

Travel to and from all of our domestic markets remained open for about **70 days** of the year.

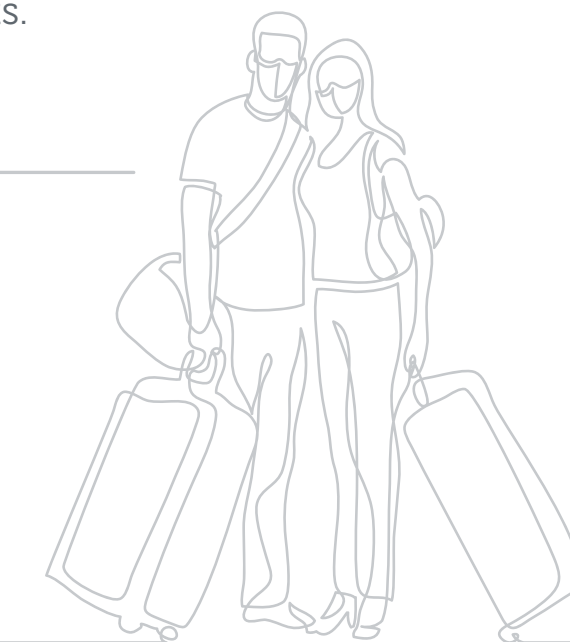


A total of **20 border restriction directions** were issued by the Queensland Government throughout the year. It became **mandatory** to wear **masks** at Queensland airport precincts on 12 January.

A **mobile testing clinic** was set up at Townsville Airport for employees, contractors and partners after a passenger who tested positive to the virus travelled into North Queensland via the airport in June, with **186 tests completed in 48 hours**.



A total of **56 individual messages** were sent to the QAL team and leadership group by the COVID-19 Working Group about various impacts.



50 pieces of safety-related signage

were produced or updated across QAL's airports, while COVID-19 announcements continued to be made several times every hour at each airport.

35 different signs were produced to communicate measures to employees and visitors in QAL's offices.

Most members of the QAL team continued to work **reduced hours** in the first half of the financial year, in line with the reduction in useful and meaningful work.

