

# Annual Report

# 2020



## Contents

- 03 Our Vision
- 04 Our Culture
- 05 About Us
- 11 COVID-19 Impacts
- 14 Shareholder Value
- 15 Financial Results
- 18 Customer Experience
- 20 Social Responsibility
- 23 High Performing Workforce
- 25 Accomplished Operators
- 27 Looking Ahead



## 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
- Engaging with our customers throughout their journey
- Fostering growth within our communities
- Investing in our people and empowering them to help achieve our vision
- Elevating and setting the industry standard through innovation and creative thinking

## Our Culture

### Our Values

#### Integrity

- We value honesty, respect and fairness
- We do what we say
- We act in the best interests

#### Teamwork

- Together we succeed
- Everyone is a customer
- We are inclusive and support each other

#### Passion

- We are enthusiastic
- We care about what we deliver
- We take pride in our work

#### Innovation

- We think differently
- We are creative and flexible
- We share our experience to build new ideas

#### Accountability

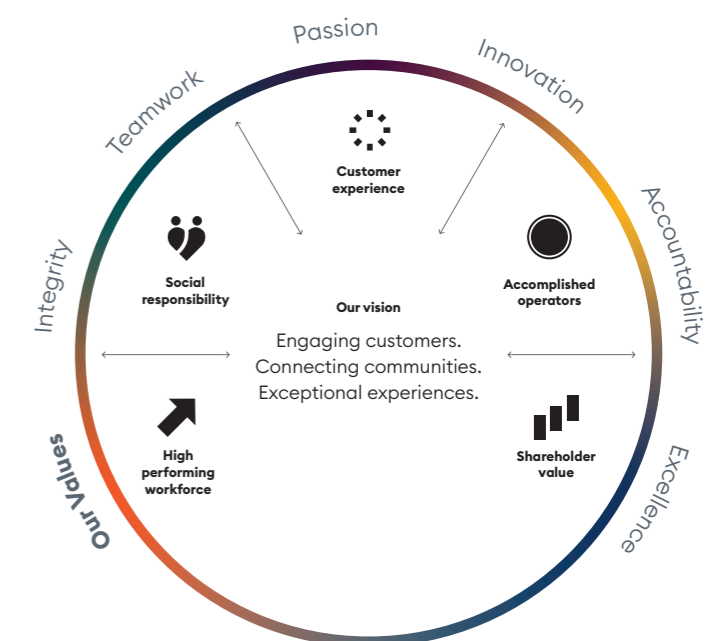
- We take responsibility for our actions
- We lead by example
- Safety and social responsibility are priorities

#### Excellence

- We have high performance standards
- We add value and deliver quality
- We embrace change and deliver outcomes

### Strategic Framework

The strategic framework illustrates how our vision and values support the achievement of goals linked to our corporate pillars of shareholder value, customer experience, social responsibility, high performing workforce and accomplished operators.



## About Us

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

An Australian-owned company, we are committed to delivering for the communities where we operate.

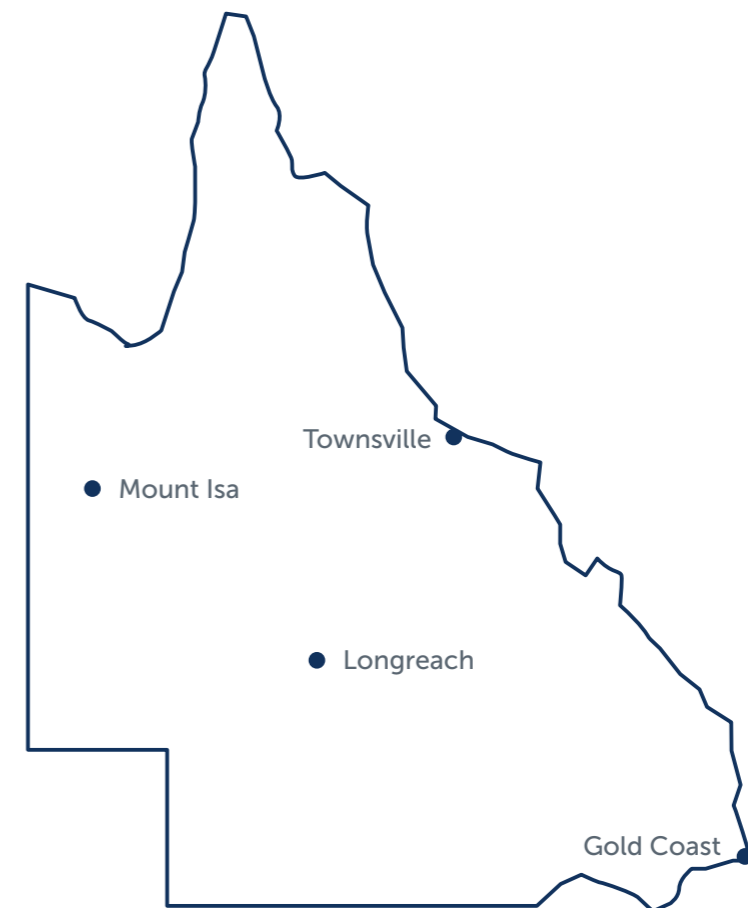
We welcomed about 6.3 million passengers in FY20 – connecting the Gold Coast and northern New South Wales, along with regional Queensland, to the rest of the country and beyond.

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

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



## Map of Operations



## Chairman and CEO's Message

The last year has been incredibly challenging for the aviation industry – airlines and airports have been hit hard by COVID-19 and associated travel restrictions. As a result in FY20 we recorded 6.3 million passengers (down 25 per cent on the previous year) and EBITDA of \$68.3m (down 29 per cent).

The company was in the middle of a significant capital program when restrictions began, which included construction of the Gold Coast terminal expansion and airport hotel. In Townsville the plans for the terminal redevelopment were being refreshed, roof works were completed and the entrance road was being realigned. Those and other capital projects were supported by growing passenger numbers at the time. On the Gold Coast, another record was set on 4 January when 25,544 passengers travelled via our airport. In Mount Isa, 11 consecutive months of growth were notched up by February. The new Jetstar Gold Coast-Seoul service started strongly in December – boosting international passenger numbers for Gold Coast Airport.

