

**ANNUAL REPORT
2016/2017**

**Queensland
Airports** LIMITED



OUR VISION

**ENGAGING CUSTOMERS,
CONNECTING COMMUNITIES,
EXCEPTIONAL EXPERIENCES.**

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
- 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

OUR STRATEGIC PILLARS:



SHAREHOLDER VALUE



CUSTOMER EXPERIENCE



SOCIAL RESPONSIBILITY



HIGH PERFORMING WORKFORCE



ACCOMPLISHED OPERATORS

OUR VALUES



INTEGRITY

We act honestly, we do the right thing



TEAMWORK

We have a collaborative environment that values diversity



PASSION

We are enthusiastic, we love what we do



INNOVATION

We challenge the status quo, we do things differently



ACCOUNTABILITY

We take responsibility



EXCELLENCE

We strive to be the best, we challenge ourselves



LEADERSHIP

We have a clear vision, we are empowered



ABOUT US

QUEENSLAND AIRPORTS LIMITED (QAL) IS AUSTRALIA'S LEADING REGIONAL AIRPORT OPERATOR WITH SIGNIFICANT INVESTMENT IN AIRPORTS SERVICING QUEENSLAND AND NORTHERN NEW SOUTH WALES.

Australian owned and managed, QAL has operated airports for more than 18 years.

We currently own and operate airports in the following locations:

- Gold Coast
- Townsville
- Mount Isa
- Longreach



OUR SHAREHOLDERS

- The Private Capital Group Pty Ltd 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
- Allan Moss
- Lipno Investments Pty Ltd.



CHAIRMAN'S MESSAGE

ANNABELLE CHAPLAIN

“ THE 2016-17 FINANCIAL YEAR HAS SEEN QAL TAKE SIGNIFICANT STEPS FORWARD IN ACHIEVING THE DELIVERABLES SET OUT IN OUR FIVE YEAR STRATEGIC PLAN. ”

Aeronautical activity is our core business, and we have continued to deliver shareholder value in that space. We also recognised the need for a strategy to grow the non-aeronautical side of our business, particularly on the Gold Coast. The resulting property strategy is a forward-thinking document designed to expand Gold Coast Airport's role as an economic and aviation hub in the south-east Queensland and northern New South Wales regions. Acquisition of land has given us greater flexibility to deliver the strategy without impacting aeronautical activities. The first key initiative is an airport hotel, and plans are well advanced for works to commence in 2018.

Partnerships are important to us, and in the education space we have put in place Memoranda of Understanding with Griffith, Bond, James Cook and Southern Cross universities as well as Gold Coast TAFE. These MOU's provide many mutually beneficial deliverables. Under these arrangements, for example, the internship program has continued to grow, with 22 Gold Coast based students now successfully completing an internship with QAL.

Employee engagement and development continues to be a strong focus, with a number of initiatives launched this year. Through our learning and development program QAL is committed to the continued development of our people and investment in the future of our industry. This has resulted in higher levels of engagement and enablement through the organisation.

At the start of the year we launched our inaugural community benefit fund to support grass roots initiatives, and we were delighted with the response from the community. Financial grants were provided to 34 recipients in areas such as health and wellbeing, community safety, environmental, educational, arts and culture. We look forward to seeing the community benefit fund growing in coming years.

This year saw a number of customer service initiatives launched. A cloud based WiFi solution was implemented that allows us to access analytics, undertake passenger profiling and create targeted digital marketing to our WiFi users. As a result, Gold Coast Airport's free WiFi was recently rated as the fastest of Australia's major airports. QAL has also reached an agreement in collaboration with both Southern Cross and James Cook universities to deliver capability for students to connect with their campus networks while at the airport. The Gold Coast Airport ambassador program launched in November 2016. These volunteers give their own time to assist in providing an information service for our passengers and are a welcome addition to the experience.

These are some of the many great achievements during the year; but there is always more to do, and the platform is in place to take the business further in the coming year. I would like to take this opportunity to acknowledge and thank the QAL team, our customers and our industry and financing partners for their ongoing support.

CEO'S MESSAGE

CHRIS MILLS

“ IT WAS ANOTHER RECORD YEAR FOR QAL, WITH OVER 8.2 MILLION PASSENGERS TRAVELLING THROUGH OUR FOUR AIRPORTS. HOWEVER IT WAS A MIXED RESULT FOR THE AIRPORTS, REFLECTING THE DIFFERENT CONDITIONS PREVAILING ACROSS QUEENSLAND. ”

Gold Coast Airport recorded growth in passenger numbers, benefiting from strength in the tourism and leisure industry. The airport reported close to 6.5 million passengers, with impressive growth of 11 per cent in long haul international traffic. Connections to Sydney and Melbourne underpin the Gold Coast traffic numbers, accounting for 71% of total passenger movements. It was also pleasing to see the airport recognised as the best regional airport Australia/Pacific based on customer feedback at the Skytrax World Airport Awards.

Gold Coast Airport's Instrument Landing System (ILS) was approved by the Federal Minister and work is currently underway to install this important technology. The airport has also commenced the first stages of its terminal expansion, Project LIFT, which will increase the capacity to facilitate long-term passenger growth. Significant investment in the check-in area has been completed, allowing travellers to check themselves in and tag and drop their own bags, facilitating faster passenger processing and reducing queuing and congestion.

Conditions in rural Queensland have remained challenging, however some positive signs are starting to emerge for the coming year. Towards the end of the year Townsville saw the commencement of Tigerair services on the popular Melbourne route and Air Niugini Papua New Guinea services. Initial numbers have been strong and have positioned Townsville well for the coming year. Townsville Airport is working towards a planned terminal redevelopment, Project Alive, with work underway to strengthen and expand apron facilities.

Mount Isa Airport had a difficult start to the year in subdued resource industry conditions but we are extremely encouraged by a strong conclusion to the year with five consecutive months of growth. The new car park opened in March, adding an additional 60 car spaces, and providing shaded, secure parking for our passengers. This project reduced our carbon footprint with the installation of 820 solar panels on the roof of shade structures. Initial reports show that energy consumption has reduced by over 50% which is a great outcome. Longreach Airport's numbers were steady after taking into account a change in the way transit passengers are recorded. While economic conditions are soft in many parts of regional Queensland, we are here for the long-haul and are committed to investing in and growing our airports to support the local communities.

We could not deliver without a dedicated board and shareholders, committed and enthusiastic employees and our many valued partners. Thank you for your support.



QAL BOARD



Left to right: Jonathan van Rooyen, Annabelle Chaplain, Robert Lette, Andrew Agnew, Ashley Kilroy, Alan Mulgrew & Nigel Chamier

ANNABELLE CHAPLAIN

(INDEPENDENT CHAIRMAN)

BA, MBA, FAICD - NON-EXECUTIVE DIRECTOR
APPOINTED 1 JANUARY 2014

Annabelle is an experienced company director with in-depth experience in financial services, infrastructure and resource companies. Her executive career was spent as an investment banker.

Annabelle is presently a director of ASX-listed Downer-EDI Ltd and Seven Group Holdings Limited. She is also Chair of Canstar Pty Ltd, a financial services research and ratings company. Most recently Annabelle was appointed to the Australian Ballet Board.

A member of the Griffith University Business School Strategic Advisory Board, Annabelle also holds an honorary doctorate for her service to banking and finance, and to the Gold Coast community. Annabelle was the Griffith Business School Outstanding Alumnus in 2015.

ANDREW AGNEW

BA, BEC (HONOURS IN FINANCE), GAICD
NON-EXECUTIVE DIRECTOR
APPOINTED 5 MARCH 2013

CHAIRMAN OF THE REMUNERATION COMMITTEE

Andrew is an experienced company director with experience in infrastructure asset management, funds management and financial services. Andrew's executive career was spent as an investment banker and includes substantial practical international business experience including 10 years building businesses within Asia.