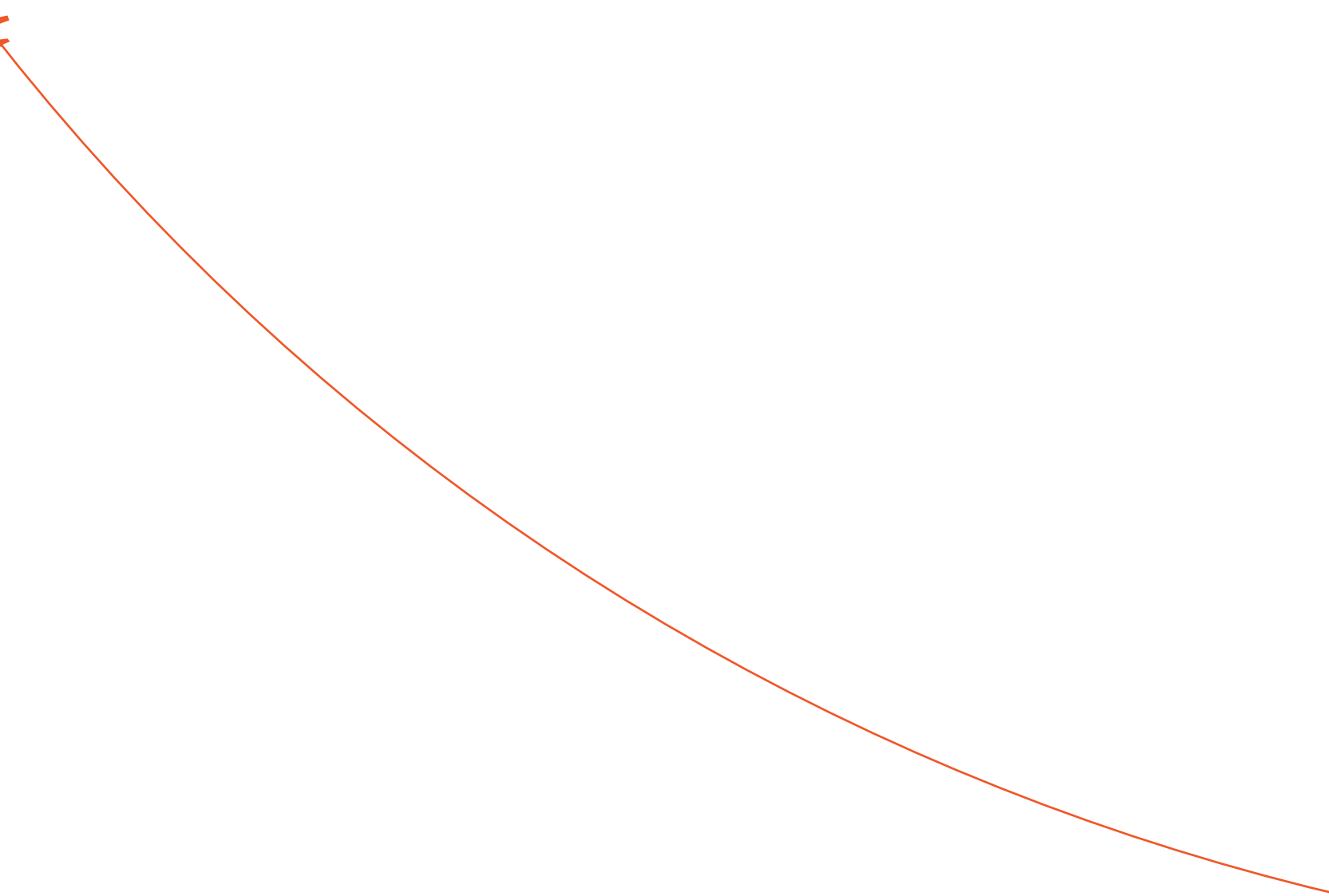




Shareholder Value

Financial results

	2015	2016	2017	2018	2019	2020	2021
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Operating Revenue	129,830	127,018	130,428	136,109	138,759	111,608	69,955
Operating Expenditure	45,646	38,911	39,033	41,188	42,289	43,246	27,661
EBITDA	84,184	88,107	91,395	94,921	96,470	68,362	42,294
EBITDA %	65%	69%	70%	70%	70%	61%	60%
Interest Revenue (External)	376	420	368	362	518	122	80
Interest Costs (External)	32,326	32,958	32,178	30,426	29,662	35,864	41,691
Depreciation, Impairment & Amortisation	28,595	29,364	23,788	33,741	30,963	31,785	25,894
Other Adjustments	8,331	13,838	(10,136)	1,541	2,968	7,418	7,427
Loan Note Interest	5,079	5,093	5,079	5,079	5,079	4,884	(3,484)
Income Tax Expense/(Benefits)	6,429	9,805	6,039	8,129	10,365	654	(5,363)
Net Profit After Taxation	20,462	25,145	14,543	19,449	23,887	2,715	(8,937)
Dividends Declared	34,642	16,531	35,611	40,010	30,007	15,004	—





GCA terminal reaches new heights

Work substantially progressed on the GCA terminal expansion, with builder Lendlease moving to internal fit-out in the lead up to opening in 2022.

The three-level, 30,000sqm space will double the existing terminal footprint when it opens to passengers next year. Supporting infrastructure for four aerobridges has been built, and extensive external glazing installed. Key internal features, including escalators and baggage belts, have also been fitted.

Despite the impacts of COVID-19, a decision was made to continue with this project throughout the pandemic. QAL, with the support of shareholders and financier partners, agreed that while conditions were extremely challenging in the short term, the Gold Coast and northern NSW region would be at the forefront of recovery – and this project was critical for accommodating long term strategic growth for years to come.

Features

The terminal expansion includes four glass aerobridges, additional retail space, new boarding facilities, a departure lounge, baggage handling and border control facilities.

The interior of the terminal reflects the environment where the airport is located, with hinterland colours of greens and bronze to the west of the building and coastal bright blues and mint greens to the east.

Jobs

About 2,000 jobs have been created by the terminal expansion across three years. About \$50 million in contracts were issued to 11 local businesses as part of the project.

Connections

This expansion will make way for new domestic and international flight connections, as the industry rebuilds.

Airside Processing Zone built to ease terminal congestion

An Airside Processing Zone (APZ) is a step closer to delivery at GCA, after civil works were completed in early 2021.

It allowed construction to start in August 2021 of an annex to the existing terminal airside façade. This space will facilitate passenger queuing in a dedicated, air-conditioned area – making this process more efficient and easing congestion in the existing departure lounge.

A significant amount of preparatory work was able to be progressed while flight and passenger numbers were reduced due to COVID-19 impacts, limiting the impact to airport operations.

Innovative modular construction techniques are being used to fast-track installation.



Gold Coast Airport Terminal Expansion, shown in August 2021.



QAL CEO Chris Mills, Gold Coast Mayor Tom Tate and hotel developer John 'Foxy' Robinson officially opened Rydges Gold Coast Airport in December 2020.

Rydges Gold Coast Airport welcomes first guests

After years of planning, Rydges Gold Coast Airport opened to guests in October 2020.

The resort-style, 192-room hotel includes a 25-metre pool and rooftop bar with views of the ocean to the east, and hinterland and runway to the west.

The hotel enhances and further activates the airport precinct, and has become a popular addition to the accommodation offer at the southern end of the Gold Coast.

In partnership with developer Trepang, a VIP opening event was staged in December, attended by the Gold Coast and Tweed mayors, other political stakeholders, financiers, as well as business and industry representatives.

Streamlined entryway to Townsville Airport

Changes to the entryway to Townsville Airport were completed in September 2020 – creating a more efficient and attractive first impression of the airport precinct.

The project combined two access roads to create a single entryway to the airport, reducing the flow of non-airport traffic in the precinct and easing congestion on surrounding residential roads.

Funding for the project was delivered jointly by Townsville Airport and through the Federal Government Building Better Regions fund.

Runway works take off in down time

A critical \$5 million upgrade of a section of the GCA runway was able to be completed while there were fewer flights at the airport and delivered in time for an uplift in activity when the Queensland border opened in December 2020.