But by March it was clear the landscape had changed. Travel restrictions were announced and the Queensland border shut on 25 March. Gold Coast Airport, which normally welcomed about 18,000 passengers a day and 420 flights per week, was impacted the most and closed for seven days in April due to no services. Although limited services resumed, passenger numbers were down 99 per cent for the balance of the year. Our other ports, which had some interstate activity, fared slightly better. The board and executive team quickly focused on the crisis, putting plans in place to protect the business and position it for recovery. Measures were implemented to reduce operating costs, defer capital spend, improve liquidity, and ensure the terminals were operating in a COVID safe manner.

Throughout this crisis, our primary focus was on our people, our passengers and our partners. Most of our employees started working from home on 26 March and this continued for almost four months. A number of employees left the business as a result of the downturn in activity. We thank them for their efforts during their time with QAL and wish them all the best for the future.

Travel restrictions remain in place at the time of preparing this report, and FY21 results will continue to be impacted. We have worked to safeguard the future of the company and will continue to do so for some time to come. Despite the ongoing challenges and uncertainty, we remain positive about the opportunity with pent up demand for travel once borders open. The recovery in Townsville, Mount Isa and Longreach is well underway. The Gold Coast's recovery is dependent on borders reopening, particularly to key volume markets in Sydney, Melbourne and New Zealand.

There is no doubt visitors will come back in significant numbers to the outstanding destinations waiting in Queensland and northern New South Wales when they can travel freely again.

We would particularly like to thank our board, employees and our partners, who have displayed incredible resilience, flexibility and understanding throughout this difficult period. We look forward to rebuilding the QAL business and all the businesses it supports together.

— **John O'Neill AO, Chairman**

— **Chris Mills, CEO**



Left to right: Chris Mills and John O'Neill AO



Left to right: Steven Fitzgerald, John O'Neill, Amanda McMillan, Hugh FitzSimons, Ashley Kilroy, Alan Mulgrew

Absent from group picture; Elizabeth Albergoni.



## QAL Board

### John O'Neill AO

**Chairman of the Board**  
**Non-executive director appointed 1 July 2019**  
**Member of the Remuneration Committee**

John has created success running three major organisations in banking and international sports. Previous senior management roles include at the State Bank of New South Wales, Australian Rugby Union (ARU) and Football Federation Australia (FFA).

John was appointed as chairman of Star Entertainment Group in 2012 and Bates Smart Advisory Board in 2018. John is also an advisory council member of China Matters.

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

### Ashley John Kilroy FAICD

**Non-executive director appointed 26 October 2012**  
**Member of the Risk and Audit Committee**

Ashley is a former airline executive with more than 40 years' aviation management experience with TAA/ Australian Airlines and Qantas. Ashley's experience includes senior executive roles in commercial, airport management and regional airlines. Ashley is chairman of Aviation Australia Pty Limited and a non-executive director of Mildura Airport Pty Limited.

### Alan Mulgrew BA (Mgnt), Dip Corp Fin, GRAICD, JP

**Non-executive director appointed 25 March 2013**  
**Member of the Remuneration Committee**

Alan has more than 30 years' experience as a senior executive heading up large capital-intensive

organisations, both in Australia and overseas – including Perth and Sydney airports. He is a non-executive director of Adelaide Airport Ltd, CBH Group and Interflour Group. He is the former chairman of Western Power, Tourism WA, Western Carbon, Australian Renewable Fuels Pty and Tesla Corporation. Alan was also a non-executive director of Doric Group and Jaxon Constructions.

### Steven Fitzgerald BEcon

**Non-executive director appointed 23 March 2018**  
**Chair of the Remuneration Committee**

Steven is head of asset management at Morrison & Co and a director of TransGrid and Perth Airport. Previously he was chief executive officer at Wellington International Airport and ran Infratil's European airports. Steven also worked for Sydney Airport, where he held a number of senior roles which included general manager airport operations, head of commercial trading and manager economics.

### Amanda McMillan OBE BAcc, CA

**Non-executive director appointed 22 August 2018**  
**Chair of the Risk and Audit Committee**

An experienced airport executive and chartered accountant, Amanda is a senior managing director in Macquarie's infrastructure and real assets Australian transport team. Amanda is a director of Perth Airport, North Queensland Airports and One Rail Australia. Amanda is the former chief executive officer of AGS Airports Limited, one of the United Kingdom's leading airport groups and operator of Aberdeen, Glasgow and Southampton airports. She was awarded an OBE by her Majesty the Queen for her services to business and tourism in 2013.

### Hugh William FitzSimons B.Ec, LLB (Hons)

**Non-executive director appointed 1 February 2019**  
**Member of the Remuneration Committee**

Hugh leads the transport and healthcare sector for Macquarie Infrastructure and Real Assets in Australia and New Zealand and has worked at Macquarie since 2004. He is a member of the management committee of The Infrastructure Fund and is the chief operating officer of the Macquarie Global Infrastructure Fund series. Hugh is also a director of the Port of Newcastle.

### Elizabeth Jane Albergoni LLB, LLM (Hons 1)

**Non-executive director appointed 28 February 2019**  
**Member of the Risk and Audit Committee**

Elizabeth is an investment director based in Sydney for HRL Morrison & Co where she has responsibility for the performance of several investments the company manages on behalf of its clients. She has extensive industry executive experience including nine years with Sydney Airport and several years working as a competition and regulatory lawyer, focussed on infrastructure. Elizabeth is a director of Perth Airport, Land Registry Services and an executive board member of the World Airport Lawyers' Association.



Left to right: Carl Bruhn, Marion Charlton, Adam Rowe, Kevin Gill, Chris Mills, Amelia Evans, David Hedges

## QAL Management Team

### Chris Mills

Chief Executive Officer

- Joined 2014

### Amelia Evans

Chief Financial Officer

- Joined 2016

### Marion Charlton

Chief Operating Officer Gold Coast Airport

- Joined 2008

### David Hedges

General Counsel and Company Secretary

- Joined 2019

### Adam Rowe

Executive General Manager Business Development and Marketing

- Joined 2017

### Kevin Gill

Chief Operating Officer Townsville, Mount Isa and Longreach airports

- Joined 2008, left September 2020

### Carl Bruhn

Executive General Manager Property and Infrastructure

- Joined 2016, left September 2020



Sheppard performing on the Gold Coast Airport runway to a virtual audience of more than 1 million people in May.