Andrew has served on Australian financial industry committees including as secretary of the Australian Financial Futures Association and the chief advisor to the Council of Authorised Money Market Deals and was a monthly columnist for the Australian Stock Exchange Journal.

Currently a director of infrastructure fund manager, Gardior Pty Ltd, and a director of global tank terminal company, LBC Tank Terminals. Effective 26 April 2017, Andrew was appointed as a director of Perth Airport Pty Ltd.

ASHLEY KILROY

FAICD, NON-EXECUTIVE DIRECTOR
APPOINTED 26 OCTOBER 2012

Ashley is a former airline executive with over 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 is also a non-executive Director of Newcastle Airport Pty Limited and Mildura Airport Pty Limited.

ROBERT LETTE

FASFA, MAIST, GAICD
NON-EXECUTIVE DIRECTOR
APPOINTED 24 JANUARY 2005

CHAIRMAN OF THE RISK AND AUDIT COMMITTEE

Robert is a consultant to and former partner of the Queensland law firm Mullins Lawyers, and was admitted to the Supreme Court of Queensland in 1966.

Robert is currently a director of North Queensland Airports Group, and is Chairman of BUSS(Q) Building Super, Gardior Pty Ltd and The Infrastructure Fund.

QAL BOARD



ALAN MULGREW

BA (MGNT), DIP CORP FIN, GAICD,
JP, NON-EXECUTIVE DIRECTOR
APPOINTED 25 MARCH 2013

CHAIRMAN OF THE AERONAUTICAL AND RELATED INFRASTRUCTURE COMMITTEE

Alan has over 30 years' experience as a senior executive heading up large capital intensive organisations, both in Australia and overseas – including Perth and Sydney airports.

In 1997 Alan established a corporate advisory company providing strategic advice to numerous major institutions; primarily in the development and implementation of major infrastructure projects.

Alan holds chairman and director roles on a number of high profile boards spanning transportation, energy, infrastructure and government. He is a non-executive director of Adelaide Airport Ltd, Tesla Corporation and CBH Group. Alan was previously a non-executive director of Doric Holdings Pty Ltd, BAC Holdco and Atlantic Ltd, and Chairman of Western Power, Western Carbon, Australian Renewable Fuels Pty Ltd and Tourism Western Australia.

NIGEL CHAMIER

OAM, FRICS, FAICD, FAPI, NON-EXECUTIVE DIRECTOR
APPOINTED 1 APRIL 2014

CHAIRMAN OF THE PROPERTY DEVELOPMENT COMMITTEE

Nigel has 44 years' experience in property and infrastructure and provides high level guidance to the private and public sectors.

Nigel is a director of South Bank Corporation and previously chaired the Gold Coast 2018 Commonwealth Games Corporation and the Commonwealth Games Infrastructure Authority. In recent years he has also chaired the restoration committee for Brisbane City Hall and currently chairs the Anzac Square restoration committee.

Nigel is The Honorary Consul for Sweden.

In January 2016 he was awarded a Member of the Order of Australia for services to economic development and the preservation of historic buildings, and in September 2016 was made a Commander of the Royal Order of The Polar Star for services to Sweden. A former president of the Brisbane Club and chair of the Queensland division of the Property Council of Australia, Nigel now sits on the Griffith University Business Advisory Board and chairs the Menzies Health Institute of Queensland.

JONATHAN VAN ROOYEN

BBUS (ECON), POST GRAD DIP (FIN),
NAT DIP (MGMT), NON-EXECUTIVE DIRECTOR
APPOINTED 30 MAY 2016

Jonathan is the General Manager – Investments at The Infrastructure Fund (TIF), and is responsible for the delivery of the TIF strategy and performance. Previously Jonathan's directorships have included Interlink Roads (M5 toll road in Sydney), Statewide Roads (M4 toll road in Sydney), and Envirogen (a gas fired power generation business).

Jonathan also led the formulation and implementation of Hastings' market entry strategy for Asia focused on China, Japan and Korea. In his role in Asia, Jonathan led the Hastings team in securing a ten-year mandate from Korea's Incheon International Airport Corporation and the National Pension Service of Korea for Hastings to manage a dedicated closed-end airport investment fund.

Prior to joining Hastings, Jonathan was a Partner of KPMG Corporate Finance's valuations practice – where he specialised in the preparation of independent expert reports, and the valuation of infrastructure assets.

BOARD COMMITTEES

To assist in the execution of its responsibilities, our board operates four sub committees. The membership of each committee is summarised below:

RISK & AUDIT COMMITTEE

Robert Lette (Chairman)
Jonathan van Rooyen, Ashley Kilroy

REMUNERATION COMMITTEE

Andrew Agnew (Chairman)
Annabelle Chaplain, Alan Mulgrew

AERONAUTICAL & RELATED INFRASTRUCTURE COMMITTEE

Alan Mulgrew (Chairman)

PROPERTY DEVELOPMENT COMMITTEE

Nigel Chamier (Chairman)



QAL MANAGEMENT



CHRIS MILLS CHIEF EXECUTIVE OFFICER

Chris joined QAL in 2014. As CEO, Chris is responsible for setting and driving strategic initiatives to ensure the continued success of the group into the future. Chris leads an experienced team with a focus on delivering exceptional airport experiences, and oversees a significant investment program in QAL airports to deliver on this vision.

Chris has over 25 years' experience in diverse industries including tourism, leisure, retail, finance and property planning and development. He has worked in senior executive roles in Australia and England across the private and public sectors. He is also currently a board member of the Australian Airports Association, and the Tourism and Transport Forum Australia. Previous board roles include the Currumbin Wildlife Sanctuary and state government authorities.



AMELIA EVANS CHIEF FINANCIAL OFFICER

Amelia joined QAL as the Chief Financial Officer in 2016. As CFO, Amelia is responsible for supporting the development and delivery of the group's strategy, in addition to leading the core functions of Finance, People and Culture, and Technology and Innovation.

Amelia is a Chartered Accountant with 20 years' experience in aviation, telecoms, FMCG and property industries. Her initial grounding at Ernst & Young has led to senior executive roles in Australia, Solomon Islands, London, United States and the Caribbean. In her roles, Amelia has managed financial, operational, people, technology and project teams.

Prior to joining QAL Amelia worked at Qantas in Head of Finance roles for ground operations, commercial, customer experience and engineering, including the delivery of major aircraft reconfiguration programs.

Amelia has experience in crisis management, economic development, sporting and charitable committees, and is an active mentor for several organisations in Australia. She is currently a board member for the Currumbin Wildlife Sanctuary, and Chair of the Audit and Risk Committee for the National Trust (Queensland). Amelia has also recently been appointed as Governor-in-Council for Griffith University.



MARION CHARLTON CHIEF OPERATING OFFICER, GOLD COAST AIRPORT

Marion has over 30 years' experience in the aviation industry both domestically and abroad.

Since joining Gold Coast Airport in 2004, Marion has held a variety of management roles including her most recent role of General Manager Commercial and Terminals, during which she oversaw the last significant Gold Coast Airport terminal redevelopment in 2010. Marion worked at both Atlanta and Sydney airports during the 1996 and 2000 Olympics and was in Glasgow during the 2014 Commonwealth Games. She has also worked with the Irish Airport Authority.

Marion has strong ties with many Gold Coast tourism organisations through her past work on the Tourism Advisory Board for Bond University. She is currently on the advisory Board for Southern Cross University Business School and is on the Board of Trustees for the Currumbin Wildlife Hospital Foundation. Marion is also a member of the Study Gold Coast Board. In 2008 she was awarded the International Woman's Day Leadership Award for the Gold Coast.



KEVIN GILL CHIEF OPERATING OFFICER, TOWNSVILLE, MOUNT ISA AND LONGREACH AIRPORTS

Kevin has 26 years' experience in aviation and has held executive positions in airlines in Australia and New Zealand including Air New Zealand.