Asphalt was resurfaced on the southern 450m of the runway and 280m of adjoining taxiways between September and November last year.

The window for night works was increased due to fewer late night and early morning flights during COVID-19 travel restrictions, allowing the project to be completed sooner and delivering a cost saving.

Click through to see a highlights video taken during the project [here](#).

Wollemi Place cold food storage facility moves ahead

Work progressed on GCA's landholding at Wollemi Place in South Tweed Heads. Preparation works for a major industrial estate were largely completed, allowing PFD Food Services to commence construction of a new cold food storage facility on lot two, which spans more than two hectares. Lots three and four, which are about 10,000sqm and 9,400sqm in size respectively, will be completed in late 2021 and offered to the market.



Up to 100 workers were on-site each night during the Gold Coast Airport runway overlay.



Fresh food in focus at GCA

An agreement was reached with SSP Group in June 2021 to open three new outlets at GCA, including a healthy food concept store from Tasmania and vibrant Vietnamese restaurant. SSP Group has a presence in six airports around Australia and began opening its Gold Coast stores – Roll'd, LivEat and Red Rooster – from July 2021.

Mount Isa and Longreach airports exceed pre-COVID-19 passenger numbers

Passenger numbers at Longreach and Mount Isa airports exceeded pre-COVID-19 levels for the first time since the start of the pandemic in May and June 2021 respectively.

They were the first in the QAL group and among only a handful of regional airports to exceed pre-COVID-19 capacity at the time. The milestone came as domestic and international border restrictions continued to impact passenger numbers at major airports around the country.

Rex Airlines lands at GCA

The Gold Coast was the first Queensland destination selected for Rex Airlines' expanded fleet of 737 jet aircraft, as the regional carrier spread its wings to major city routes across Australia in early 2021.

A twice daily Melbourne-Gold Coast flight took off in March, followed by a twice daily Sydney service in April.

It represented a strengthening of a long-standing partnership between QAL and Rex, which has operated out of the company's northern ports for many years.

QGAir leases renewed in Townsville and Mount Isa

New leases have been negotiated with Queensland Government Air (QGAir) for Townsville and Mount Isa airports, which make up two of six QGAir bases in the state.

Long-term leases were executed at Townsville and Mount Isa airports, ensuring aeromedical, cargo and government transport and incident response services continue to be provided to these communities. The QGAir fleet consists of six fixed wing aircraft and five helicopters.





Rebuilding interstate connections

Significant focus was placed on the development and re-establishment of routes in the past financial year. QAL's business development team collaborated with airlines, Destination Gold Coast and Tourism and Events Queensland to capitalise on opportunities created by the Queensland Government's \$15m Aviation Restart Fund.

Announcements included:

- Qantas' Canberra-Gold Coast service, which commenced in September 2020 initially at four flights a week, building to daily.
- Jetstar's new Hobart-Gold Coast route, which commenced in December 2020, with three flights a week and five in peak periods.
- Qantas' first international route for GCA, which took off in April 2021, reconnecting Auckland and the Gold Coast initially with four flights a week and increasing to six weekly flights in peak periods.
- Qantas' new Adelaide-Gold Coast service on E190 aircraft, which commenced in June 2021 as a daily service.

Qantas and Virgin also announced further routes and capacity for FY22.

Other airline highlights

- Jetstar introduced its 787 aircraft to the Gold Coast-Melbourne route from June 2021 – an aircraft typically reserved for international routes.
- A freight service commenced at GCA in October 2020 as part of a partnership between Qantas and Australia Post. The service operated four times a week, landing early in the morning to facilitate next-day delivery of items, under an approval from the Department of Infrastructure, Transport, Regional Development and Communications.
- The Gold Coast was identified as the No.1 destination of choice through the Federal Government's Tourism Aviation Network Support (TANS) scheme.



Customer Experience

Celebrating domestic and international borders opening

The initial opening of the Queensland border in December 2020 saw GCA play host to dozens of family reunions and excited holiday makers from all corners of the country, as visitors returned and departed from the region for the first time in months.

Regular services to and from Sydney, Melbourne, Hobart, and Perth all resumed from 1 December, marking an important milestone in the recovery for GCA and the businesses it supports, which had been impacted by a dramatic reduction in flights and passengers since late March.



A skydiver flew over the airport displaying the celebratory “we’re open” message, while tourism operators from across the city converged on the terminal to join with the Destination Gold Coast and airport team in giving arriving passengers a warm Gold Coast welcome.

The activity continued when trans-Tasman travel reopened for the first time since the pandemic in April 2021. A special trans-Tasman cultural welcome and vibrant celebration was staged for the first Kiwi visitors who landed on the Gold Coast, including another skydiving display with giant Australian and New Zealand flags, an Australian Indigenous Welcome to Country, and a New Zealand Haka demonstration.

See highlights from the trans-Tasman re-opening celebrations [here](#).