## COVID-19 Impacts

Ongoing flexibility, innovation and collaboration were required to continue operations in a vastly different environment from March onwards.

Passenger numbers fell to unprecedented lows during the crisis. Significant activity was required on a number of fronts to manage the impacts, including:

- Financier engagement on banking covenants, liquidity and refinance plans
- Shareholder support through suspension of dividends and waiver of loan note interest
- Operating cost reductions through workforce stand downs, pay cuts and redundancies, and renegotiation of key contracts
- Cash preservation
- Capital reprioritisation
- COVID safe working arrangements for employees, and operational plans for terminals
- Rent relief for tenants, and sustainable reinstatement of airport concessions.

### Operational changes

A range of hygiene and communication measures designed to comply with federal and state government

COVID-19 requirements were rolled out in our terminals. They included extensive signage, public announcements, and hand sanitiser stations. We also worked closely with our partners to ensure they had strategies in place around hygiene and physical distancing.

While commercial airline services reduced significantly, our teams at Townsville and Mount Isa airports worked closely with airline partners and mining companies to ensure FIFO activity was maintained during the pandemic, allowing essential workers to travel. Arrangements included the facilitation of individual health checks and separate screening areas.

### Workplace changes

Most of the QAL workforce packed up their desks on 26 March and spent about four months working from home to reduce the virus risk. Enabled by technology, employees switched relatively seamlessly from face-to-face meetings to video calls, and activity continued. A COVID-19 Working Group delivered a workplace plan, which saw employees safely return to the office from 13 July. A physically distant office plan, the introduction of a digital sign-in system and hand sanitiser and

cleaning stations throughout workplaces were among the changes made. The increased workplace flexibility embraced during this initial period has continued.

### Support from partners

QAL team members worked more closely than ever with our partners during the pandemic to jointly manage the challenges that emerged. Financiers, shareholders, airlines, retailers, food and beverage operators, security and cleaning contractors, property tenants, project contractors, ground transport and parking operators, tourism partners and maintenance contractors – everyone played a key part in the process and relationships were enhanced for the longer term.

### Sheppard concert

In May, the opportunity to stage a live music concert on the Gold Coast Airport runway was made possible by the reduction in flights and the great work of our operational team. The one-off event was heavily promoted and secured an audience of more than 1 million people, across traditional and social media platforms. Popular Brisbane band Sheppard performed five songs.

### Employee sentiment

In July a short survey was undertaken to pulse-check the sentiment of employees during a time of significant disruption. The feedback was positive – in particular, employees highlighted that internal communication was well managed and the business supported a quick shift to remote working.

Key findings:

- Eighty per cent of employees either agreed or strongly agreed they received enough communication during the pandemic
- More than 80 per cent felt QAL's actions during the pandemic were appropriate
- Eighty six per cent of respondents believed the business cared about their individual welfare and safety.

# General Summary

Strategic Pillar	Milestones and Achievements
 <b>Shareholder value</b>	<ul style="list-style-type: none"> <li>Gold Coast Airport terminal expansion reached full height</li> <li>Gold Coast-Seoul service with Jetstar commenced in December 2019</li> <li>Gold Coast Airport hotel neared completion</li> <li>New entryway to Townsville Airport well progressed</li> <li>Upgrade to terminal roof at Townsville Airport delivered</li> <li>Edge Early Learning opened at Airport Central</li> <li>Gold Coast Airport airside works delivered</li> <li>Gold Coast Airport ground transport interchange completed</li> </ul>
 <b>Customer experience</b>	<ul style="list-style-type: none"> <li>Gold Coast Airport hidden disabilities program launched</li> <li>New therapy dog joined Gold Coast Airport AmbassaPAW team</li> <li>Duty managers joined Townsville Airport team</li> <li>Gold Coast Airport terminal entertainment and activations expanded</li> <li>Gold Coast Airport brand refreshed</li> <li>Xovis data used to develop predictive modelling for passenger flow</li> </ul>
 <b>Social responsibility</b>	<ul style="list-style-type: none"> <li>Community Benefit Fund supported 54 organisations across Queensland and northern NSW, with a record number of applications</li> <li>Key sponsorships delivered across QAL including the Gold Coast Marathon, Greek Fest Glendi in Townsville, Mount Isa Rodeo and the Outback Food, Wine and Music Festival in Longreach</li> <li>Primary school students named the southern terminal expansion cranes</li> <li>Second GRESB assessment successfully completed with an improved (preliminary) result</li> </ul>
 <b>High performing workforce</b>	<ul style="list-style-type: none"> <li>Learning and development opportunities offered across QAL team</li> <li>Education partnerships strengthened, with an extension of the Griffith University MOU</li> <li>Increased focus on diversity and inclusion</li> <li>Second annual mentoring program launched</li> </ul>
 <b>Accomplished operators</b>	<ul style="list-style-type: none"> <li>Security screening upgraded at Gold Coast and Townsville airports</li> <li>Nine per cent increase in QAL's social media following, with 112,000 followers and an audience of 25 million people</li> </ul>



## Shareholder Value

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

### Gold Coast Airport Hotel takes shape

The \$50 million Gold Coast Airport hotel topped out in December 2019 and local builder Condev has ticked off a series of construction milestones since then.

Construction has supported local employment, with about 760 employees and contractors inducted on site and 8,000 cubic metres of concrete pumped into the project since the first sod was turned in early 2019.

A highlight of the construction was the use of pre-fitted bathroom pods. Designed and constructed off site at Molendinar, the pre-fitted bathrooms were trucked down to the airport, arriving with plumbing, lighting and joinery completed. The use of this construction technique cut internal fit-out time by about 15 per cent.

The hotel will open before the end of the 2020 calendar year.

### Terminal expansion highlights

Construction of Gold Coast Airport's terminal expansion reached the halfway mark, topping out at the end of the financial year.

When complete, the expanded terminal will offer passengers and guests a bright, modern facility with four aerobridges. The project will double the size of the existing terminal and cater for both international and domestic visitors.

Construction continued during the COVID-19 crisis and QAL has revised the construction timeline, in light of the reduced activity and financial impacts to the business.