Since joining QAL in 2008, Kevin has been involved in a range of programs and initiatives to develop Townsville, Mount Isa and Longreach airports. This has seen the reestablishment of Townsville as an international airport as well as significant airport development at Mount Isa and several new airlines and routes operating through both Townsville and Mount Isa airports.

Kevin is currently Chair of Townsville Enterprise, and is a Councillor of the Queensland Futures Institute.



QAL MANAGEMENT



PAUL DONOVAN EXECUTIVE GENERAL MANAGER BUSINESS DEVELOPMENT AND MARKETING

Paul has more than 40 years' experience in aviation and tourism. Paul's past positions include the NSW Regional Director for Ansett Airlines; Global Director of Sales at Ansett Airlines, Chair of Ansett Airlines revenue related businesses and an alternate Director at Air Pacific. Paul was also General Manager NZ/Pacific Islands at Qantas, Commercial Director NZ/Australia at Air New Zealand, and General Manager Air New Zealand Australia.

Paul was Chief Operating Officer at Gold Coast Airport from 2005 – 2014 and was responsible for the day-to-day operations and delivery of several key projects including a runway extension, a \$100 million terminal redevelopment, a long-term car park development and the 2011 Gold Coast Airport Master Plan.

Since 2014, Paul has headed up the Business Development and Marketing department for Queensland Airports Limited as Executive General Manager, focusing on his significant experience, extensive knowledge of, and contacts within the tourism and aviation industries. Paul has been a member of the Gold Coast Tourism Board since 2005 and Chairman since 2007. Paul is a Board Director of Tourism and Events Queensland and an Adjunct Professor at Griffith Institute for Tourism.

HAMISH MCKELLAR GENERAL COUNSEL AND COMPANY SECRETARY

Hamish joined QAL in 2014 and has over 20 years' experience as a corporate lawyer and company secretary. He started his legal career in the Commonwealth Treasury advising on the regulation of financial markets and the drafting of the Managed Investments Act, and subsequently held several in-house roles in the financial services sector, focusing on funds management, life insurance and banking.

During his career in financial services, Hamish was involved in several mergers & acquisitions including the Colonial Group's acquisition of Legal & General Australia and Prudential Life, and the sale of the Colonial Group to the Commonwealth Bank and PrefSure Life to the Tower Group.

In addition to various roles in financial services, he has also held the roles of General Counsel & Company Secretary of Sumitomo Australia and Senior Corporate Lawyer at The Royal Automobile Club of Queensland Ltd.

Hamish is responsible for managing the QAL group's legal, governance, compliance and risk management functions.

CARL BRUHN EXECUTIVE GENERAL MANAGER PROPERTY AND INFRASTRUCTURE

Carl joined QAL in 2016 and brings a wealth of experience including mixed use precincts, non-residential land development, project/construction management, design management and community development.

Carl is responsible for delivering a large program of works across the QAL Group over the coming years, bringing a broad background of experience to the role.

Carl's most recent role was with Villa World as the General Manager, Communities and Business Growth. Carl spent a number of years with Lendlease as General Manger Town Centres and Senior Project Director on the Varsity Lakes project. During this time, he was responsible for both the residential and commercial aspects of the Varsity Lakes development and similar Lendlease projects nationally.

Carl is a Fellow of the Urban Development Industry of Australia (FDIA) and is a fully licenced real estate agent.



FY17 SUMMARY OF ACHIEVEMENTS



SHAREHOLDER VALUE

- Over 8.2 million passengers
- GCA market share of South East Queensland (Brisbane and Gold Coast) increased to 22.2%
- Land acquisitions to facilitate property strategy
- \$35.6 million dividends paid



CUSTOMER EXPERIENCE

- GCA launched ambassador program
- Self service check-in and bag drop installed at GCA
- Mount Isa carpark upgrade
- Fast WiFi initiative launched



SOCIAL RESPONSIBILITY

- QAL provided funding to 34 community groups through the Community Benefit Fund
- GCA achieved level 1 accreditation under the Airports Council International Carbon Accreditation Program
- Mount Isa reduced carbon footprint through solar initiative



HIGH PERFORMING WORKFORCE

- MOU's signed with universities and TAFE
- 22 interns through QAL's internship program
- Increase in annual employee engagement (72%) and enablement (74%)



ACCOMPLISHED OPERATORS

- GCA won Best Regional Airport Australia/Pacific at the Skytrax World Airport Awards
- Installation works on the GCA ILS commenced
- GCA and Townsville redevelopment Major Development Plans approved by Federal Government
- GCA and Townsville 20 year Master Plans approved by Federal Government

ECONOMIC BENEFIT

TOWNSVILLE AIRPORT DIRECT ECONOMIC IMPACT OF AIRPORT OPERATIONS:

 **\$170 MILLION**
GRP created

 **600**
On Airport jobs created

GOLD COAST AIRPORT DIRECT ECONOMIC IMPACT OF AIRPORT OPERATIONS:

 **\$545 MILLION**
GRP created

 **2,037**
On Airport jobs created

SHAREHOLDER VALUE



- GROWING MARKET SHARE
- DEVELOPING OUR NON-AERO BUSINESS
- FOCUS ON COST AND YIELD

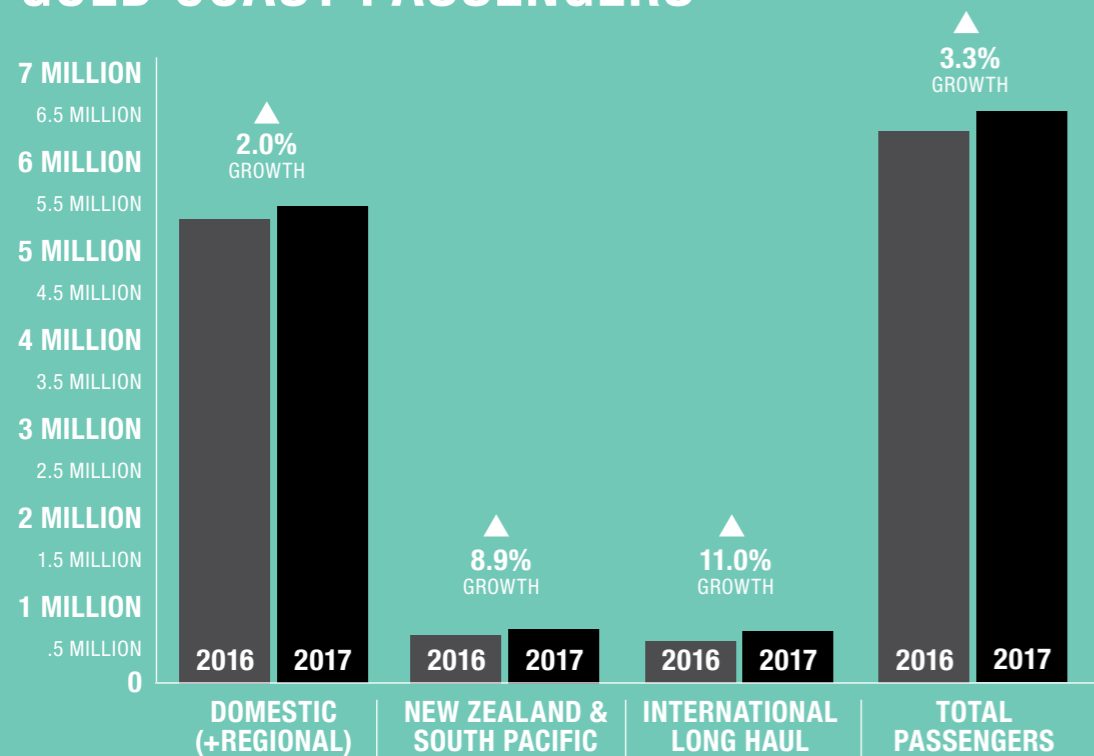


QAL RESULTS

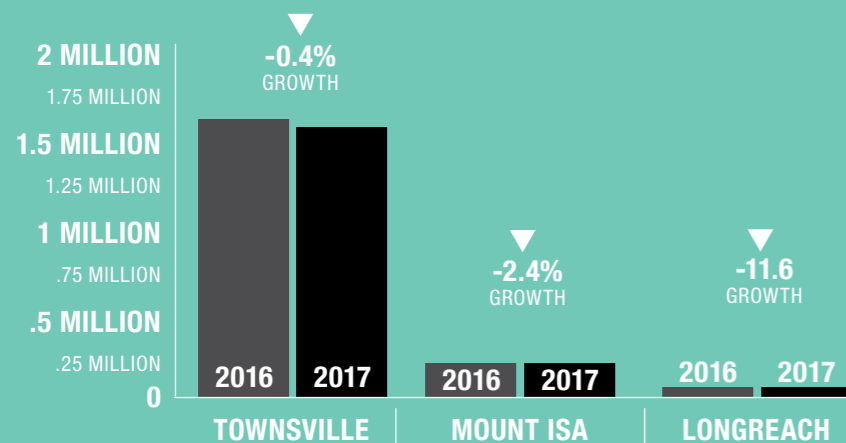
TOTAL PASSENGERS



GOLD COAST PASSENGERS



REGIONAL AIRPORT PASSENGERS

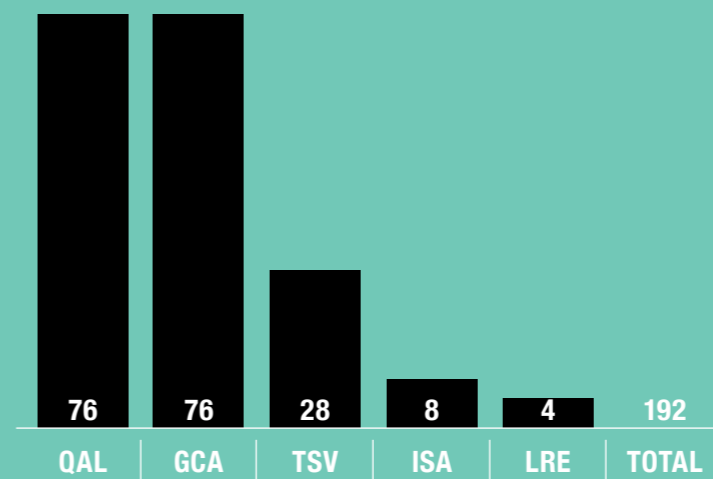


* TOTALS EXCLUDE TRANSIT PASSENGERS

FINANCIAL PERFORMANCE

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------------------------------|----------|----------|---------|---------|---------|---------|---------|----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| OPERATING REVENUE | 106,654 | 115,236 | 120,749 | 126,316 | 125,278 | 129,830 | 127,018 | 130,428 |
| OPERATING EXPENDITURE | 47,022 | 46,344 | 44,122 | 48,366 | 45,588 | 45,646 | 38,911 | 39,033 |
| EBITDA | 59,633 | 68,892 | 76,627 | 77,950 | 79,690 | 84,184 | 88,107 | 91,395 |
| INTEREST REVENUE (EXTERNAL) | 1,440 | 1,564 | 1,602 | 805 | 854 | 376 | 420 | 368 |
| INTEREST COSTS (EXTERNAL) | 22,646 | 33,048 | 35,388 | 33,257 | 32,496 | 32,326 | 32,958 | 32,178 |
| DEPRECIATION, IMPAIRMENT & AMORTISATION | 21,898 | 21,718 | 22,267 | 29,449 | 31,535 | 28,595 | 29,364 | 23,788 |
| OTHER ADJUSTMENTS | (-2,853) | (-5,877) | 1,740 | 17,821 | 858 | 8,331 | 13,838 | (10,136) |
| LOAN NOTE INTEREST | 3,751 | 3,951 | 4,569 | 5,051 | 5,079 | 5,079 | 5,093 | 5,079 |
| INCOME TAX EXPENSE | 3,679 | 1,183 | 1,161 | 5,314 | 4,317 | 6,429 | 9,805 | 6,039 |
| NET PROFIT AFTER TAXATION | 6,245 | 4,679 | 16,584 | 23,505 | 7,975 | 20,462 | 25,145 | 14,543 |
| DIVIDENDS DECLARED | 22,999 | 24,500 | 31,501 | 33,008 | 35,509 | 34,642 | 16,531 | 35,611 |

EMPLOYEE NUMBERS



MALES:
106 (54%)
AVERAGE TENURE: 8.3 YEARS

FEMALES:
90 (46%)
AVERAGE TENURE: 6.0 YEARS

LOOKING AHEAD

PRIORITIES FOR FY18 INCLUDE:

- Aeronautical agreements for capital development programs
- Transformation agenda to support growth strategy
- Long term capital structure strategy
- Focus on Environment, Social and Governance and Risk

CUSTOMER EXPERIENCE



- ENHANCING CUSTOMER SERVICE QUALITY
- UPGRADE FACILITIES
- RANGE OF PRODUCTS AND SERVICES



CUSTOMER EXPERIENCE

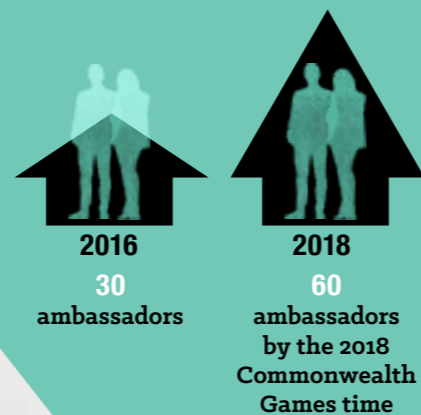
GOLD COAST AIRPORT AMBASSADOR PROGRAM

Gold Coast Airport launched its ambassador program in November 2016, welcoming 30 ambassadors on board as part of a strategy to enhance customer service.

Ambassadors offer a warm welcome and farewell to travellers passing through Gold Coast Airport, and provide assistance to visitors with general airport enquiries. The program is a significant step forward in providing an exceptional level of customer service to all who pass through the airport.

A number of the ambassadors are multi-lingual to cater for the growing number of international tourists visiting the region.

Since the program launched a further 22 ambassadors have joined the team.



GOLD COAST AIRPORT COMMON USE PASSENGER PROCESSING SYSTEM

The Common Use Passenger Processing System (CUPPS) project completed the installation of 55 self-service kiosks and 14 self-serve bag drop services over the last financial year.



Average kiosk check-in time: **55 SECONDS**



Average bag-drop time: **35 SECONDS**

The project objective was to relieve congestion in the check-in hall, increase check-in capacity and improve passenger experience. The project's success has been supported by a significant reduction in passenger processing times.

Project completion will involve the installation of 10 remaining bag drops, scheduled to be completed in mid 2018.

MOUNT ISA CAR PARK UPGRADE

In April 2017 Mount Isa Airport completed upgrade works to the existing airport car park, aimed at substantially improving passenger experience, safety, access and sustainability at the airport.

The project, which commenced works in July 2016, has added more than 60 public car spaces, and installed much needed shade structures above the long-term car park, rental car park, and pedestrian walkways.

To mitigate congestion at the front of the terminal the pick-up/drop-off area has been relocated, improving passenger safety. A central walkway has also been created, which provides visitors easy access to the terminal. Access control gates and CCTV cameras have also been installed.

GOLD COAST AIRPORT CELEBRATES INTERNATIONAL INDUSTRY AWARD

GCA was named Best Regional Airport Australia/Pacific at the Skytrax World Airport Awards for the third time in March 2017. Skytrax awards are based on customer feedback from almost 14 million airport survey questionnaires, conducted across 550 airports internationally.

GCA also claimed this award in 2011 and 2015, and to be recognised at this level for the third time is a significant coup not only for GCA, but the entire airport community including retailers, contractors and airline partners.