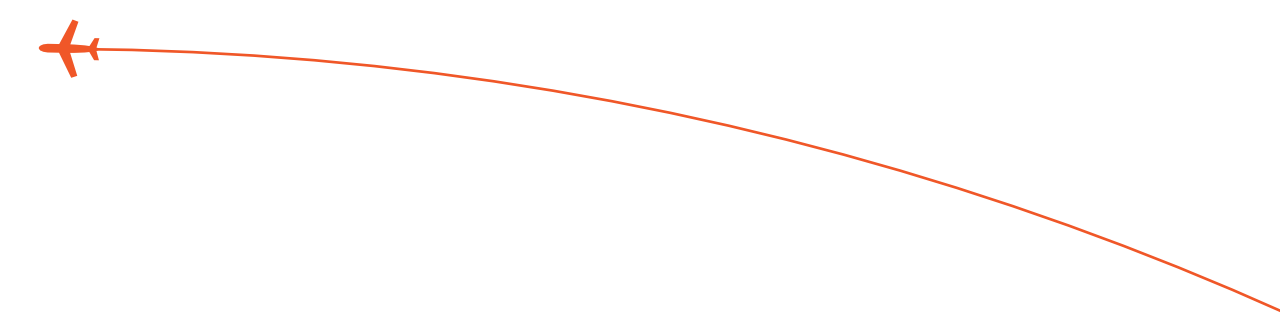
Campaign rewards excellent customer service

A scratch-and-win giveaway was launched in March as GCA passenger traffic increased.

The campaign involved a \$20,000 prize pool and aimed to drive spend in the terminal, while growing the airport’s database, rewarding passengers for shopping at GCA, and increasing staff engagement after most team members were stood down during COVID-19 shutdowns.

The campaign attracted 3,900 entries, 27 per cent of which were from GCA’s local catchment. While the number of entries was less than the number generated by a similar campaign in late 2019 due to fewer passengers and a shorter timeframe, the average star rating for retailers held at 4.7/5, demonstrating strong customer service delivery.

An event was held at the Rydges Gold Coast Airport in May to recognise and reward terminal staff for customer service excellence throughout the campaign period.



Inspiring young flyers

An aviation-themed children’s play area, the Flight Deck, opened at the GCA arrivals area in early 2021, entertaining the terminal’s littlest passengers. Situated next to the domestic baggage carousels, the play area is designed to provide children with a few minutes of fun while baggage is collected. The concept was developed as part of an ongoing strategy to enhance customer experience. Like all high-traffic touch points, it is sanitised regularly to help keep passengers COVID-safe.





5,239

passengers through the airport

3rd

busiest day in 2020 and 2021

Townsville centre stage for State of Origin

Townsville Airport passenger numbers spiked when Origin fever swept through North Queensland in June 2021. Passenger numbers peaked as State of Origin fans poured through the terminal on their way to and from Game I.

The departure day saw 5,239 passengers through the airport – making it the third busiest day in 2020 and 2021.

The Townsville Airport team went to great lengths to celebrate the event, with maroon decorations displayed throughout the terminal and volunteer meeters and greeters welcoming passengers during peak periods. QAL also worked closely with the Queensland Government, Sunbus and Townsville City Council to ensure shuttle buses were running to and from Townsville Airport – ensuring nobody missed the game, or their flight home.

Licence Plate Recognition software rolled out

A seamless car park experience is now offered at GCA, following the roll-out of Licence Plate Recognition (LPR) software across terminal and premium carparks.

The technology allows customers to include their licence plate details at the time of booking and enter the carpark on arrival without the need to take a ticket or tap a credit card – making the parking process easier and quicker.



Social Responsibility

Third annual GRESB assessment completed

QAL achieved five stars and a high score of 94 in its environment, social and governance result as part of the GRESB asset assessment. Participating for a third year in the international assessment process, the company's score jumped 18 points and its star rating also went up. Overall, QAL was ranked 46 out of 549 participants globally.

Rydges goes solar

A 30-kilowatt solar system was installed on the roof of the Rydges Gold Coast Airport hotel during construction, with an energy output of 50,000 kilowatt hours each year.

Airport Carbon Accreditation ongoing

Airport Carbon Accreditation, which is a carbon management certification standard for airports across the world, has been maintained at Townsville, Mount Isa and Longreach airports. Townsville and Mount Isa airports are accredited at level 2 (reduction) and Longreach at level 1 (mapping). GCA will apply for re-entry under level 2 in FY22.

CEO Sleepout raises vital funds

While the impacts of the pandemic continued to disrupt the QAL business, the Vinnies CEO Sleepout served as a reminder of the difficult situations being experienced by members of our communities. The QAL executive team, including Chris Mills, Marion Charlton, Amelia Evans and Adam Rowe, rugged up for a night sleeping rough, and raised more than \$12,800 in the process.

The funds contributed to more than \$600,000 raised across the Gold Coast to help people in the city who are forced to sleep rough or are at risk of homelessness.



Ongoing support to lower regional airfares

As part of continuing support to lower airfare costs for regional Queenslanders, QAL extended an agreement with Rex to participate in its community fare scheme.

As part of the scheme, Rex passengers travelling on a community fare through Mount Isa and Longreach airports benefit from a discount in airport charges as part of their fare. This also assists passengers travelling to and from these ports to Townsville Airport.