Ten local businesses delivered work on Gold Coast Airport's terminal expansion project – injecting more than \$35 million into the local economy. Managed by construction firm Lendlease, the trade packages included concreting, fencing, roofing and formwork – essential elements in the \$200 million project.



**Click here to experience the Gold Coast Airport southern terminal expansion**

## Financial Results

	2014	2015	2016	2017	2018	2019	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Revenue	125,278	129,830	127,018	130,428	136,109	138,759	111,608
Operating Expenditure	45,588	45,646	38,911	39,033	41,188	42,289	43,246 <sup>1</sup>
EBITDA	79,690	84,184	88,107	91,395	94,921	96,470	68,362
EBITDA %	64%	65%	69%	70%	70%	70%	61%
Interest Revenue (External)	854	376	420	368	362	518	122
Interest Costs (External)	32,496	32,326	32,958	32,178	30,426	29,662	35,864
Depreciation, Impairment & Amortisation	31,535	28,595	29,364	23,788	33,741	30,963	31,785
Other Adjustments	858	8,331	13,838	(10,136)	1,541	2,968	7,418
Loan Note Interest	5,079	5,079	5,093	5,079	5,079	5,079	4,884
Income Tax Expense	4,317	6,429	9,805	6,039	8,129	10,365	654
Net Profit After Taxation	7,975	20,462	25,145	14,543	19,449	23,887	2,715
Dividends Declared	35,509	34,642	16,531	35,611	40,010	30,007	15,004

<sup>1</sup> 2020 Operating Expenditure includes provisions of \$5,331k raised in relation to debtors with recovery risk, including Virgin Australia. Excluding these provisions the 2020 Operating Expenditure would be \$37,915k.

## Passenger Numbers

Passenger numbers	Financial year results		
	FY20	FY19	Change
Gold Coast	4,809,610	6,439,598	-25.3%
Townsville	1,249,020	1,631,419	-23.4%
Mount Isa	181,686	205,682	-11.7%
Longreach	26,069	33,164	-21.4%
Total passengers	6,266,385	8,309,863	-24.6%

### Work paves way for Townsville Airport terminal redevelopment

An upgrade to the terminal roof at Townsville Airport was delivered by builder Lendlease – an important step in the transformation of the terminal.

It followed the appointment of Townsville-based i4architecture and global firm Group GSA, who, together with our team, refreshed the terminal redesign throughout the year.

The delivery timeline for the terminal redevelopment is being reassessed with the COVID-19 impacts in mind.

### Edge Early Learning opens at Airport Central

An innovative, eco-friendly childcare centre opened in December on Gold Coast Airport's doorstep in the Airport Central building, servicing workers in the precinct and residents at the southern end of the city.

Edge Early Learning features spacious indoor and outdoor play areas, giving children freedom to explore and learn through play.

### Airside works improve efficiency

Work was completed in September on the Taxiway Echo link, which commenced in March 2020. The project provides a connection between the new and existing RPT aprons at Gold Coast Airport – bringing with it a range of operational benefits, including improved aircraft access between the taxiways and apron.

### Ground transport interchange completed

Construction of a consolidated facility for all Gold Coast Airport ground transport operators including taxis, rideshare, coaches and limousines was completed in early 2020. The shaded ground transport interchange, which will open when passenger services increase, provides operators with a dedicated holding area and their own facilities, including a kitchen, bathroom and vending machines.

The consolidation of ground transport holding areas will reduce congestion on surrounding airport roads, the car park and bus rotunda, while providing upgraded facilities for operators.

### Car parking revenue grows with digital focus

The Gold Coast Airport car parking strategy continued to be enhanced during the year, with a focus on improving the customer experience and broadening choice across a range of online booking options.

Search engine marketing was ramped up, and complemented by airline itinerary campaigns, radio advertising and rideshare combat strategies, which were strategically timed based on car park seasonality and capacity.

In FY20, Gold Coast Airport online parking revenue accounted for 33 per cent of total parking revenue, an increase of six per cent compared to FY19.

### Stellar growth at Mount Isa Airport

Prior to the onset of COVID-19 travel restrictions, Mount Isa Airport had notched up 11 consecutive months of passenger growth by February 2020 and growth had been recorded for 24 of the previous 26 months. Activity by the resources sector supported these numbers and traffic particularly increased on the Brisbane-Mount Isa route.



### Progress made on new Gold Coast Airport border entryway

As the southern part of the airport precinct was further activated, QAL management progressed discussions with the Queensland and NSW governments to help fund the delivery of a new southern entryway at Gold Coast Airport, on the state border.





QAL CEO Chris Mills, Gold Coast Mayor Tom Tate, Minister for Tourism Industry Development Kate Jones MP and Jetstar CEO Gareth Evans.

## Airline highlights

A Jetstar Gold Coast-Seoul service commenced in December 2019 (as pictured above) – the only direct connection to the South Korean capital by a low-cost carrier in Australia. Before the service was paused due to COVID-19 travel restrictions, it operated three times per week on Jetstar’s Boeing 787 Dreamliner aircraft and delivered a \$35 million economic impact to the local economy in the first three months. The service was supported by the Queensland Government’s Attracting Aviation Investment Fund.

Other highlights included:

- Funding secured through Tourism and Events Queensland’s Attracting Aviation Investment Fund to increase capacity between the Gold Coast and Auckland (paused due to COVID-19)
- Gold Coast-Melbourne route became the sixth busiest in the country by December 2019, surpassing Perth-Melbourne
- Gold Coast-Sydney retained its position as the fourth busiest domestic route in Australia during the 2019 calendar year.

## QAL moves forward on off-airport precinct projects

Plans to develop the former drive-in site at Wollemi Place in Tweed Heads continued to progress this year, with key development approvals in place and a builder engaged to begin site works.