Customer surveys for the 2017 awards evaluated traveller experiences across different airport service and product key performance indicators from check in, arrivals, transfers, shopping, security and immigration through to departure at the gate.

GOLD COAST AIRPORT REBRAND

GCA launched a new brand logo this financial year.

The rebrand project was inclusive of a complete website redesign. The new website features a three-tiered digital structure including consumer, corporate and commercial/property sites.

RIDE-SHARING AT GOLD COAST AIRPORT

A dedicated pick up area for ride-sharing was implemented at GCA after Uber was legalised in Queensland.

GOLD COAST AIRPORT CAR PARK EXPANSION

GCA premium car park was expanded by an additional 22 spaces in response to demand. Since opening the premium offering has seen 80-90% occupancy consistently.

LOOKING AHEAD

PRIORITIES FOR FY18 INCLUDE:

- Gold Coast Airport development works
- Further rollout of the Customer Experience Strategy
- CRM tool across the QAL Group
- Big Data strategy rollout to deliver business insights from real time data
- Exploration of emerging technologies and innovative solutions
- Commonwealth Games experience



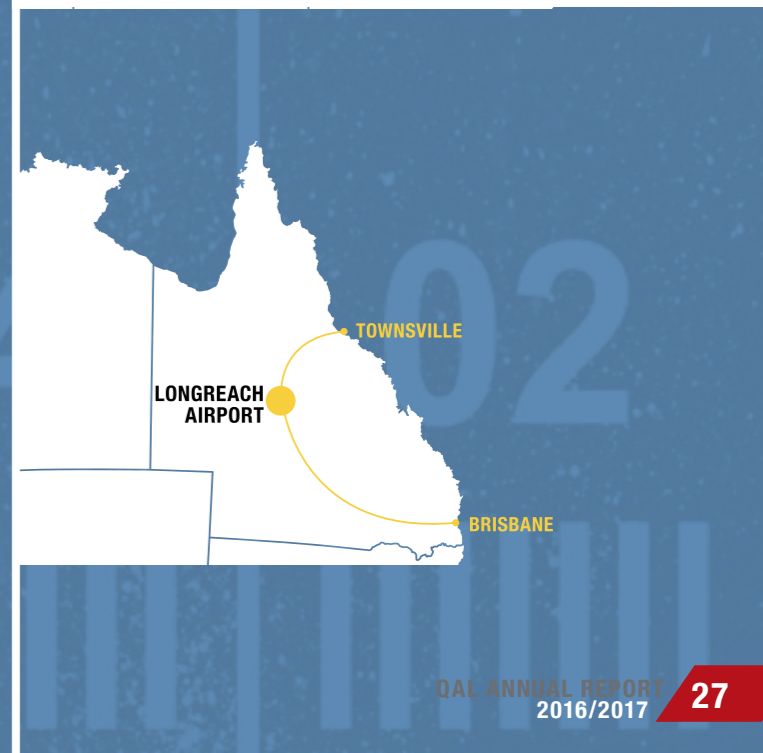
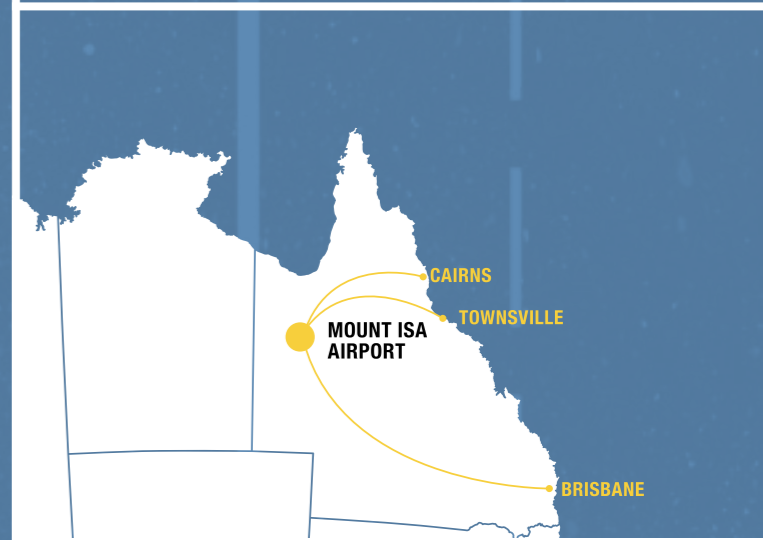
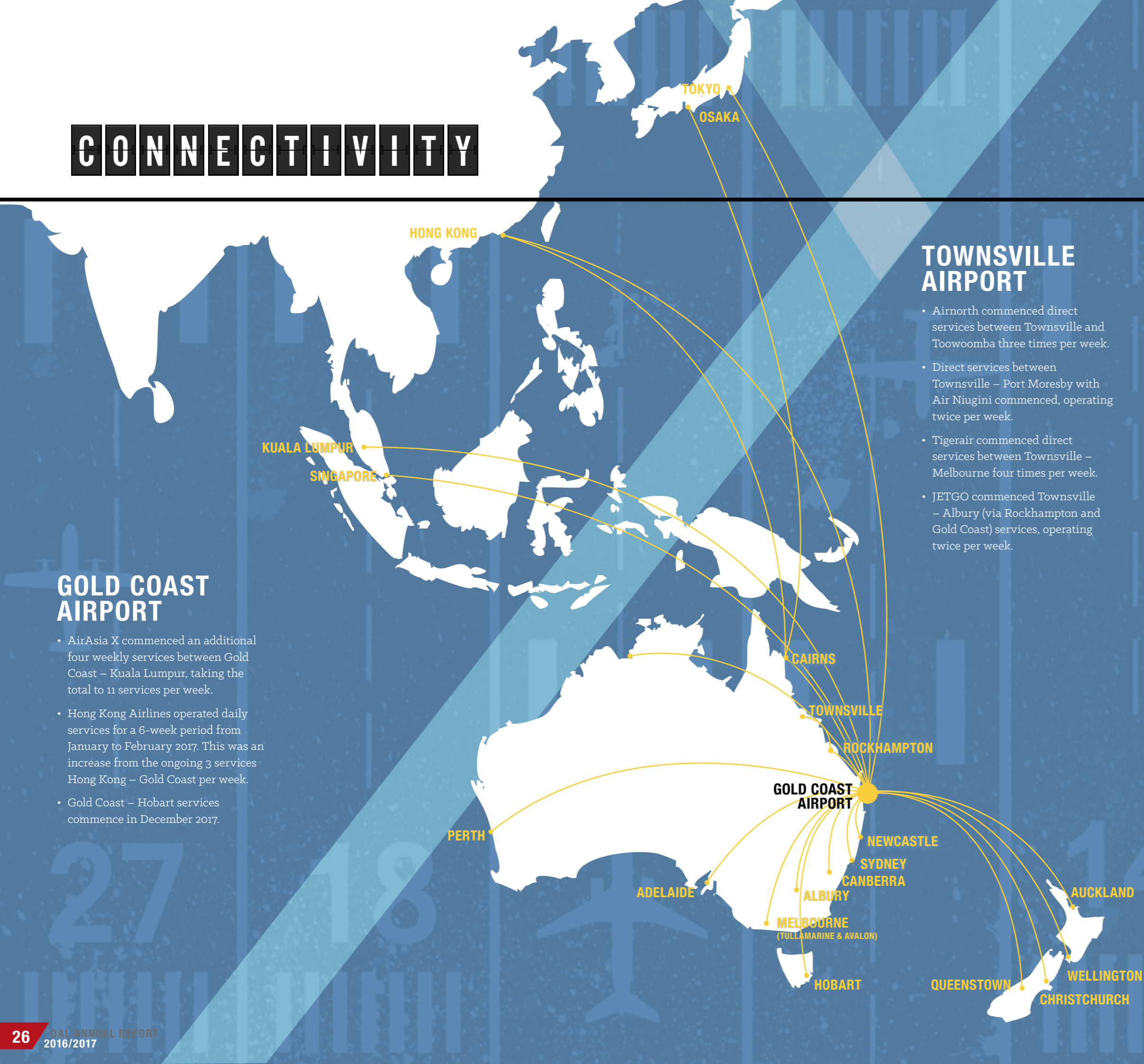
CONNECTIVITY

GOLD COAST AIRPORT

- AirAsia X commenced an additional four weekly services between Gold Coast – Kuala Lumpur, taking the total to 11 services per week.
- Hong Kong Airlines operated daily services for a 6-week period from January to February 2017. This was an increase from the ongoing 3 services Hong Kong – Gold Coast per week.
- Gold Coast – Hobart services commence in December 2017.