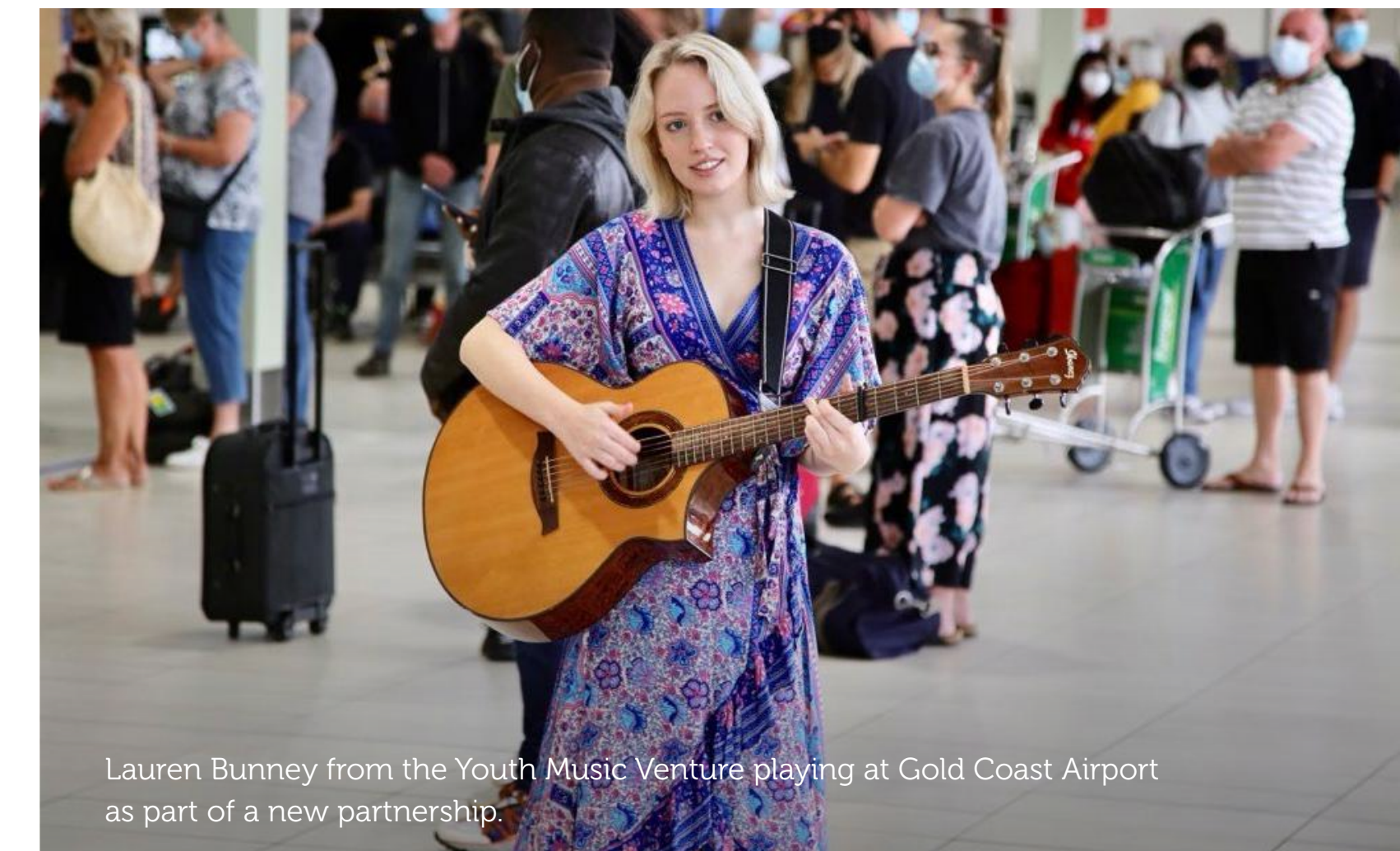
QAL also continues to support resident fares offered by Qantas on flights through Mount Isa and Longreach airports.

GCA environment fast facts

- More than seven megalitres of rainwater was harvested from the terminal roof and used in terminal operations
- Environmental monitoring continued to ensure compliance with the airport Master Plan and Environmental Management System (EMS)
- Biodiversity monitoring was paused in FY21 due to COVID-19 impacts
- EMS certification was maintained at the ISO14001 standard.

Other giving

- Team fundraising for social causes, including RizeUp
- Donation of Christmas gifts for the Sanctuary Women Children and Pets Refuge
- Provision of a free storage and practicing space for the Youth Music Venture.



Lauren Bunney from the Youth Music Venture playing at Gold Coast Airport as part of a new partnership.



High Performing Workforce

Employee numbers

*As at 30 June 2021

- 60 Queensland Airport Limited
- 63 Gold Coast Airport
- 32 Regional Airports.



Workforce realigned to business strategy

The QAL workforce was restructured in late 2020, which regrettably saw 30 per cent of employees farewellled due to the significant downturn in activity across the QAL business as a result of COVID-19 travel restrictions.

The QAL organisational structure was then realigned to support a business-wide recovery strategy in August 2021. This saw some changes to executive roles and reporting lines.