## New entry to North Queensland’s gateway

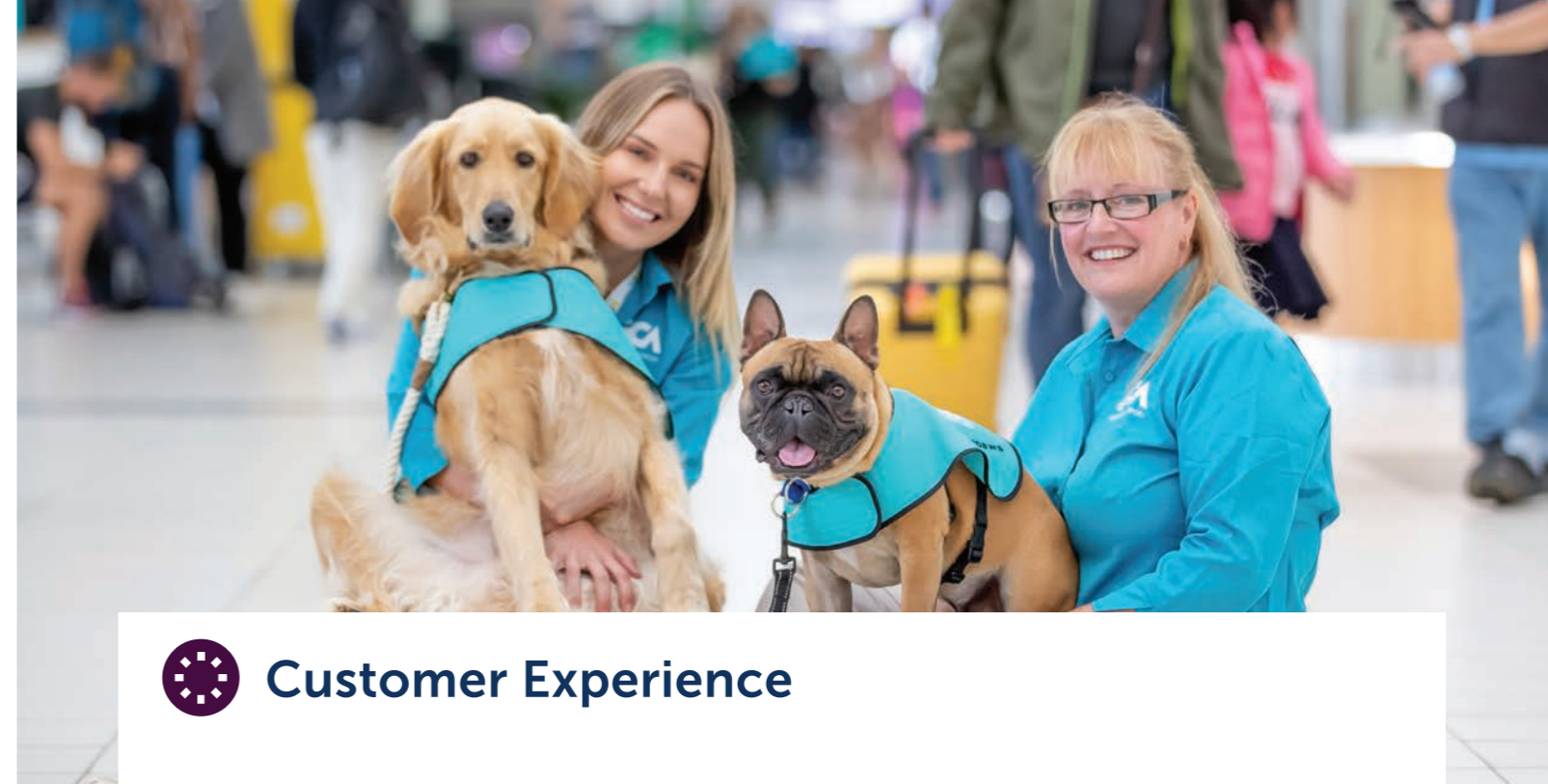
A major upgrade of the Townsville Airport entryway was progressed throughout the year – enhancing safety, access and street appearance for airport customers and precinct partners.

Delivered by local contractor Shamrock Civil, the \$2.8 million project created a new entry and exit point to the Townsville Airport precinct by extending Meenan Street to meet John Melton Black Drive and closing off Halifax Street.

The streamlined entry opened for traffic in September 2020.

## Other projects

- NBN connection to Gold Coast and Townsville airports
- Tenancy refurbishment and opening of SEED Kids and Lagardere News and Books at Gold Coast Airport
- Implementation of new Wide Area Network (WAN) managed service at Gold Coast Airport, with isseek delivering a 60 per cent reduction in costs and improved speed
- Expansion of QAL’s broadband network services to include Edge Early Learning and Gold Coast Airport hotel.



## Customer Experience

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

### Ranji joins AmbassaPAW program

Gold Coast Airport’s successful therapy dog program was expanded during the year, with adorable French bulldog Ranji (pictured) joining the AmbassaPAW team – allowing a Monday to Friday morning operation. Ranji joined the airport’s existing therapy dog Gary, a golden Labrador cross, who started helping nervous flyers in 2018.

### Photographic pioneer honoured in exhibition

Important moments in North Queensland’s aviation history were celebrated in a photographic exhibition of Arch Fraley’s work on long-term display at Townsville Airport – highlighting the close ties between the airport and the Department of Defence. These unique images, dating back to World War II when Mr Fraley was posted to Charters Towers as a photographer and waist gunner in the US Army Air Force, were donated to the airport by the photographic pioneer – with the support of James Cook University – before he passed away in 2012.

### Duty managers help smooth airport journeys

Duty managers joined the Townsville Airport team to enhance our customers’ experience and ensure a smooth airport journey. The new team members are the airport’s eyes and ears on the ground, able to respond quickly to possible disruptions, customer queries and any other issues. The team is focussed on operational touchpoints, including the security screening area

### Comprehensive Hidden Disabilities program launched

In late 2019, Gold Coast Airport launched a comprehensive and best practice program to assist passengers with a hidden disability. It involved close consultation with Autism Spectrum Australia (Aspect). The initiative has been well received, with resources available to passengers with hidden disabilities including:

- A terminal sensory map that identifies low, medium and high sensory areas
- Written and visual social story journeys, designed to assist in the understanding of how an airport works and what to expect
- A lanyard ID program, providing a discrete signal to airport employees that passengers may need extra help, guidance or time with airport processes
- A children’s activity book, hidden disability guide and other helpful links.

and departure and arrivals halls. On the Gold Coast, customer experience retail representatives joined the team to assist passengers at the airport's retail outlets.