TOWNSVILLE AIRPORT

- Airnorth commenced direct services between Townsville and Toowoomba three times per week.
- Direct services between Townsville – Port Moresby with Air Niugini commenced, operating twice per week.
- Tigerair commenced direct services between Townsville – Melbourne four times per week.
- JETGO commenced Townsville – Albury (via Rockhampton and Gold Coast) services, operating twice per week.



SOCIAL RESPONSIBILITY



- SUSTAINABLE ACTIVITIES
- COLLABORATING WITH THE COMMUNITY
- ECONOMIC DRIVERS IN OUR REGIONS



OUR STAKEHOLDERS

OUR SUCCESS IS MADE POSSIBLE BY OUR RELATIONSHIPS WITH A WIDE RANGE OF STAKEHOLDERS. WE THANK THEM FOR THEIR SUPPORT.

LOCAL

- Domestic airlines
- International airlines
- Passengers
- QAL Group staff and contractors
- Ground handlers
- Retail operators
- Ground transport operators
- General aviation tenants
- Gold Coast Tourism
- Townsville Enterprise
- Destination Tweed
- Southern Cross University
- City of Gold Coast
- Tweed Shire Council
- Townsville Council
- Mount Isa Council
- Longreach Shire Council
- Media



QAL GROUP

STATE

- Queensland Government
- New South Wales Government
- Tourism and Events Queensland
- Tourism NSW
- Queensland Tourism Industry Council
- Queensland Police Service
- New South Wales Police Service

COMMUNITY

- Community groups
- Social media followers
- Chambers of Commerce
- Business groups
- Local residents

FEDERAL

- Australian Federal Police
- Airservices Australia
- Civil Aviation Safety Authority
- Border Force
- Australian Airports Association
- Tourism and Transport Forum

OUR COMMUNITIES



As the largest regional airport operator in Australia, QAL is committed to fostering relationships within our local communities.

QAL is a dedicated supporter of local charity, community, tourism, arts and sporting organisations, distributing **more than \$650k in sponsorship and donations** throughout Queensland and Northern New South Wales each year.

We provide sponsorship support across a range of areas within each of our communities including:

- 2018 Commonwealth Games
- Queensland Tourism Awards
- North Queensland Tourism Awards
- Gold Coast Airport Marathon
- Bleach* Festival
- SWELL Sculpture Festival
- Glendi Festival in Townsville
- Mount Isa Mines Rotary Rodeo
- Magnetic Island Race Week
- Townsville Enterprise
- Gold Coast Business Excellence Awards
- Tweed Business Excellence Awards

QAL COMMUNITY BENEFIT FUND

The QAL Community Benefit Fund provides financial assistance to community-based initiatives in each of our regions.

The fund provides cash grants to community groups and/or not-for-profits who provide health and wellbeing, safety, arts and culture, education, environment or other community benefit initiatives.

There were 34 successful applicants in the 2016 round including:

- Beenleigh Special School
- Elanora State School
- Meals on Wheels
- Townsville Hospital Foundation
- Mount Isa Kindergarten
- Longreach Girl Guides
- Beachcare
- Currumbin Surf Life Saving Club
- Story Dogs

MURWILLUMBAH FLOOD SUPPORT

In response to the wide-spread devastation experienced in Northern NSW in the aftermath of significant floods, GCA staff wanted to identify a way to show support to the affected community.

In a matter of days our team mobilised to plan and deliver a free community BBQ and Easter egg treasure hunt in Knox Park at Murwillumbah in April 2017.

Throughout the course of the day **1,500 sausages, 5,000 Easter eggs, 1,000 bottles of water, 300 donuts, 300 hot cross buns, 30 loaves of bread** were consumed and entertainment included a jumping castle, kids craft station, rockabilly band, a face painter and a guest appearance by the Easter Bunny.

In addition to funding the event, GCA also donated \$6,000 to the Tweed Shire Council's Mayor Flood Appeal.

REGIONAL AIRPORT CHARITY SUPPORT

Townsville and Mount Isa airports partnered with Krispy Kreme donuts to deliver three fundraising initiatives during the financial year. The local communities were able to pre-purchase their donuts online and they were then flown to the regions for collection.

Townsville Airport's first initiative was in support of Ronald McDonald House, raising \$8,120 for the Townsville house. The second Krispy Kreme fundraising drive raised \$5,780 for the Tropical Cyclone Debbie flood appeal.

Mount Isa Airport partnered with Virgin Australia and Spotless to bring Krispy Kreme donuts to Mount Isa, raising \$5,254 for Ronald McDonald House in Townsville.



OUR COMMUNITIES

JUMPSTART ENTREPRENEUR WORKSHOP

The inaugural Jumpstart entrepreneur workshops were held this financial year at both Townsville and Gold Coast.

The two day entrepreneur pilot program was a high energy and interactive workshop aimed to equip small to medium Indigenous businesses in both regions with tools and methods of design thinking that could potentially assist in solving their business challenges.

Facilitated by Commonwealth Bank, throughout the two day events participants took part in a number of interactive exercises and were addressed by a number of key speakers, including retired NRL great and Preston Campbell Foundation founder Preston Campbell at the Gold Coast event and Glen Richards of Shark Tank Australia fame in Townsville.

The program was the result of a collaborative partnership between QAL and the Commonwealth Bank. Sponsors of the program include Queensland Government, Griffith University, James Cook University, Hewlett Packard Enterprise, ACS, Supply Nation and South East Queensland Indigenous Chamber of Commerce.

The workshops provided a great avenue for small to medium businesses to gain valuable business insight and the overwhelming response received by businesses is a clear indication that there is a market for initiatives such as this.

INSTALLATION OF WILDLIFE PROOF FENCING AT LONGREACH AIRPORT

Longreach Airport completed works to enhance wildlife proof fencing around runway operations to provide a more protected operating environment for aircraft and reduce the risk of wildlife strikes.

Engagement with our communities is an ongoing focus at QAL and we have developed the following to interact directly with our community:

GOLD COAST AIRPORT NOISE ABATEMENT CONSULTATIVE GROUP

Gold Coast Airport is part of an Airport Noise Abatement Consultative Committee (ANACC) established to communicate with the local community, with a focus on noise abatement strategies.

The Committee is also consulted on matters including the production of Australian Noise Exposure Forecasts (ANEFs) for the airport, and on matters relating to any future aircraft noise amelioration program for residences and public buildings around the airport.

The Committee is comprised of representatives endorsed by local community groups, aviation representatives and government representatives.

COMMUNITY AVIATION CONSULTATION GROUP

Gold Coast Airport and Townsville Airport have both established a local Community Aviation Consultation Group (CACG) to help facilitate greater community consultation, particularly on planning and development activities on airport.

The purpose of the CACG is to ensure the effective exchange of aviation information between all responsible and affected parties. The CACG membership is by invitation only with fair and equitable representation from both sides of the border encompassing the interests of the broader community. CACG members span a diverse cross-section of the communities including aviation and government officials, tourism and business leaders and local community representatives. The CACG is used to exchange information on issues relating to airport operations and their impacts.

