

Queensland
Airports^{LIMITED}

Annual Report
2015
/16



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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

Our pillars help us translate our vision into everything we do



Shareholder Value



Customer Experience



Social Responsibility



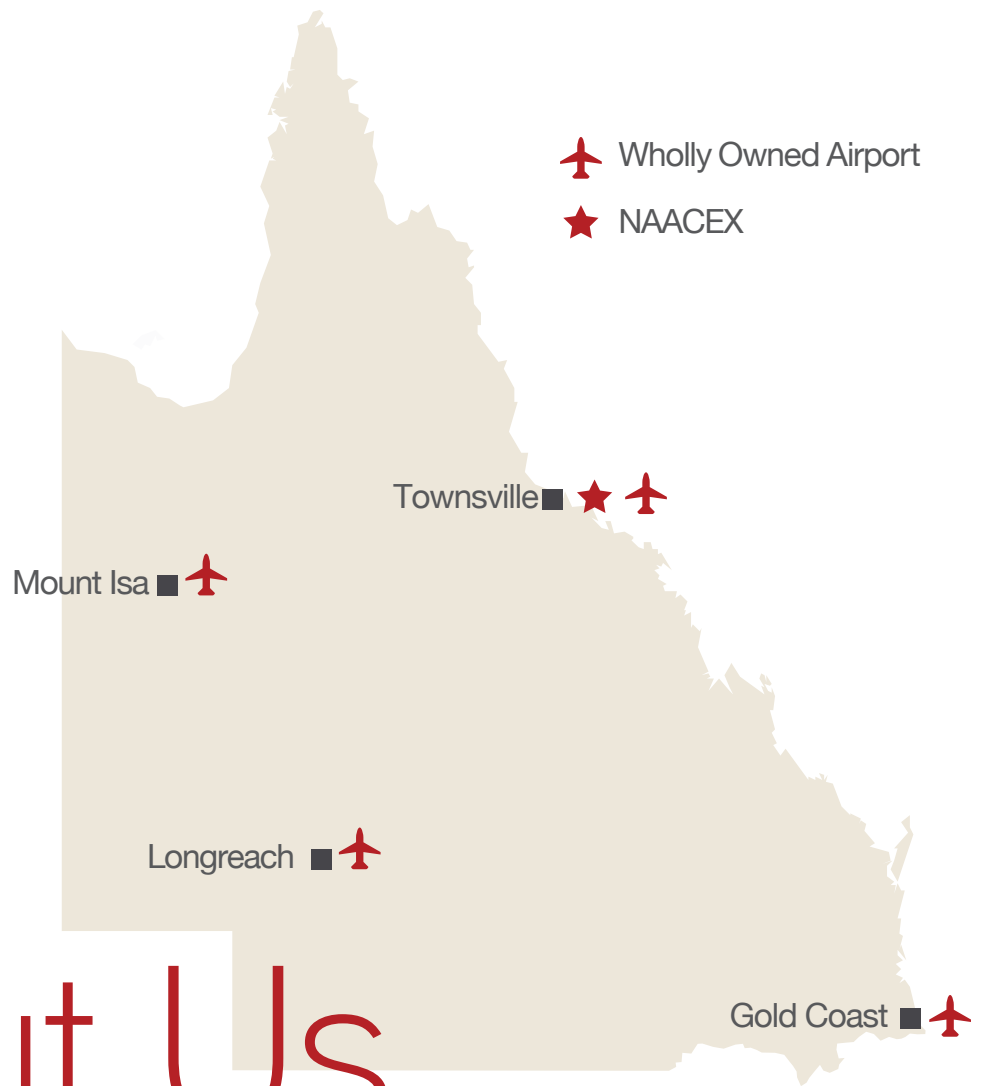
High Performing Workforce



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 since 1998.

We currently own and operate airports in the following locations:

- Gold Coast
- Townsville
- Mount Isa
- Longreach

We also own the Northern Australian Aerospace Centre of Excellence (NAACEX) in Townsville, which facilitates aviation support businesses.

Our focus is on operational excellence through a long-term commitment to regional investment, sustainable growth, regional partnerships and innovative strategy.

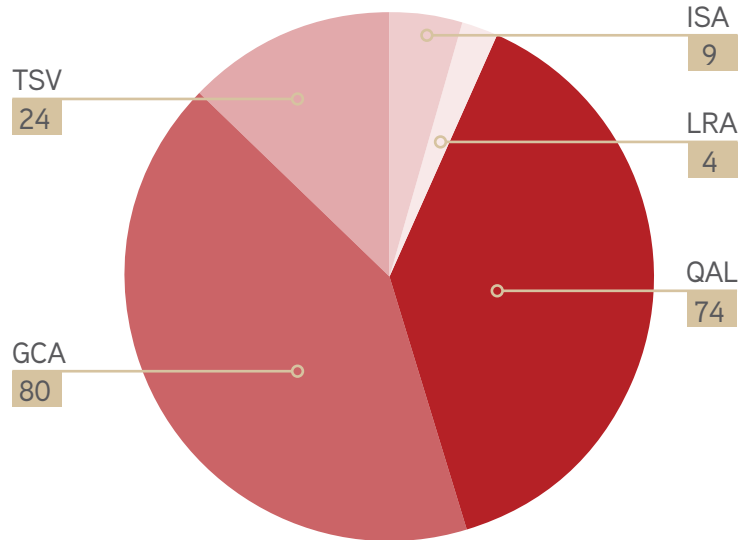
OUR SHAREHOLDERS

Australian-owned, our shareholders are:

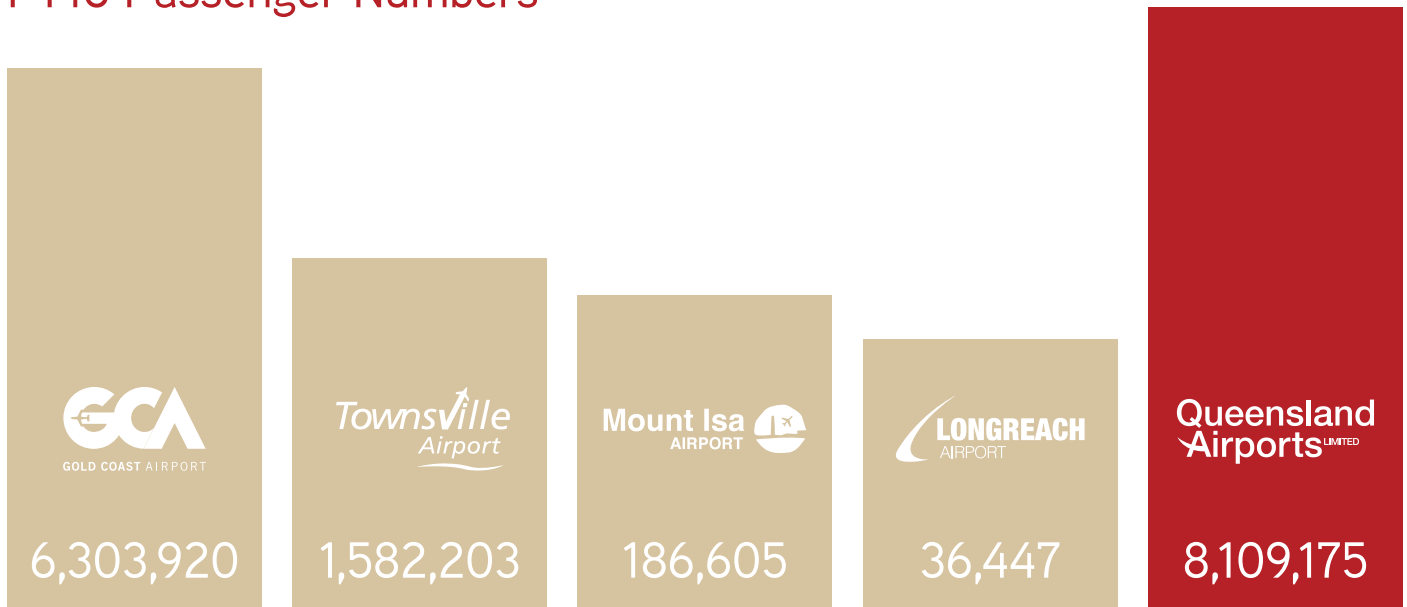
- Gardior Pty Ltd as trustee for The Infrastructure Fund
- Perron Investments Pty Ltd
- QAL Investments No.2 Pty Ltd as trustee for QAL Investments Trust
- STC Funds Nominee as trustee for the Project Cricket State Super Unit Trust
- State Street Australia Ltd as custodian for Sunsuper Superannuation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

QAL Group at a Glance

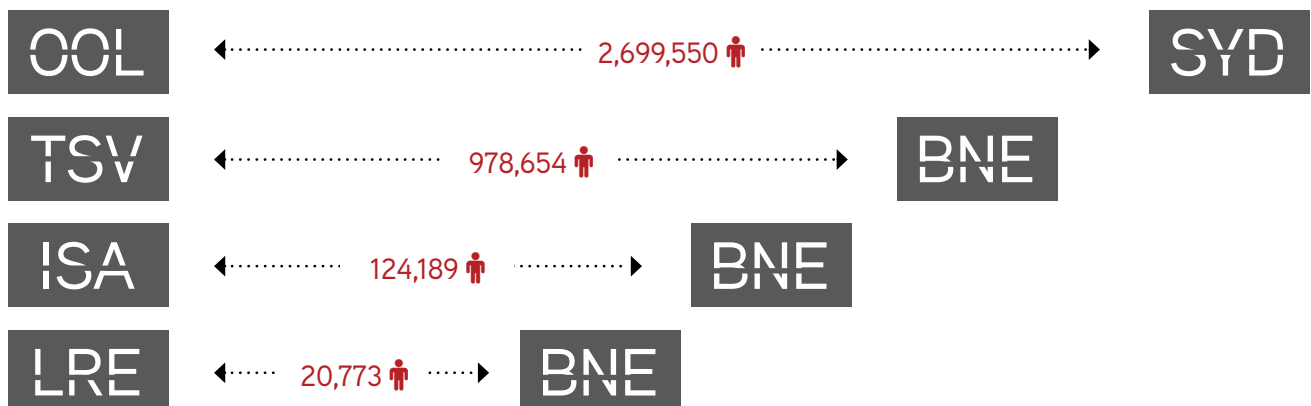
Headcount
Total Group



FY16 Passenger Numbers



Our airports busiest routes for FY16 are:





Chairman's Message

ANNABELLE CHAPLAIN

“

Through our learning and development program QAL is committed to the continued development of our people and investment in the future of our industry.

”

The 2015-16 financial year for the QAL Group has seen our Board and Executive team focus on ensuring the business is best placed to achieve the deliverables set out in the QAL Strategic Plan, while we maintain the focus on our core business of effective airport management.