## Townsville visitor survey gives insights to tourism operators

North Queensland tourism businesses are able to quickly respond to visitor feedback and offer an improved experience thanks to the availability of real-time data being collected at Townsville Airport by tourism operators – as part of the Townsville Tourism Growth Initiative. Townsville Airport and SeaLink secured grant funding through the Australian Government's Entrepreneurs' Programme for the initiative, which was launched in September 2019.

## Terminal entertainment

The Gold Coast and Townsville airport teams continued to focus on terminal activations to support customer experience efforts. While popular Friday afternoon live music continued in the Gold Coast Airport departure lounge, greater emphasis was placed on connecting airport-sponsored events with passengers. This saw live music played by Blues on Broadbeach performers at Gold Coast Airport and a Greek Fest Glendi honey puff pop-up stall at Townsville Airport, among other activations.

The Gold Coast and Townsville terminals again came alive with festive cheer in the lead up to December 25, with everything from Christmas carols by the HOTA choir, to floating angels and a marching band. Mr and Mrs Claus made appearances and there were retail competitions and giveaways for passengers.

## New consumer data strategy

In early FY20, QAL's marketing team developed a consumer data strategy for the group – which was the first key step in creating a single source of truth for QAL customers. The strategy saw data sets from across the business merge into a single platform, Marketing Cloud, allowing the segmentation and leveraging of data to achieve marketing objectives and enhance customer engagement across QAL's airports. This included the consolidation of data from ADVAM (parking database), Purple Wi-Fi and promotional entries (retail campaigns and competitions). The approach opens up opportunities for improved personalisation and timed communications, rewarding of high-value customers and allows customers to manage the communication they want to receive through a preference centre.

## Gold Coast Airport brand refresh

A brand refresh was undertaken for Gold Coast Airport in the second quarter of FY20 delivering a comprehensive brand strategy, revitalised logo, elevated colour palette and brand guidelines for tone of voice. In order to deliver a brand strategy aligned with the business' high-level strategy, purpose, direction and culture, a combination of research, stakeholder interviews and discovery meetings were conducted with QAL's creative agency. The result is a well-defined brand with a new tagline.

## Predictive modelling for terminal capacity

Utilising new data sources such as Xovis, QAL developed an in-house predictive model to better understand future passenger flows through its terminals. The data provides QAL with average arrival and dwell times, helping to accurately predict the number of passengers in the terminal during busy periods. While providing positive safety and compliance outcomes, this technology tool will also be used to improve the customer experience by informing future operational and capital investment planning.

## New rideshare operator

In September 2019, DiDi launched at Gold Coast Airport, bringing the number of licensed rideshare operators at the airport to four – Uber, Ola, DiDi and Shebah. Passengers at Townsville Airport can travel on Uber and Ola, and negotiations are well advanced with other ride share companies to begin operating in the precinct in FY21.

## Scratch and win campaign rewards customer service

A \$20,000 scratch and win giveaway and staff rewards promotion for Gold Coast Airport occurred late 2019 – rewarding retail staff for engaging with customers and providing excellent customer service. More than 12,000 entries were received in the competition, which was open to shoppers who spent at any airport retail outlet. The competition helped boost passenger spend rate across retail, food and beverage and duty-free outlets by five per cent. More than 150 awards were handed out to retail staff who demonstrated excellent customer service during the period.



## Social Responsibility

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

### GRESB assessment participation

The QAL team successfully completed the second GRESB environment, social and governance (ESG) infrastructure asset assessment. Resourcing restrictions provided an extra challenge this year, but the decision was made to undergo the assessment to ensure continuity for future years. A significant improvement in the (preliminary) score was achieved.

### Airline agreements to lower regional airfares

QAL extended agreements with Qantas and Regional Express (Rex) to help keep airfare costs lower for regional Queenslanders. The agreements delivered discounted landing fees and lower fares at Mount Isa, Longreach and Townsville airports.

### Name the Crane

The names 'McCranium' and 'Straighty McStrong' adorned the Gold Coast Airport construction site after two local primary school students won the chance to name the cranes at the southern terminal expansion.

The winning names were selected from a pool of more than 300 entries submitted by year 3 students across the Gold Coast and Tweed regions as part of the Name the Crane competition run by Gold Coast Airport and construction partner Lendlease.

### Paper cut

New printing, digital document signing and electronic expense management solutions were delivered across the QAL group during the financial year, reducing paper use by more than 50 per cent. The new printing solution allows employees to see how much they are printing and what it costs, while the enhanced reporting functionality shows the environmental impact of printing.

### Our environment

- Gold Coast Airport achieved certification of its Environmental Management System to ISO 14001 standard
- Energy efficiency-related projects were undertaken at Gold Coast Airport, including an upgrade to the air-conditioning system, an LED lighting upgrade, replacement of the baggage belt motor, and an airport-wide electricity meter upgrade
- A management plan for the Gold Coast Airport environmental offset area was approved.



## Sponsorship

QAL's sponsorship portfolio continued to be assessed in FY20, to further align it with the company's strategic priorities. Focus areas included diversity, which saw support for the Tweed Seagulls women's rugby league team continue into the second season. A new partnership was forged with the successful Outback Food, Wine and Music Festival in Longreach.

QAL and its airports supported the following events and initiatives during FY20:

### QAL

- Queensland Tourism Awards
- Tourism and Transport Forum Leadership Summit
- CEDA Economic Development Forum

### Gold Coast Airport

- Gold Coast Marathon
- Home of the Arts (HOTA)
- Gold Coast Business Excellence Awards
- Currumbin Wildlife Hospital Foundation
- Gold Coast Eisteddfod
- SWELL Sculpture Festival
- Tweed BEATS Awards
- Tweed Seagulls Women's Rugby League Team
- Gold Coast Women in Business Awards
- Australian Surf Championships
- AAA National Conference
- Gold Coast Bulletin Future Gold Coast campaign

### Townsville Airport

- North Queensland Tourism Awards
- Townsville Running Festival
- Greek Fest Glendi
- Magnetic Island Race Week
- Legacy Townsville

### Mount Isa Airport

- Mount Isa Rodeo

### Longreach Airport

- Outback Food, Wine and Music Festival

QAL's sponsorship activities were paused from March onwards, to respond to the financial impacts of COVID-19.