Culture surveys support pandemic response

Two workforce-wide surveys were conducted at different points in the pandemic to identify strengths and opportunities for improvement in QAL's COVID-19 response. The initial sentiment survey was undertaken in preparation for the transition back to the physical workplace and focused on communication, personal welfare and safety, business confidence, clarity on return-to-work guidelines, and the effectiveness of work and business actions during COVID-19. About 80 per cent of responses were positive, reinforcing that the workforce continued to be strongly engaged despite significant impacts across the business.

In March 2021, a targeted culture survey was undertaken across the organisation. About 80 per cent of employees participated and identified safety in the workplace and passion for their roles as key strengths. Results were shared across the business units and used to inform action planning.

Key people and culture initiatives rebooted

QAL's Glidepath (diversity and inclusion) and Living Well (flexible work) initiatives were restarted as the workforce returned to the physical workplace in mid-2020.

A number of Glidepath initiatives progressed, including:

- Inclusive leadership tips for leaders

- Increased diversity and inclusion focus as part of the talent acquisition process
- Work towards Employer of Choice for Gender Equality (EOCGE) citation
- Cultural celebrations, awareness, and education.

While most of the workforce transitioned back to the physical workplace, the opportunity for people to work flexibly continued – with every role across the business able to access at least one flexible working feature, including working remotely, job sharing, or a compressed work week.

University partnerships continued

Memoranda of Understanding (MOU) continued with Bond, Griffith, and Southern Cross universities this year, providing valuable opportunities for students and QAL. Six internships were supported across the business in the areas of business development, people and culture, and operations.





Ongoing focus on learning and development

All QAL employees had access to LinkedIn Learning throughout the year, allowing them to complete short courses in professional and personal areas of interest. This key professional development tool was retained by the business for all employees to continue to upskill and learn during a disruptive period in the workplace.

The third Mentoring at QAL program was launched in June 2021, with 22 participants and representation across all QAL ports. Delivered in partnership with Griffith University, the program matched business leaders with employees from various business units, providing one-on-one coaching specific to personal goals.

New era for Longreach Airport office

Moving the Longreach Airport office into the terminal building delivered a string of benefits for the airport team.

The team moved into the purpose-built office space next to the departure lounge in February 2021, allowing them to better assist passengers and work more easily with key airport stakeholders like airline ground handlers and car rental companies.

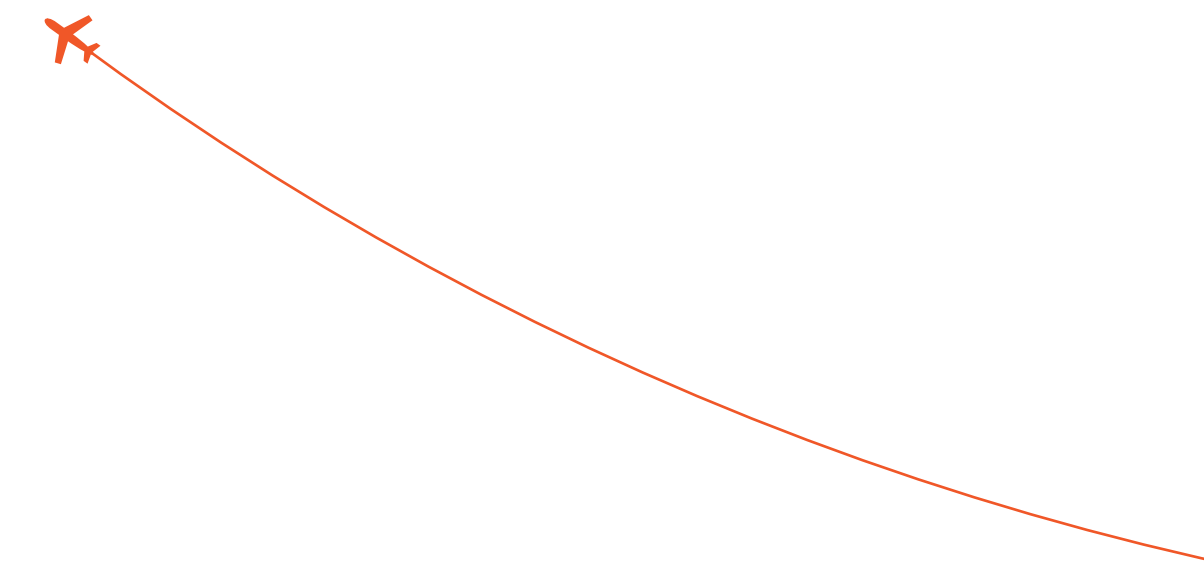
Furniture, pot plants and a diesel tank were among 50 pieces given a new lease of life and sold to Longreach locals as part of the move preparations.

The former office has now been handed to Longreach Regional Council.

63
courses viewed



89
courses completed



3,107
video views





Accomplished Operators

Focus on safety improvement

The QAL health, safety and environment team commenced a formal safety improvement strategy.

Key focus areas in the strategy included:

- Staff and contractor inductions – including a review and update of the general QAL induction process to ensure it reflects the safety culture and requirements of the business
- Critical risk management – analysis undertaken on critical risks to ensure appropriate controls in place
- Creation of a contractor management standard and systemised approach to assessment, onboarding, assurance and review.