Last financial year we worked closely with our management team to revise the existing QAL vision and mission, and this year have focused on site specific brands, with the Gold Coast Airport team successfully delivering a modern rebrand and brand foundations that reflect our business now and into the future.

This financial year we welcomed a number of new international and domestic routes, including the reinstatement of international services in Townsville and the commencement of direct services between Gold Coast and China with Hong Kong Airlines.

The area of learning and development was also a strong focus for QAL during this reporting period. Highlights included the creation and delivery of a workshop for Indigenous business owners and implementation of an

internship program providing students with real-world experience. QAL has also entered into Memoranda of Understanding with several universities and TAFEs, paving the way for internships and research collaboration in addition to the opportunity for QAL employees to tap into innovative thinking and be involved in program content and delivery. QAL has also developed and implemented both a Graduate Program and a Work Immersion Program. These are fixed-term paid positions, enabling both new graduates and students who are enrolled in a relevant degree program to gain work experience within our business. Through our learning and development program QAL is committed to the continued development of our people and investment in the future of our industry.

I would like to take this opportunity to acknowledge the QAL Executive team and our staff, our customers, and our industry and financing partners for their ongoing support.



CEO's Message

CHRIS MILLS

“

I am fortunate to have a supportive board and shareholders, as well as a dedicated and enthusiastic executive team, to turn our vision into results.

”

It has been a very successful year for our business. Since moving into the CEO role in October last year, my focus has been on delivering the strategic plan which will take our airports forward. This has seen us exit from non-core activities, and concentrate on growing and diversifying the core business.

This financial year saw a record 8.1 million passengers travelling through the group airports. Gold Coast in particular reported an impressive 6.3 million passengers, its busiest year ever with strong growth in domestic and international numbers.

Apart from the passenger growth, it has been busy on many other fronts.

Gold Coast Airport had two Major Development Plans approved in 2016, for an Instrument Landing System (ILS) and for Project LIFT, the multi-million dollar redevelopment of the terminal. Site works are well underway to facilitate apron expansion. Expressions of interest have been sought for a hotel development near the terminal, and land has been acquired near the airport to facilitate future growth plans.

Townsville Airport also had a Major Development Plan approved for its terminal redevelopment plans. Work commenced at Mount Isa Airport to upgrade the existing car park facility and provide solar panels on the car park covers. Longreach Airport added 396 solar panels to the terminal roof to now deliver 95% of its daytime power needs.

Recently we launched our inaugural community benefit fund, a program designed to provide financial grants to groups in our regions, and we were delighted with the response from the community - this initiative is here to stay. We continue to sponsor a range of other activities and events, and for the first time we provided grants to outstanding performers in the Gold Coast Eisteddfod to enable them to pursue their dreams.

I am fortunate to have a supportive board and shareholders, as well as a dedicated and enthusiastic executive team, to turn our vision into results.

Thank you to our staff, our customers, and our industry partners for your continued 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
Outback Queensland Tourism
Townsville Enterprise
Destination Tweed
Local universities
City of Gold Coast
Tweed Shire Council
Townsville Council
Mount Isa Council
Longreach Shire Council
Media

State

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

**QAL
Group**

Federal

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

Community

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

QAL Board



Annabelle Chaplain

INDEPENDENT CHAIRMAN

*BA, MBA, FAICD,
Non-Executive Chairman appointed 1 January 2014.*

Annabelle Chaplain is an experienced company director with in-depth experience in financial services, infrastructure and mining-related companies. Her executive career was spent as an investment banker, working on a variety of transactions for public sector and large corporate clients. She is a Director of ASX-listed Downer-EDI Ltd.

In the public sector, Annabelle is a Director of EFIC, Australia's export credit agency and was previously a member of the Board of Taxation. In April 2015, Annabelle was appointed as Non-Executive Chairman for Canstar Pty Ltd and in November 2015 she was appointed a Non-Executive Director for Seven Group Holdings Limited.



Andrew Agnew

*B.A., B.Ec. (Honours in Finance), GAICD,
Non-Executive Director appointed 5 March 2013.*

Andrew is Chairman of the Remuneration Committee and a former banker for more than 30 years. He is also a Director of infrastructure fund manager, Gardior Pty Ltd and a Director of global tank terminal company, LBC Tank Terminals.

QAL Board



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 Airways.

His experience includes Senior Executive roles in Commercial, Airport Management and Regional Airlines.

Ashley is Chairman of Aviation Australia Pty Limited and is a Non-Executive Director of Mildura Airport Pty Limited. Ashley was formerly Non-Executive Director of Newcastle Airport Pty Limited.



Robert Lette

*Solicitor FASFA MAIST MAICD MUDIA
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. He was admitted to the Supreme Court of Queensland in 1966 and is a Director of Envirogen Pty Ltd and North Queensland Airports. Chairman of BUSS(Q) Building Super and Gardior Pty Ltd.

QAL Board



Alan Mulgrew

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

Alan has 30 years' experience as a senior executive heading up large capital intensive organisations, both in Australia and overseas – including Perth and Sydney Airports. On retiring from Sydney Airport in 1997, he established a corporate advisory company providing strategic advice to numerous major institutions; primarily in the development and implementation of major infrastructure projects.

He is Chairman and Director on a number of high profile Boards spanning Transportation, Energy, Infrastructure and Government. These roles include Non-Executive Director positions in Adelaide Airport Ltd (SA), Tesla Corporation (WA) and CBH.