### Other giving

- \$18,000 raised through the QAL bushfire drive, shared between WIRES and the Cobargo Community Bushfire Recovery Fund
- Gold Coast Airport terminal lost property funds, with \$5,000 shared between Friends of the Pound at Tweed Heads, Neptune Royal Life Saving Club at Tallebudgera Creek, and GIVIT's bushfire appeal
- \$6,000 book donation to Ronald McDonald House North Queensland, with support from our passengers and partners Lagardere
- The Mount Isa Airport team conducted a successful pancake drive to raise money for the North West Queensland Domestic Violence Resource Centre, while a donation was made to BUSHkids, from monies left behind in the baggage trolleys.

## Community Benefit Fund

A record number of submissions were received for the Queensland Airports Limited (QAL) Community Benefit Fund this year and 54 successful organisations were selected. The groups made submissions for initiatives in health and wellbeing, community safety, education, environment and sustainability, arts and culture, and indigenous projects categories.

About \$50,000 in funding was handed out to grassroots groups based on the Gold Coast, in northern NSW, Townsville, Mount Isa and Longreach. For the first time, successful applicants were invited to attend a morning tea with the teams at Gold Coast and Townsville airports, providing a valuable community engagement opportunity.

Examples of initiatives supported in FY20 include:



Recipient	Initiative
<b>Gold Coast</b>	
<b>Murwillumbah Festival of Performing Arts</b>	Deliver a performing arts festival attracting participants from the Tweed Valley, Gold Coast, Brisbane and Sunshine Coast who compete in speech and drama, music and dance
<b>Australian Air League Coolangatta Tweed Squadron</b>	Provide first aid training for leading cadets and junior cadets in the Coolangatta Tweed Squadron
<b>Mudgeeraba State Special School</b>	Purchase development-assistive tech equipment for students with intellectual and physical impairments
<b>Birdwings Nature</b>	Deliver an ecological program to plant vines in the Guanaba Indigenous Protected Area
<b>Townsville</b>	
<b>Hope &amp; Healing Committee</b>	Hold camps to assist vulnerable Aboriginal and Torres Strait Islander children and young people
<b>Joyful Foundation Fund</b>	Construct buddy benches at local schools for students feeling excluded, isolated or bullied to signal to others they need assistance
<b>Straw No More</b>	Deliver an educational program about the impacts of single-use plastics
<b>Mount Isa</b>	
<b>Mount Isa Landcare Group</b>	Purchase camping equipment for Landcare volunteers
<b>Injilnji Community Kindergarten</b>	Provide safe and secure front door for kindergarten
<b>Longreach</b>	
<b>Central West Suicide Prevention Network</b>	Deliver community workshops on how to best support those at risk, as well as those bereaved, by suicide
<b>Longreach Scout Group</b>	Refurbish part of the Scout den



## High Performing Workforce

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

As at July 2020, QAL employed 192 team members. Subsequently a number of employees left the business as a result of the downturn in activity.

Business	Employees
Queensland Airports Limited	87
Gold Coast Airport	77
Regional (Townsville, Mount Isa, Longreach)	28

### Learning and development

All QAL employees had access to LinkedIn Learning – offering access to short courses that enabled learning on the go and helped them achieve professional and personal goals. During FY20, QAL team members enrolled in almost 1,000 courses and viewed more than 4,500 learning videos.

Mentoring returned at QAL this year, following a successful pilot program in FY19. Delivered in partnership with Griffith University, the program matched 16 QAL leaders with employees from across the business, providing one-on-one coaching in career development and personal growth. The program was extended through COVID-19 to help participants navigate a particularly disruptive period in the workplace.

QAL has also invested in its People and Culture leaders becoming accredited Gallup strengths coaches in order to provide coaching across the business. This approach is based on the philosophy that a person's greatest

opportunity for overall personal improvement is not in their weaknesses but in their strengths. Individual strengths coaching has been now been provided to 22 per cent of our workforce.

### Griffith University MOU renewed

Griffith University and QAL committed to continue the partnership for a further three years after renewing a Memorandum of Understanding (MOU). The extension of the MOU provides valuable opportunities for Griffith students and QAL, and offers benefits to Gold Coast business and industry more broadly.

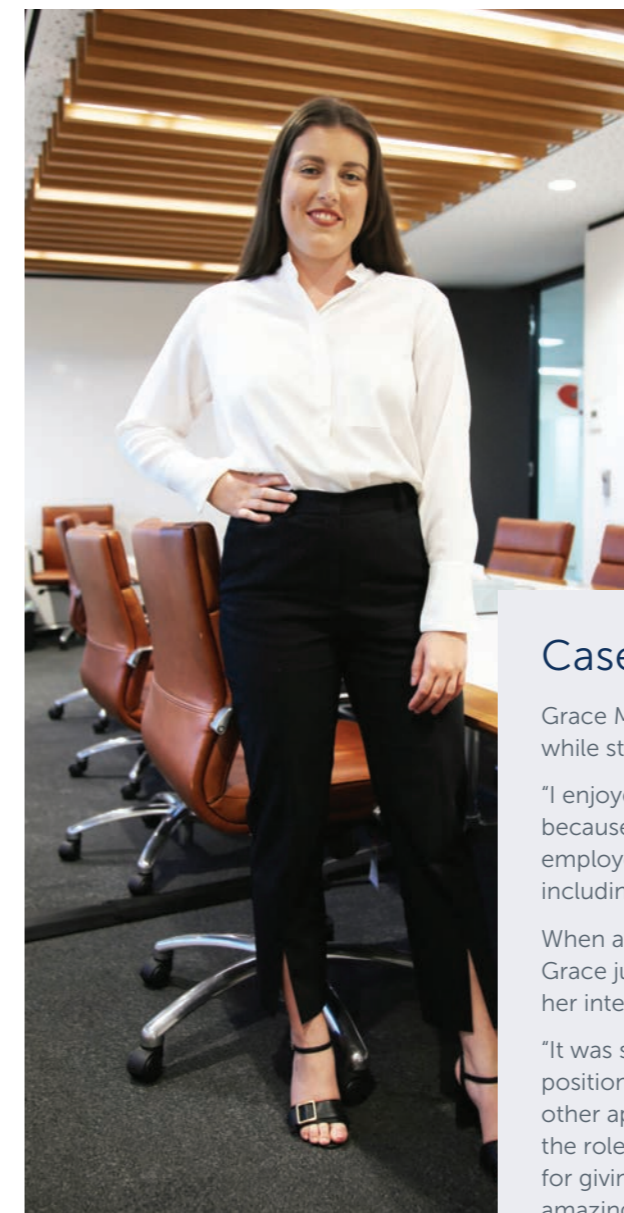
### Education partnerships

QAL continues to build on strong partnerships with education providers across Queensland. These partnerships are premised upon the sharing of knowledge and resources, including internship opportunities throughout the QAL business, full-time work opportunities for graduates and mentoring and guest lecturing by QAL's leaders. QAL was awarded the 2019 Griffith Business School Outstanding Industry Partner of the Year Award, while Southern Cross University provided a certificate of appreciation for participating in the School of Business and Tourism Internship program in 2019.