The project generally is focused on improving capability across all airports and ensuring consistency across the business in the safety management space.

Emergency plans put to the test

Emergency preparation is an ongoing key focus area for QAL's operational teams – regardless of flight and passenger numbers. The emergency response at each airport is guided by an Airport Emergency Plan (AEP), which is tested annually with a field or tabletop exercise.

The GCA AEP was tested in October 2020, with a scenario involving a terror threat in the terminal building. The exercise was made as realistic as possible, using role players and training weapons to simulate a real-life emergency. With GCA operating on a federal lease and straddling the Queensland and New South Wales border, there are various state and commonwealth authorities that would respond to an emergency – so a key part of the exercise is testing how everyone works together effectively.

The Mount Isa Airport team also tested the AEP with a large-scale field exercise involving the airport team, police, ambulance officers and firefighters. The scenario involved a collision between two small aircraft on the runway and used role players, aircraft and smoke effects in an effort to make the exercise as realistic as possible.



An emergency field exercise was held at Mount Isa Airport in May 2021



Gold Coast Airport operations team members Jared Feehely and Matthew Bender presented to the QAL team virtually for Airport Safety Week.

Airport Safety Week goes virtual

Like many events, Airport Safety Week was held virtually in 2020 – because while physical gatherings had to stop, important safety conversations needed to continue.

Hosted by the Australian Airports Association (AAA), Airport Safety Week is an annual campaign that is specifically tailored to engage employees and contractors working on an aerodrome regarding their obligations to provide a safe environment for all airport users.

Gold Coast-based employees participated in a range of online presentations by the operations team, including 'Wellness during COVID-19', 'Safety Management Systems – Wildlife Hazard Management' and 'If it's odd, it's FOD'.

In Townsville, Mount Isa and Longreach, physically distanced airside FOD walks went ahead, giving those teams the opportunity to experience and address the threat of FOD in the aerodrome first hand.

Aerodrome manuals updated

The Civil Aviation Safety Authority (CASA) Manual of Standards Part 139 came into effect in August 2020 for airports across Australia.

This triggered a thorough review of aerodrome practices, facilities, and manuals across QAL's ports to ensure they reflect the new standards. Updated aerodrome manuals were submitted for all QAL ports, with Gold Coast and Townsville airports receiving a re-issued Aerodrome Certificate and reviews underway of Mount Isa and Longreach airports.

Funding secured for Townsville and Mount Isa screening projects

More than \$11 million in combined funding was secured through the Federal Government's Regional Airports Screening Infrastructure (RASI) program in late 2020 to undertake essential security screening upgrades at Townsville and Mount Isa airports.

At Townsville Airport, the security screening area will be expanded by about 300 per cent and other related works will be undertaken, including a reconfiguration of the check-in area and retail improvements. Enhancing the security screening area is a key element of the overall terminal redevelopment plan – other components of which have already been completed, including an upgrade of the terminal roof.

Local company Core Developments was engaged as the lead contractor and work on the project started in August 2021, delivering 17 jobs directly.

At Mount Isa Airport, the project will see a reconfiguration of the terminal screening area, which was too small to facilitate upgraded security screening equipment required by the Federal Government. Like the Townsville project, the project will deliver other improvements, including more space in the departures area, improved passenger flow, and new bathroom amenities.

GCA security installation stage two

The second stage of new domestic security screening equipment was completed at GCA, involving installation of two additional CT x-ray screening lanes and associated body scanners. It followed completion of the first stage in 2019.



The Townsville Airport security screening area is being expanded by 300 per cent.



Traditional and social media summary

Traditional and social media continued to be an important tool to communicate with QAL's key external stakeholders and best position the company in an operationally challenging environment.

A total of 843 mentions of QAL were published or broadcast and 74 proactive media opportunities were delivered by the Corporate Relations team. Sentiment was 74.5 per cent positive or neutral. Proactive media activity was particularly intense from March to June, as travel restrictions eased and flight and passenger numbers increased across the QAL group. In these four months alone, there were 30 proactive media opportunities generating 457 mentions – an 82 per cent increase in mentions from the same period the year prior.

QAL's social media following continued to grow during the year, expanding to nearly 120,000 followers across the group's 10 social platforms – or an increase of 6.5 per cent. Social posts reached a combined audience of about 27 million. This is eight per cent higher than the year before.

Increasingly, creative social media campaigns were delivered alongside partners to leverage resources and audiences. In October, Townsville Airport and Townsville Enterprise Limited worked closely with Virgin Australia on a 72-hour takeover of Virgin Australia's Instagram channel. The series followed a Virgin Australia pilot and flight attendant on their adventures around Townsville and out to the reef. The first post alone reached more than 20,000 users and the series had more than 7,000 actions (shares, replies, and profile visits) in the first week.