Alan was previously a Non-Executive Director of Doric Holdings Pty Ltd (WA), BAC Holdco, Atlantic Ltd, Chairman of Western Carbon, Australian Renewable Fuels Pty Ltd and Tourism Western Australia.



Jonathan van Rooyen

BBus (Econ), Post Grad Dip (Fin), Nat Dip (Mgmt)

Jonathan is the Portfolio Manager for 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.

QAL Board



Nigel Chamier

*AM, FRICS, FAICD, FAPI,
Non-Executive Director appointed 1 April 2014.*

.....

Nigel is the Executive Chairman of NAC Investments Pty Ltd. He is the immediate Past President of the Brisbane Club and has been Honorary Consul for Sweden since 2000.

Following a highly successful career with JLL, spanning more than two decades, he is a Fellow of the Royal Institution of Chartered Surveyors, the Australian Property Institute and the Australian Institute of Company Directors. Nigel provides high-level guidance to the private and public sectors on property and development matters.

A former President of the Queensland Division of the Property Council Australia, Nigel was awarded a Medal of the Order of Australia in 1994 for services to the property industry and in June 2008 was awarded the Royal Order of the Polar Star for services to Sweden.

Nigel oversaw the acclaimed \$215 million restoration of Brisbane City Hall and played a major role in the development of landmark Brisbane buildings including Central Plaza and the Riverside Centre on Eagle Street.

In 2016, Nigel joined the South Bank Corporation Board and also the Strategic Advisory Board of Griffith Business School.

He currently chairs the Anzac Square Restoration Committee for The Lord Mayor of Brisbane.

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

Mr Robert Lette

Chairman

Mr Jonathan van Rooyen

Non-Executive Director

Mr Ashley Kilroy

Non-Executive Director

Remuneration Committee

Mr Andrew Agnew

Chair

Ms Annabelle Chaplain

Non-Executive Director

Mr Alan Mulgrew

Non-Executive Director

Aeronautical & Related Infrastructure Committee

Mr Alan Mulgrew

Chair

Property Development Committee

Mr Nigel Chamier

Chair

QAL Management



Chris Mills

CHIEF EXECUTIVE OFFICER

Chris Mills joined QAL in June 2014, and in October 2015 was appointed to the role of Chief Executive Officer (CEO). As the 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 Currumbin Wildlife Sanctuary.



Marion Charlton

CHIEF OPERATING OFFICER, GOLD COAST AIRPORT

Marion Charlton has an impressive track record with 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 in the 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. In 2008 she was awarded the International Woman's Day Leadership Award for the Gold Coast.

QAL Management



Kevin Gill

CHIEF OPERATING OFFICER, TOWNSVILLE,
MOUNT ISA AND LONGREACH AIRPORTS

Kevin Gill has 24 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 a number of 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.



Paul Donovan

EXECUTIVE GENERAL MANAGER BUSINESS
DEVELOPMENT AND MARKETING

Paul Donovan 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 also 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 1 July 2014, Paul has headed up the Business Development and Marketing Team 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.

QAL Management



Hamish McKellar

GENERAL COUNSEL AND COMPANY SECRETARY

Hamish McKellar 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 a number of 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 a number of mergers and acquisitions including the Colonial Group's acquisition of Legal and 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 and 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.



Amelia Evans

CHIEF FINANCIAL OFFICER

Amelia Evans joined QAL in April 2016 and is a qualified Chartered Accountant with 20 years' experience in various industries including aviation, telecoms, FMCG and property development. Her initial grounding at Ernst & Young has led to senior executive roles in the public and private sectors in Australia, Solomon Islands, London, United States and the Caribbean.

At British Telecom in London, Amelia managed the group strategic plan, negotiated joint venture agreements and delivered a significant change management program. In the Caribbean, Amelia oversaw the establishment of IGA supermarkets and construction of retail and commercial properties. At Qantas, Amelia worked in Head of Finance roles within the areas of operations, commercial, sales, customer experience and engineering, and was also responsible for the delivery of major aircraft capital reconfiguration programs.

In her roles, Amelia has managed financial, operational, people, technology and project teams. Amelia has been on various advisory Boards for disaster management, economic development and sporting associations. Amelia is actively involved in a number of national leadership and mentoring programs.

Amelia oversees the finance, technology and people teams for QAL.

QAL Management



Carl Bruhn

EXECUTIVE GENERAL MANAGER PROPERTY AND INFRASTRUCTURE

Carl Bruhn joined QAL in August 2016 and brings to QAL 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 Manager 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 licensed real estate agent.