In 2017 founding GCA CACG Chair Air Marshal Les Fisher stepped down from the role, and was replaced by Australia's first federal government appointed independent Aircraft Noise Ombudsman, Ron Brent. As the former Aircraft Noise Ombudsman, Mr Brent has worked closely with Gold Coast Airport, and understands the complexities involved in managing airport operations specific to GCA.

GCA is grateful for the work of founding Chair Les Fisher in assisting with the establishment of the CACG. His insight and leadership has ensured the success of the CACG since its inception in 2012.

OUR ENVIRONMENT

- GCA's Terminal rainwater harvesting system continued to supply approximately

40% of terminal water needs.



- Gold Coast Airport achieved level 1 accreditation under Airports Council International's Carbon Accreditation Program.
- A GCA emissions reduction strategy is in development
- Draft GCA Cultural Heritage Management Plan prepared. Consultation with Indigenous stakeholders and finalisation of the plan is expected early FY18.
- A new environment strategy was developed as part of the GCA 2017 Master Plan.
- Development and implementation of GCA Construction Environment Management Plans for relevant construction projects.

Mount Isa Airport carpark project included the installation of 820 solar panels on the roof of the shade structures. The 258k solar array system has

reduced the airport's electricity usage by over 50%



which equates to approximately **374 Tonnes of CO2 offset per year.**

LOOKING AHEAD

PRIORITIES FOR FY18 INCLUDE:

- ACI (Airports Council International) carbon accreditation
 - Level 2 accreditation for Townsville Airport
 - Level 2 accreditation for Gold Coast Airport
- Carbon footprint mapping in Mount Isa Airport with the aim of achieving Level 1 accreditation
- Carbon footprint mapping in Longreach Airport with the aim of achieving Level 1 accreditation
- Approval and implementation of GCA's Project LIFT offset area management plan
- Finalisation and implementation of GCA's Whole of Airport Cultural Heritage Management Plan
- Social collaboration



DIGITAL TECHNOLOGY

QAL has developed a big data framework for QAL. Embedded in this framework is a data transformation strategy which will be a critical enabler for insights generation. The strategy aims to:

- Outline QAL's approach to data analytics
- Quantify the opportunity data represents for QAL and our partners

The data strategy is underpinned by 3 pillars:

- Continuous improvement - enhance and improve what we currently deliver
- Roadmap - build vital new analytics capability

• Horizon - look to the future to answer questions we don't know to ask

As a key enabler of our data and analytics offering, QAL has centralised its data model to ensure all business-critical data is managed appropriately. This has included consolidating databases, introducing new data feeds, and developing the in-house skill set to support this ongoing function.

• Deployed in October 2016, Purple WiFi is a cloud technology solution that allows QAL to access WiFi analytics, passenger profiling and target digital marketing to our WiFi users.

• QAL has partnered with SITA to deliver data generated from the common-use-passenger processing project. New data fields include boarding pass data, passenger dwell time, check-in timings, and onward destinations.

• As part of an effort to better manage queuing and dwell time, QAL has been investigating platforms and technology to understand how passengers move through our ports. Proof of concepts include video analytics, people counting, facial recognition, queuing detection and queue management software.

THE QAL VISION IS TO CONTINUALLY MATURE THROUGH THESE FOUR PHASES OF DATA AND ANALYTICS



SOCIAL MEDIA STATS



| | | FOLLOWERS/LIKES AS AT 30 JUNE 2017 | % INCREASE ON PREVIOUS YEAR |
|----|------------------------|------------------------------------|-----------------------------|
| in | Queensland Airports | 1496 | 48% |
| | GCA Gold Coast Airport | 1352 | 59% |
| | Townsville Airport | 524 | 30% |
| f | GCA Gold Coast Airport | 34,765 | 70% |
| | Townsville Airport | 24,870 | 49% |
| | Mount Isa Airport | 1773 | 32% |
| 🐦 | GCA Gold Coast Airport | 6106 | 26% |
| | Townsville Airport | 961 | 28% |
| 📷 | GCA Gold Coast Airport | 3095 | 59% |
| | Townsville Airport | 1464 | 93% |



HIGH PERFORMING WORKFORCE



- A COMMON MISSION
- SUPPORTING SUCCESS AND BEING ACCOUNTABLE
- A DIVERSE, SKILLED AND CAPABLE TEAM

HILUX
3.0 D-4D



HIGH PERFORMING WORKFORCE



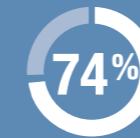
PEOPLE AND CULTURE

- Employee engagement continues to be an important driver for the delivery of QAL's strategic priorities. The annual employee engagement and enablement survey showed an increase in all previous year's focus areas.

**ENGAGEMENT AT
(INCREASE OF 2%
ON PREVIOUS YEAR)**



**ENABLEMENT AT
(INCREASE OF 7%
ON PREVIOUS YEAR)**



- Performance management systems were implemented, with a focus on tri-annual performance conversations to improve our performance driven culture.
- Employee benefits have been reviewed for relevance and new benefits introduced, including travel club and top up payments for parental leave.
- A talent management and succession plan has been introduced to identify key talent, with a succession pipeline in place for both the Executive team and General Manager group.

LEARNING AND DEVELOPMENT

- Memoranda of Understanding (MOU's) have been finalised with all partner universities and TAFE's, which include Griffith, Bond, James Cook and Southern Cross universities and Gold Coast TAFE. These MOU's facilitate synergistic partnerships, which have not only enabled the undertaking of internships, collaborative research and projects, but have also created the opportunity for QAL employees to become actively involved in university program development and advisory committee participation.

- The Internship program has continued to grow, with 22 Gold Coast based students now successfully completing an internship with QAL. Several of these interns have been employed by QAL, either in a full-time capacity, or within the graduate and work immersion programs.

- To address both employee development and to foster cross functional collaboration and networking, two programs, the Munch and Muse and the Breakfast Club have been introduced. The Munch and Muse sessions focus on a broad range of topics for all staff, while the Breakfast Club is a targeted program offering leadership and management skill development for QAL's middle and senior management.

LOOKING AHEAD

PRIORITIES FOR FY18 INCLUDE:

- Culture rebrand
- Performance management
- Development and training
- Diversity and inclusion, including flexibility and return to work plans
- Salary benchmarking
- Emerging workforce strategies
- Industrial relations strategies



ACCOMPLISHED OPERATORS



- CAPACITY MANAGEMENT
- SAFE AND SECURE PLACES
- EFFICIENT AND EFFECTIVE OPERATIONS



ACCOMPLISHED OPERATORS



WH&S AND SECURITY

Many activities are undertaken to promote and guide good health and safety practices:

- GCA participated in airport safety week to demonstrate the airport's commitment in providing the traveling public and Gold Coast community with a safely maintained airport environment, and to ensure all workers return home safely because of safe work practices and behaviours.
- Thermal radar cameras are being trialled at GCA to detect human activity on the baggage conveyor belts.
- ISS Facility Services were successful in securing the tender for providing security services to airports until 2019.

EMERGENCY PLANNING

Safety and security remains a key strategic priority, with annual emergency tabletop and field exercises enabling key agencies to practice various aspects of emergency preparedness, operational response, command, coordination and control functions.

- Planning has begun with GCA stakeholders for the upcoming 2018 Commonwealth Games security and emergency overlay to ensure the safe and secure arrivals and departures associated with this high-profile event.
- Safety and security will be enhanced with the establishment of the Gold Coast Airport Operations Centre (AOC). The AOC will bring together the management of landside, terminal and airside operations.
- GCA is currently investigating a crisis and communications system which will effectively manage the exchange of information in a crisis or disruption and allow management to communicate with staff (over the four airports) and third parties on and off airports.
- An internal review and update of all internal crisis management plans has been undertaken.

INVESTING IN TOMORROW

GOLD COAST AIRPORT INSTRUMENT LANDING SYSTEM

Gold Coast Airport's Major Development Plan (MDP) proposing the installation of an instrument landing system (ILS) at the airport was approved by the Minister for Infrastructure and Regional Development in January 2016. An ILS is a highly-accurate radio signal navigation aid which assists pilots to land in low visibility conditions by providing aircraft with vertical and horizontal guidance to the runway.