843

mentions of QAL were published

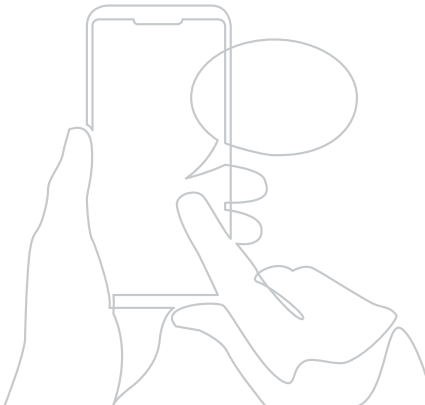


74

proactive media opportunities

74.5%

positive sentiment, despite ongoing impacts of COVID-19



120k

followers on 10 social platforms

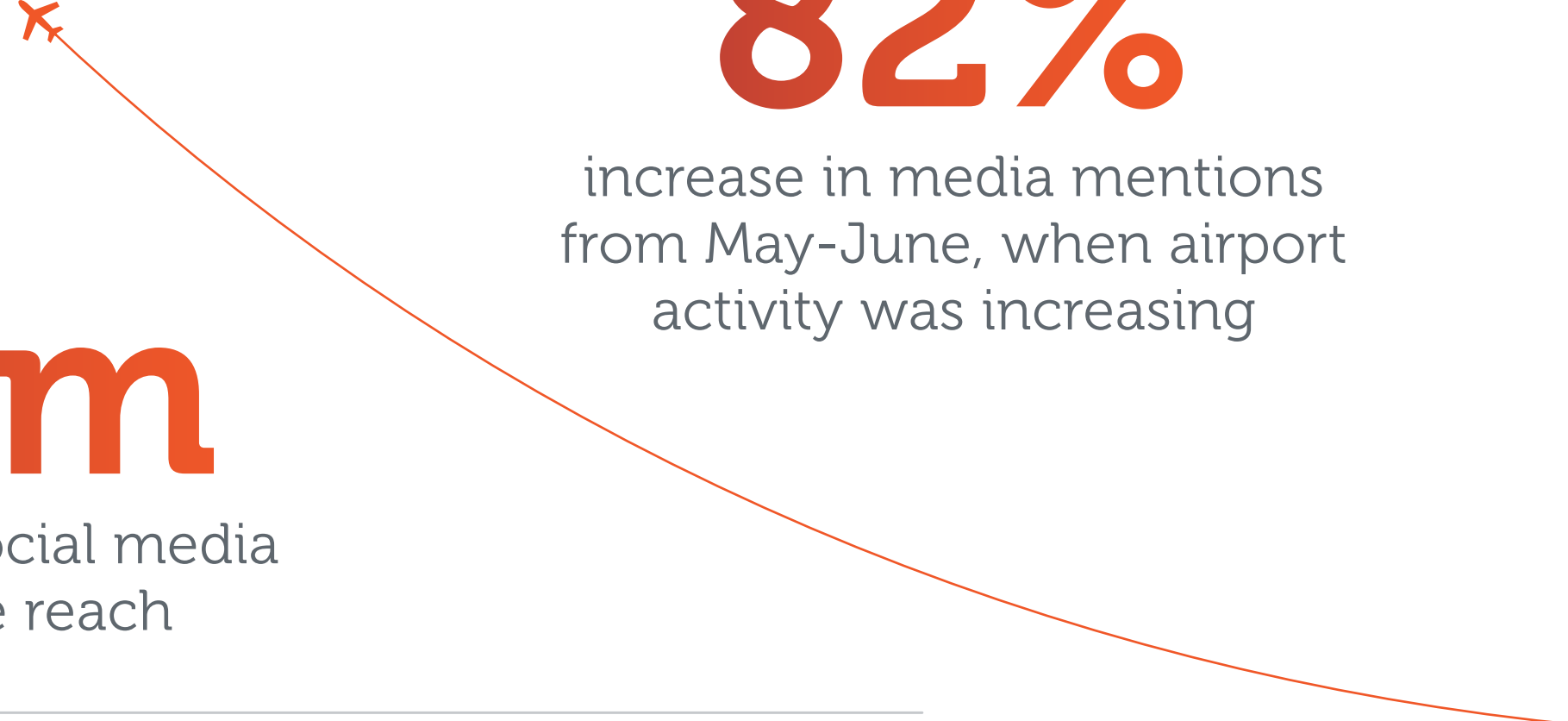


27m

combined social media audience reach

82%

increase in media mentions from May-June, when airport activity was increasing





FY22 focus

Revenue

- Grow aero returns
- Grow commercial returns
- Enhance market share



Great place to work

- Align organisation structure to strategy
- Recalibrate talent and retention
- Develop succession and retention strategy
- Strengthen diversity and inclusion strategy
- Refocus on reward and recognition



Operational excellence

- Enhance operating efficiency
- Capacity management
- Cost transformation



Resilience

- Enhance business resilience
- Diversification
- Risk and crisis management
- Capital structure
- Cyber and asset resilience



Customer centric

- Deliver customer experience strategy
- Engender confidence in travel
- Enhance seamless experiences



Environmental, social and governance focus

- Develop the Environment, Social and Governance strategy and targets



Deliver key projects

- Deliver Gold Coast Airport terminal expansion
- Deliver security screening projects in Townsville and Mount Isa
- Master planning for Gold Coast and Townsville airports

Innovation

- Deliver digital and data strategies
- Invest in technology solutions for revenue enhancement and operating efficiency

Safety

- Further develop annual WHS assurance processes, evolving with best practice
- Strengthen safety culture



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