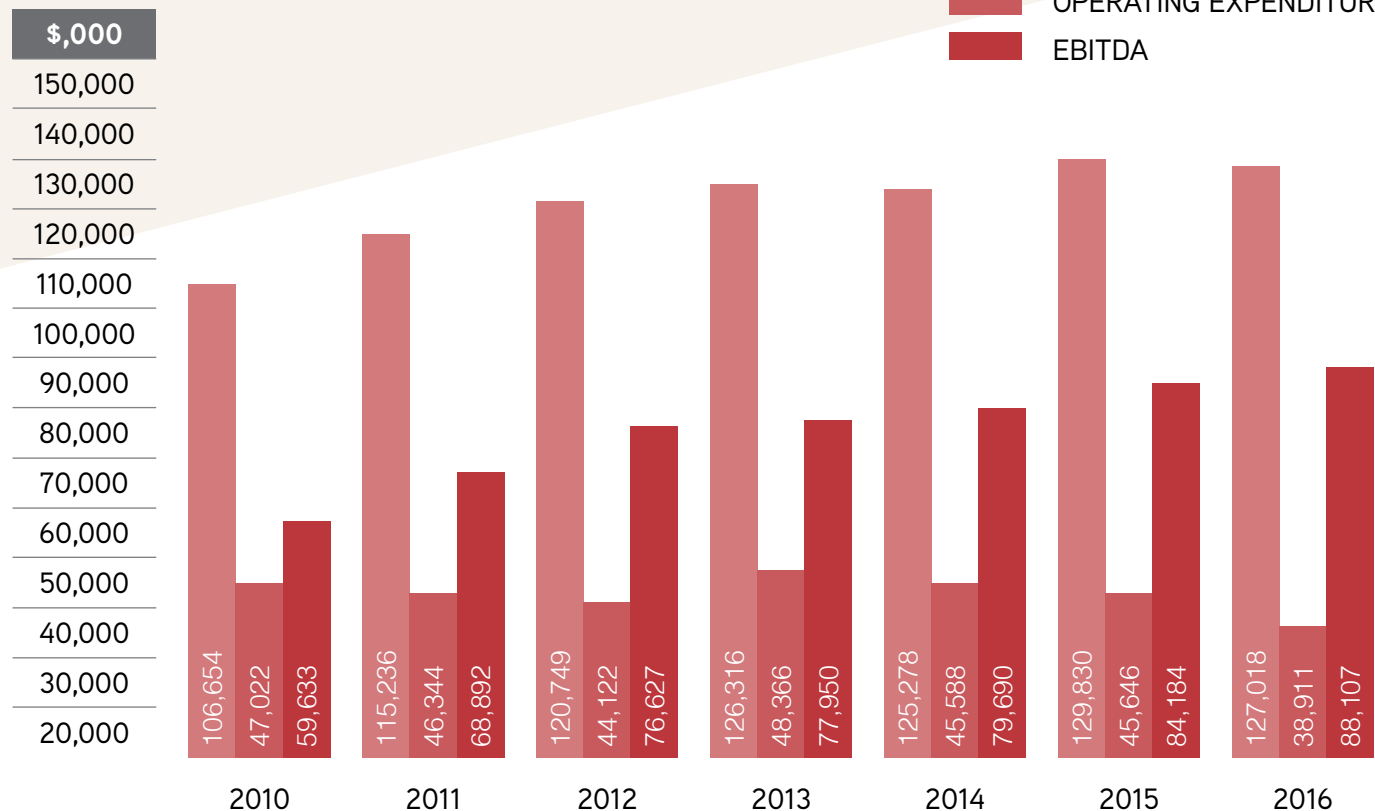


Shareholder Value

- Growing market share
- Developing our non-aero business
- Focus on cost and yield

Financial Performance

■ OPERATING REVENUE
■ OPERATING EXPENDITURE
■ EBITDA



	2010 \$,000	2011 \$,000	2012 \$,000	2013 \$,000	2014 \$,000	2015 \$,000	2016 \$,000
Interest Revenue (External)	1,440	1,564	1,602	805	854	376	420
Interest Costs (External)	22,646	33,048	35,388	33,257	32,496	32,326	32,958
Depreciation & Amortisation	21,898	21,718	22,267	29,449	31,535	28,595	29,364
Other Adjustments	-2,853	-5,877	1,740	17,821	858	8,331	13,838
Loan Note Interest	3,751	3,951	4,569	5,051	5,079	5,079	5,093
Income Tax Expense	3,679	1,183	1,161	5,314	4,317	6,429	9,805
Net Profit After Taxation	6,245	4,679	16,584	23,505	7,975	20,462	25,145
Dividends Declared	22,999	24,500	31,501	33,008	35,509	34,642	16,531 ⁽¹⁾

(1) Dividends were retained in 2016 to fund property acquisitions adjacent to Gold Coast Airport.

The Year in Review

July

- Public consultation period for the proposed Project LIFT redevelopment commenced.
- Department of Infrastructure and Regional Development approved Major Development Plan for the Southern Cross University (SCU) Building C and at Grade Car Park.
- Work commenced on the Gold Coast Airport Preliminary Draft Master Plan 2017, with the document due out for public consultation in October 2016.

August

- SmarteCarte opened up a Baggage Services kiosk at Gold Coast Airport in August 2015. This outlet is located adjacent to the check in area and includes services such as baggage wrapping, baggage weighing, and the purchase of travel accessories.

September

- JETGO commenced a service between Gold Coast and Townsville (via Rockhampton). Operated by a 36 seat Embraer jet, the service operates thrice-weekly return services.
- Jetstar commenced direct services between Gold Coast and Wuhan. The service was the result of a landmark agreement between Jetstar and Hubei Wanda New Airline International Travel Services Co. Ltd. The service was operated by a B787 aircraft. Services were ceased in September 2016.
- Gold Coast Airport received regulatory approval for the overlay of runway 14/32.
- Rejuvenation of the international terminal in Townsville was completed ahead of resumption of international services.
- Jetstar commenced direct international services between Townsville- Bali. The service operates three times weekly and signalled a return to international services for Townsville Airport.