Despite delays under an Administrative Appeals Tribunal (AAT) process works are now underway.

A Deed of Agreement was developed between Gold Coast Airport and Airservices Australia to enable Gold Coast Airport to deliver the preliminary civil works on Airservices behalf.

Civil works will be followed by Airservices Australia's installation and commissioning of the Instrument Landing System in 2018.

PROJECT LIFT

The Major Development Plan (MDP) for Project LIFT (Let's Invest for Tomorrow) at Gold Coast Airport was approved by the Federal Government in February 2016.

In June 2016, civil works commenced and are ongoing. Work completed to-date includes:

- Clearing, major stormwater works, Gold Coast Highway connection, builder's compound, airside and landside road works.

- Design, construction, commissioning and operation of a water treatment plant completed.
- Leasing agreements have been achieved and are in place with two separate properties to offset the impacts to matters of environmental significance.
- Land ready for future expansion in a southern direction of the terminal and for the addition of apron bays and taxiway.
- Construction of new Bays 9 and 10 (additional 4 Code C aircraft) has commenced with anticipated completion for early 2018. Fuel hydrants works commenced within the existing apron with completion anticipated before April 2018.

The southern terminal expansion project will increase the existing terminal capacity to meet the future demand which is driven by long-term passenger growth. The project scope includes the expansion of the existing building, four additional aircraft parking stands and a consolidated ground transport facility.

In the meantime, Gold Coast Airport is well equipped to deal with the passenger numbers expected during the Commonwealth Games period, already handling similar passenger numbers during peak times, such as Christmas.

The Project LIFT redevelopment will cost over \$300 million and will be a key economic driver for the Gold Coast in the post-Games period, increasing terminal capacity to meet forecast demand into the future.



ACCOMPLISHED OPERATORS



TOWNSVILLE AIRPORT REDEVELOPMENT MAJOR DEVELOPMENT PLAN

The Townsville Airport redevelopment, dubbed Project Alive, addresses the terminal building and associated infrastructure to facilitate forecast passenger growth. The Major Development Plan was approved by the Department of Infrastructure and Regional Development in 2016.

Project Alive recognises the important role Townsville Airport plays as an economic enabler and stepping-off point for large parts of northern Australia.

The airport is ageing, with its last significant development occurring 14 years ago, in 2003.



\$80 MILLION will be invested in infrastructure upgrades over the next five years

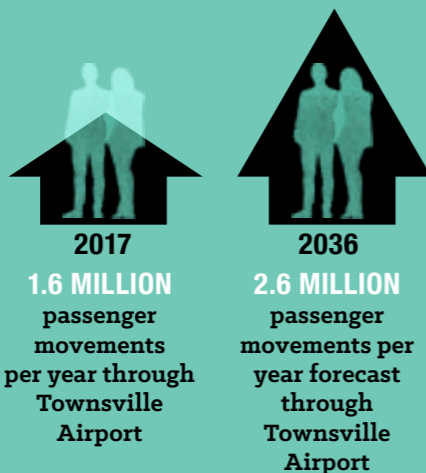
Infrastructure upgrades will deliver significant improvements to passenger comfort and amenities and higher levels of safety and efficiency for the airport's commercial customers, including airlines.

The development is not just about the terminal, but the whole airport precinct, including the apron, runways and taxiways, airport road network and core water, fire, electricity, and solar power infrastructure.

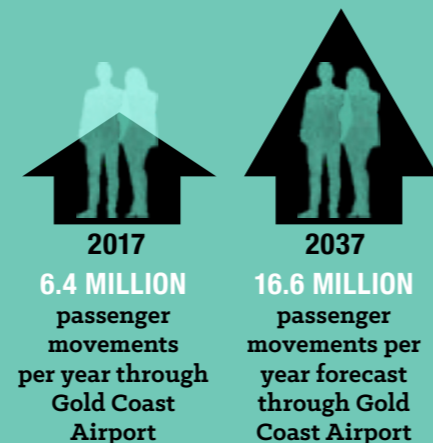
A \$10 million package of works has already commenced through a co-investment arrangement with the Queensland Government. The project will provide 18,000 square metres of extra parking space for large aircraft, increasing capacity for passenger jet movements by 33 per cent at peak times.

AIRPORT MASTER PLANS

Townsville Airport's Preliminary Draft Master Plan 2016 was approved by the federal government in August 2016.



Gold Coast Airport's Preliminary Draft 2017 Master Plan was approved by the federal government in July 2017.



Both airport master plans present detailed concepts for the period covering the next 20 years, including the forecast growth and facilities required to accommodate this growth. The master plans specifically focus on the development requirements over the next five years.

The documents also propose land use controls and protection in areas adjacent to the airport to ensure safe and efficient aircraft operations now and into the future, and include an assessment of aircraft noise and other potential impacts of the proposed developments on the community.

GOLD COAST AIRPORT PROPERTY STRATEGY

The GCA long term property strategy seeks to expand the airport's role as an economic and aviation hub in the south-east Queensland and northern New South Wales regions.

This strategy complements the airport's primary aviation function with high quality business, education and lifestyle offerings. The property strategy, which is aligned with the vision in its 2017 master plan, seeks to take advantage of GCA's unique location in the middle of a growing tourist destination.

As part of the property strategy, Gold Coast Airport has grown its landholdings by approximately 18 hectares recently, including a high-profile parcel at Wollemi Place that was previously home to a drive-in movie theatre; the former Border Park Raceway site; and a holding at Boyd Street, Tugun.

A key component of the property strategy is to deliver a high-quality hotel located at the heart of the Airport precinct. A hotel provides opportunity for an iconic built form entry to integrate with the future Plaza and add to the overall guest arrival experience.

An agreement has been reached with a third party for the development, ownership and operation of an international standard hotel as part of its vision and strategic plan for the expansion and evolution of the Airport.

LOOKING AHEAD

PRIORITIES FOR FY18 INCLUDE:

- Project LIFT building construction to commence post 2018 Commonwealth Games
- Delivery of the ILS project
- Airport hotel site preparation and construction will commence
- Aircraft Operations Centre (AOC) implementation
- PMO (Project Management Office) implemented
- Risk management and business continuity planning





Queensland Airports LIMITED

QUEENSLAND AIRPORTS LIMITED

Level 1 Airport Central, 1 Eastern Ave, Bilinga Qld
PO Box 112, Coolangatta Qld 4225
P: +617 5589 1100 F: +617 5536 2838
E: info@qldairports.com.au
www.qldairports.com.au



GOLD COAST AIRPORT PTY LTD

ACN 077 200 821
Level 1 Airport Central, 1 Eastern Ave, Bilinga Qld
PO Box 112, Coolangatta Qld 4225
P: +617 5589 1100 F: +617 5536 2838
E: info@gcal.com.au
www.goldcoastairport.com.au



TOWNSVILLE AIRPORT PTY LTD

ACN 081 257 490
Cnr Halifax St & Stinson Ave, Garbutt Qld
PO Box 7636 Garbutt Qld 4814 Australia
P: +617 4727 3211 F: +617 4779 1843
E: info@tsvairport.com.au
www.townsvilleairport.com.au



MOUNT ISA AIRPORT PTY LTD

ACN 081 257 552
Barkly Highway, Mount Isa Qld
PO Box 2305, Mount Isa Qld 4825 Australia
P: +617 4743 4598 F: +617 4743 0101
E: info@isairport.com.au
www.mountisairport.com.au



LONGREACH AIRPORT PTY LTD

ACN 138 820 854
Landsborough Hwy, Longreach Qld 4730
PO Box 503, Longreach Qld 4730
P: +617 4658 3766 F: +617 4658 3210
E: info@longreachairport.com.au
www.longreachairport.com.au