### Diversity and inclusion focus

Progress has been made on a series of Glidepath initiatives relating to gender, inclusive leadership and culture, including:

- QAL's leaders attended unconscious bias training run by the Diversity Council of Australia, of which QAL is a member
- QAL's first company-wide cultural survey was undertaken
- A calendar of team events was created to raise awareness about cultural celebrations
- Diversity and inclusion specialist Work180 was engaged to review QAL's talent acquisition process and provide recommendations.



### Case study: Grace Miller

Grace Miller joined QAL as a marketing intern in May 2019, while studying a Bachelor of Business at Bond University.

"I enjoyed every moment interning at the company not only because the work was fulfilling, but also because of the positive employee morale. Everyone was friendly and encouraging, always including me and making me feel like part of the team," she said.

When a full-time marketing coordinator role came up at QAL, Grace jumped at the opportunity, and her performance during her internship gave her an edge.

"It was such an overwhelming feeling to be selected for the position as I didn't have years of experience in the industry like other applicants, but the company believed I could perform in the role and gave me the chance. I will be forever grateful to QAL for giving me my first corporate position and have had the most amazing experiences with the company so far."



## Accomplished Operators

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

### Power crisis managed to limit disruption

In December 2019, a drilling rig at a construction site across the road from Gold Coast Airport cut through several Energex cables, resulting in a three-day power outage affecting the terminal and precinct stakeholders.

The operations and assets teams worked around the clock to manage the crisis, ensuring back-up generators supported essential services, while additional generators were brought in to add capacity as the outage persisted. With air-conditioning services down, terminal employees and volunteers focused on customer comfort inside the terminal, with electric fans and free water bottles provided to help keep passengers cool.

Temporary emergency procedures were implemented to counteract the failed radio system, as well as to assist other services including car parking operations, car rental services, Airport Central tenants, Southern Cross University, sewerage pump stations and JUHI

operations. All flights operated as usual during the period thanks to the team's professionalism. QAL employees based at Airport Central worked from home during the outage, in what turned out to be a test run for the COVID-19 period.

### Traditional and social media

Traditional and social media continued to be an important vehicle to position QAL and its four ports, connecting with our customers and the wider community. More than 1,000 media mentions reached a potential audience of 27 million people during the year – 40 per cent more than the year before. From July to February, a total of 810 media reports were published mentioning QAL – which was up by 57 per cent on the same period the year before. QAL's social media audience continued to expand, with our follower base growing nine per cent during FY20 – with more than 112,000 followers across QAL's 10 social platforms. Combined, posts saw our message reach an audience of more than 25 million people throughout the year.

### Appointment of Freshworks

QAL started using Freshservice – Freshworks' cloud-based ITSM software – in March 2020 to manage its catalogue of service level agreements and IT assets – including security cameras and Wi-Fi connection points across its airports. With the implementation of a purpose-built ITSM SaaS solution to deliver ITSM services, QAL's technology team has reduced the time it takes to identify and resolve issues, freeing it up to work on the delivery of the company's wider strategic objectives.

### Cleanstar technology

Gold Coast Airport became the first Australian port to use RETEX Pavement Service, which owns and operates the world's largest water blaster, known as the Cleanstar. The Cleanstar truck (pictured on previous page) removes rubber build-up on the runway using high pressure water blasting, without damaging the underlying pavement or substrate, and without the use of harmful chemicals. This innovative program ultimately assists in enhancing the safety of aircraft movements.

### Airport Safety Week

From mental health workshops and yoga classes, to spot checks for speeding baggage tugs and debris on the airfield, a wide range of safety initiatives were delivered across the QAL airports for Airport Safety Week in October 2019. More than 150 airports across Australia and New Zealand participated in the program, which is run by the Australian Airports Association (AAA) and NZ Airports Association.

### Security screening upgrade

New domestic security screening equipment was installed at Gold Coast Airport, ahead of the Federal

Government requirements. The equipment includes a body scanner – similar to equipment currently used in international screening – and a new CT x-ray machine for screening carry-on luggage.

### Crisis management strategy and planning

A crisis management plan was endorsed by the QAL executive committee, which outlines the agreed steps Gold Coast Airport will undertake to identify, manage and recover from a crisis. The plan is to be used in conjunction with the Aerodrome Emergency Plan (AEP), supporting the Issues and Crisis Communication Plan. A series of specific training sessions and a table-top exercise were undertaken to develop and test the plan just prior to the COVID-19 pandemic. All three of the northern ports have Airport Emergency Plans in place.

### Other projects

- Introduction of a new security operations centre supplier, new security information system and new vulnerability management software to enhance cyber security and better protect the business.



## Looking Ahead – FY21 Deliverables

Our priority for FY21 is to safely recover as travel restrictions ease. Timing of restrictions easing remains uncertain, and therefore flexibility is critical. We are prepared for a range of recovery scenarios. In the short term, our focus is on several priorities:



Looking after our people – their safety and welfare is paramount



Optimising the financial outcomes – maintaining tight cost control, the right capital structure, and appropriate commercial strategies



Ensuring operational readiness – implementing changes to operations, restoring customer confidence in travel



Focus on airlines – seizing opportunities to restore passenger growth



Progressing priority capital projects within time and cost constraints – hotel opening, GCA terminal expansion and other prioritised projects



Protecting and enhancing our ESG credentials

Queensland  
Airports<sup>LIMITED</sup>

[qldairports.com.au](http://qldairports.com.au)