October

- Jetstar commenced daily direct services between Gold Coast and Avalon on an A320 aircraft, resulting in an additional 131,000 seats per year into and out of the airport.
- Qantas commenced direct services between Gold Coast – Melbourne, adding more than 61,000 seats per annum.
- Fulton Hogan appointed to complete Gold Coast Airport runway overlay 14/32.
- Gold Coast Airport acquired a 1.6 hectare site at 57 Boyd Street, Bilinga for future development.
- The NRL Grand Final weekend saw Townsville Airport handle an additional 20 charter flights to Sydney, such was the demand to see the NQ Cowboys win the Premiership.

December

- Gold Coast Airport reached a historical milestone, welcoming 6 million passengers during the 2015 calendar year.

The Year in Review

January

- Hong Kong Airlines commenced a direct charter service between Gold Coast and Hong Kong during the Chinese New Year period, operating thrice weekly. Due to strong demand this service was then extended to a year round service.
- Gold Coast Airport received Federal Government approval of the Instrument Landing System (ILS) Major Development Plan. At the time of going to print this approval had been challenged through the Administrative Appeals Tribunal process. Gold Coast Airport anticipates a decision on this appeal in early 2017.
- The Major Development Plan for Project Alive, Townsville Airport's redevelopment, was approved by the Federal Government.

February

- Project LIFT Major Development Plan was approved by the federal government.
- MAC Cosmetics opened a kiosk store in the common departure lounge at Gold Coast Airport, with projections to turnover in excess of \$1m in the first year of operation. It was just the second stand-alone MAC outlet in Australia when it opened at Gold Coast Airport.
- Premium car park expansion and CCTV upgrade projects in Townsville were completed.

March

- Ivy Pearce building was officially opened at Gold Coast Airport. The three-level commercial building is home to flagship tenant Australian Federal Police and is named in honour of deceased local aviatrix, Ivy Pearce.
- AirAsia X commenced services between Gold Coast and Auckland five times weekly in addition to the existing Gold Coast – Kuala Lumpur service.
- Gold Coast Airport runway 14/32 overlay works completed. This project was delivered on time, under budget and with no operational delays.
- Townsville Airport Preliminary Draft Master Plan was released for public consultation.

May

- Gold Coast Airport appointed Fulton Hogan as civil works contractor for Project LIFT.
- Buildcorp appointed as building works contractor for QAL and GCA management office refurbishment. This refurbishment was completed in August 2016.
- Gold Coast Airport's large annual retail promotion, funded by the Retail Promotions Fund, successfully ran for the third consecutive year. This year, the consumer promotion was sponsored by Flight Centre with two passengers both winning a \$5,000 Flight Centre Travel Voucher. A 3% increase in passenger spend rate was achieved during the promotion period (Jan-May16).

June

- Gold Coast Airport acquired a 5.1 hectare commercial zoned site at 1 Wollemi Place, Tweed Heads for future development opportunities.

Looking Ahead

Priorities for FY17 include:

- Construction commencement of the Gold Coast Project LIFT development
- Construction commencement of the Townsville Project Alive development
- Delivery of 1st stage of the new on-airport property strategy at Gold Coast
- Finalisation of proposed Gold Coast on-airport hotel
- Expansion of Gold Coast premium car park
- Delivery of enhanced car park and solar project in Mount Isa
- Construction of wildlife proof fence in Longreach





Customer Experience

- Enhancing customer service quality
- Upgrade facilities
- Range of products and services

Connectivity



Connectivity



Mount Isa Car Park Upgrade

In July 2016 Mount Isa Airport commenced upgrade works to the existing airport car park, aimed at substantially improving passenger experience, safety, access and sustainability at the airport.

Upon completion the project will increase the total number of car spaces to over 220.

Solar shade structures will be installed as part of this project, providing covered long term parking spaces and pedestrian walkways. These shade structures will provide passengers relief from the sun and will offset almost half of the airport's electricity usage during daylight hours.

Ground transport facilities will also be improved with the construction of two new bus bays with a connecting pathway for pedestrians. The pathway at the front of the terminal will also be extended to the taxi pick-up/drop-off area, which will allow for ease of access for passengers and visitors.

This project represents an investment of over \$3.5 million by Queensland Airports Limited.

Longreach Airport Solar Panels

Longreach Airport has installed 396 solar panels on the roof of the terminal building to significantly reduce the airport's reliance on mains power and to offset carbon emissions.

The solar panels will offset the airport's electricity usage during daylight hours.

Longreach Airport currently has a peak-hour load of 68 kilowatts. The new panels can produce up to 99 kilowatts, offsetting approximately 95% of the airport's daylight load. It is estimated this will equate to a total annual saving of \$32,000 per annum.

Looking Ahead

Priorities for FY17 include:

- Commencement of GCA Ambassador Program. This volunteer program is aimed at improving customer service for passengers traveling through the airport
- Installation of Common Use Passenger Processing Systems (CUPPS) at GCA. This will enable passengers to self-check-in and bag drop



Social Responsibility

- Sustainable activities
- Collaborating with the community
- Economic drivers in our regions



Our Communities

QAL understands the importance of the communities we serve. As the largest regional airport operator in Australia, we are 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 \$500k in sponsorship throughout Queensland and Northern New South Wales each year.

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

- Queensland Tourism Awards
- North Queensland Tourism Awards
- Gold Coast Airport Marathon
- Bleach* Festival
- SWELL Sculpture Festival
- Mount Isa Mines Rotary Rodeo
- Magnetic Island Race Week
- Townsville Enterprise

- Gold Coast Business Excellence Awards
- Tweed Business Excellence Awards

QAL has also introduced a Community Benefit Fund, aimed at providing financial assistance to a number of community-based initiatives in each of the communities we operate.

The response to this initiative was overwhelming and a total of 34 community groups have benefited from these funds.



Aviation Enthusiasts Community

Gold Coast Airport has a significant local plane spotter community and during this financial year GCA held our 2nd annual plane spotters photography competition.

The competition granted a group of competition winners a morning of exclusive airside access to photograph aircraft flying in and out of the airport. This year the Gold Coast Airport photography competition received a record number of entries, with the top 20 being selected to proceed to the next stage of the competition.

The purpose of the competition was to engage aircraft enthusiasts and keen photographers and provide them with a unique airside experience. Our airport supporters are very important to us, and the photography competition is an exciting and engaging way for us to give back to the community by allowing them to get up close and personal with inbound and outbound carriers.

Facilitated through an application on the Gold Coast Airport Facebook page, the competition encouraged users to enter their best three images of aircraft flying in or out of the airport for their chance to win.

The judging panel comprised of Gold Coast Airport Senior Management, a highly regarded South-East Queensland-based aviation enthusiast, and also special guest judge Sean Scott - Tourism Australia ambassador and Burleigh Heads based professional photographer.

The grand prize winner was awarded a one hour aerial photo shoot, to capture the airport from above via helicopter.

Community Engagement

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

Gold Coast Airport Air 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 particular focus on noise abatement strategies.

The purpose of the Gold Coast Airport ANACC is:

- Examination of aircraft noise complaints and handling.
- Revision, implementation and adherence to Aircraft Noise Abatement Procedures.
- Revision, implementation and adherence to flight paths.
- Timely provision of aircraft noise and flight path monitoring system information.
- Airport master planning; and

- Public information and education programs about noise related aspects of Aircraft operations.

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 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 the airport. These Community Aviation Consultation Groups are part of the Federal Government's Aviation White Paper recommendations and subsequent Airports Act Amendment Bill.

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 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.

The CACG provides updates to the community members and industry representatives on:

- Airport development activities (including the Airport Master Plan).
- Airport environment initiatives (including the Airport Environment Strategy).

- New airport activity (such as new services) or changes to aviation services.

- Planning, regulatory and policy changes affecting the airport.

- Changes to airport facilities.

- Access issues including for people with special needs.

- Economic contribution of the airport (including the Airport Economic Impact Study).

Relevant updates will also be provided to the CACG from government departments including Department of Infrastructure and Regional Development, Airservices Australia and CASA.



Our Environment

- ISO14001:2004 certification of GCA's Environment Management System has been maintained.
- Gold Coast Airport rainwater harvesting system supplied approximately 37% of the terminal's water needs, reducing the draw on the town water supply by almost 16mL. Telemetry devices fitted last year to allow real-time monitoring of the airport's mains water meters also assisted with the management of potable water.
- GCA's Carbon footprint mapping is near completion in preparation for level 1 accreditation under Airports Council International's Airport Carbon Accreditation Program next financial year.
- Preparation of GCA Cultural Heritage Management Plan, including consultation with Indigenous stakeholders, has progressed with expected completion early FY17.
- Ongoing management of weeds and pest species takes place at GCA including rabbits, hares and foxes along with dedicated vegetation management staff maintaining natural bushland areas.
- Regular liaison continues with local environmental, cultural heritage and community groups.
- Monitoring and management programs for surface and groundwater, flora, fauna, contaminated sites and natural resource consumption continued to be implemented and updated as required.

Social Media Highlights

Queensland
Airports LIMITED



An increase of 53%
on the year prior

Mount Isa
AIRPORT



590 new Facebook likes,
an increase of 79%

GCA
GOLD COAST AIRPORT



6081 new Facebook likes,
an increase of 42%



449 new Twitter followers,
an increase of 10%



An increase of 56%



An increase of 43%

Townsville
Airport



4715 new Facebook likes,
an increase of 40%



482 new Twitter followers,
an increase of 190%



An increase of 200%



An increase of 32%

Looking Ahead

Priorities for FY17 include:

- Ongoing success of the Community Benefit Fund across the QAL Group
- Achieve Level One Carbon Accreditation
- Rollout of the new GCA brand with work to commence of refresh of QAL and TAPL brands



High Performing Workforce

- A common mission
- Supporting success and being accountable
- A diverse, skilled and capable team

Learning and Development

- In partnership with CBA, Supply Nation, Griffith University and Australian Computer Society, QAL co-hosted a highly successful Indigenous Jump Start program – offering an innovative and supportive platform for indigenous business to develop and grow business ideas and opportunities.
- An internship program was implemented to enable students to gain valuable “real world” experience. Part of the program requires the intern to complete a workplace project which enables them to include this on their CV as workplace experience.
- QAL is currently finalising Memoranda of Understanding (MOU) with several universities and TAFEs. These MOU's will facilitate synergistic partnerships, not only enabling the undertaking of internships, collaborative research and projects, but also creating the opportunity for QAL employees to become actively involved in university program development and delivery within their individual areas of expertise.
- QAL has also developed and implemented a Graduate Program and Work Immersion Program. These are fixed-term paid positions, enabling both new graduates and students to gain work experience while injecting fresh, innovative ideas into the organisation.
- The annual staff engagement and enablement survey was conducted in June and results remain overall very positive when benchmarked with both internal and external indicators.
- Aligned with QAL's strategic direction, the People team initiated a number of process improvement programs to enhance productivity and accuracy, improve communication across all business units, streamline business processes and workflows, increase management efficiency and remove the administrative burden of manual processes to our business.
- The two major process improvement programs involved the procurement, development and commencement of implementation of a human resource information system (HRIS) called “Honey” and the “Time Target” time and attendance system.
- The Honey project includes the implementation of eight modules including Human Resource Master Record, Job Descriptions, Performance Management, E-Recruitment, Induction and On-boarding, Training, Surveys and Employee and Manager Self Service.
- The time and attendance system integrated with the Payroll system has been implemented at Gold Coast Airport with further implementation planned for QAL and regional airports.
- Employee engagement:

Response Rate 74%

Engagement 71%

Enablement 67%

Looking Ahead

Priorities for FY17 include:

- Ongoing development of staff through implementation of ‘A day in the life of ...’ program
- Implementation of QAL succession plan
- Implement staff recognition program



Accomplished Operators

- Capacity management
- Safe and secure places
- Efficient and effective operations

WH&S and Security

The following highlights have been delivered throughout the year to promote and guide good health and safety practices:

- GCA rolled out training for site supervisors and managers to inform them of their obligations in regards to WHS processes, responsibilities and procedures.
- Gold Coast Airport Safety Month was rolled out in October to promote workplace health and safety and to highlight the importance of safe work practices and behaviours.
- Audit conducted on the WHS Safety Management system in November which identified recommendations to improve our Safety systems and processes.
- GCA rolled out Management and Senior management training on WHS harmonisation and safety leadership to provide an understanding on their safety obligations.
- First aid / CPR and Low voltage resuscitation training provided to staff.
- Upgrade of CCTV camera capabilities at the security screening points, front of house, car park and critical points both landside and airside at Townsville Airport.

Emergency Planning

Across the QAL Group, table top and field exercises are carried out annually to ensure the organisation is prepared in the event of a real-life emergency.

These mock scenarios provide staff with opportunity to test and improve emergency management plans.

GOLD COAST

In December 2015 Gold Coast Airport held the annual emergency field exercise. Named Operation Connect, the objective of this exercise was to test all on-airport stakeholders in the set-up, operations and functionality of all reception centres at GCA in response to an aircraft incident.

TOWNSVILLE

Staff at Townsville Airport in partnership with the Townsville RAAF base, airline partners and state and federal emergency services undertook bi-annual emergency scenario training in September 2015.

Every two years, management of Townsville Airport is required by the Civilian Safety Authority (CASA) to conduct a field exercise at the airport to test the Airport Emergency Plan.

Full field emergency named Exercise Pandora was held to test the airport's preparedness in handling a declared emergency for a diverted international flight.

MOUNT ISA

A tabletop exercise was held in September 2015, focused on testing on-airport stakeholders and emergency services response to an active shooter in the terminal.

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 then 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.

The Minister's decision was challenged and an Administrative Appeals Tribunal (AAT) process commenced. Both Airservices Australia and Gold Coast Airport joined the Department as a party to the process.

As a result of this appeal construction on the installation of the ILS has been delayed pending a final decision from the AAT.

PROJECT LIFT

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

A range of work to improve the customer experience leading up to and during the 2018 Commonwealth Games will be carried out at the airport, including expanding the apron capacity and a transformation of the check-in area, introducing self-check-in and bag drop services in mid-2017.

Gold Coast Airport is well equipped to deal with the passenger numbers expected during the 2018 Commonwealth Games. The Airport already deals with similar projected passenger numbers during peak times, such as Christmas. It is estimated that as many as 12,000 people, including 1,300 Games family, could be departing the day after the closing ceremony. On January 3 2016, almost 24,000 passengers were welcomed and farewelled at the airport.

The redevelopment of Gold Coast Airport's terminal facilities will increase the terminal's capacity to meet future demand to 2023.

Driven by long-term passenger growth, Project LIFT has a number of features, including the expansion of the terminal building, four additional aircraft parking stands and a consolidated ground transport facility.

Gold Coast Airport is committed to Project LIFT as it is crucial the city's development momentum continues beyond 2018. Project LIFT will deliver better services and create jobs and economic opportunities for the Gold Coast and Northern New South Wales regions.

TOWNSVILLE AIRPORT REDEVELOPMENT MDP

Townsville Airport released its Major Development Plan (MDP) for a \$40 million upgrade to existing terminal and apron facilities in May 2015, receiving approval in January 2016. The redevelopment will breathe new life into the airport and improve the user experience, with construction expected to commence in 2017, and the apron expansion the first component to commence.

TOWNSVILLE AIRPORT MASTER PLAN

Townsville Airport's Preliminary Draft Master Plan 2016 was released for public consultation in March 2016.

Townsville Airport currently has more than 1.6 million passenger movements per year. By 2038, Townsville Airport is forecast to have 2.7 million passenger movements.

The 2016 Master Plan presents detailed concepts for the period covering the next twenty years to the year 2036 including the forecast growth and facilities required to accommodate this growth. The 2016 Master Plan specifically focuses on the development requirements over the next five years.

The 2016 Master Plan also proposes land use controls and protection in areas adjacent to the airport to ensure safe and efficient aircraft operations now and into the future, and includes an assessment of aircraft noise and other potential impacts of the proposed developments on the community.

The Preliminary Draft Master Plan was approved by the Federal Government in August 2016.

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More Information

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