

2014
2015

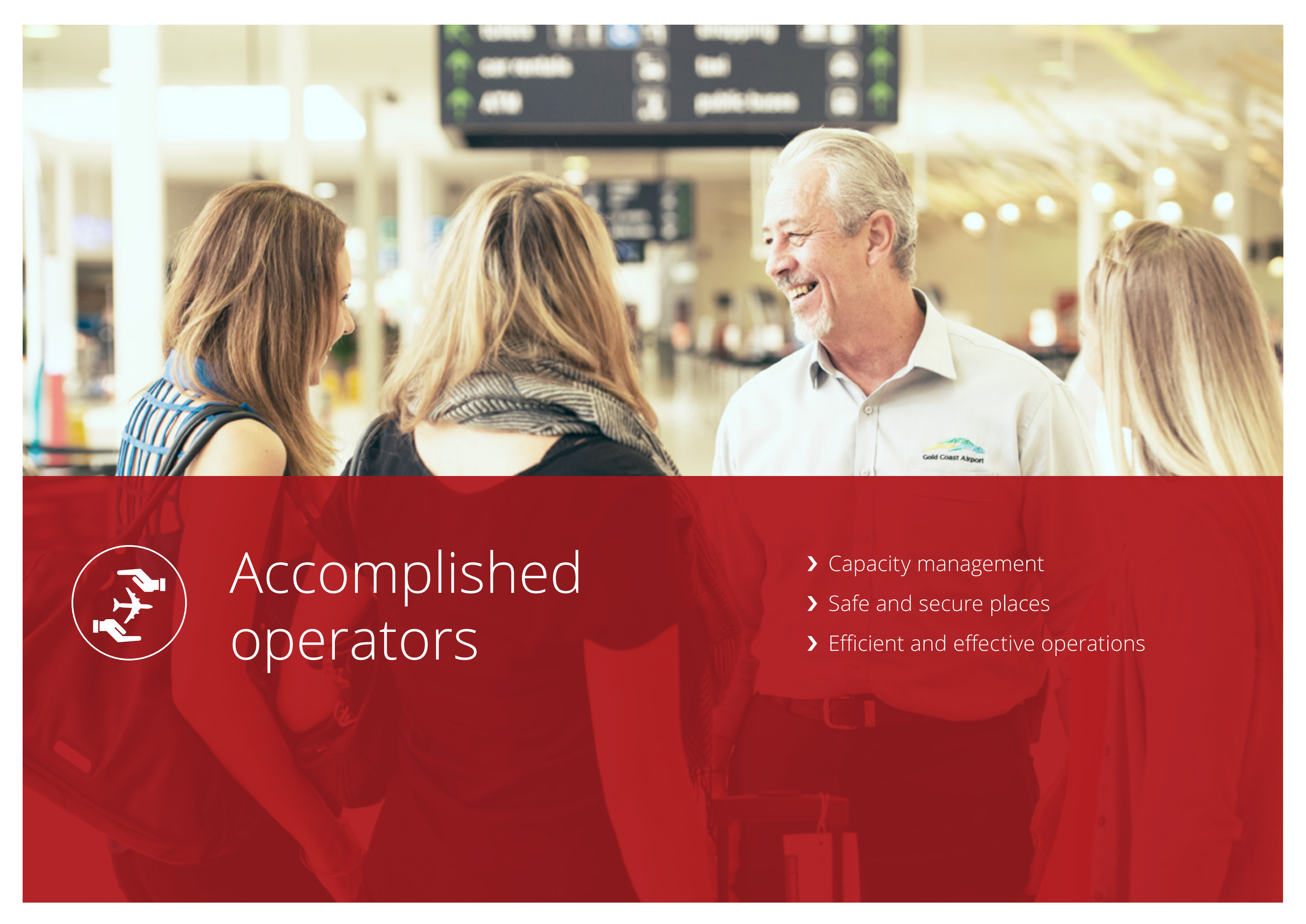
Annual Report

Queensland
Airports LIMITED



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Accomplished operators



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

ABOUT US

Queensland Airports Limited (QAL) is Australia's leading regional airport operator with significant investment in airports servicing regional Queensland and northern New South Wales.

Australian owned and managed, QAL has operated key regional airports for more than 16 years.

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Our purpose is to deliver value to shareholders, airport users and communities across Australia through the innovative development and management of regional airports and aviation related services.

We currently own and operate airports in the following locations:

- » **Gold Coast**
- » **Townsville**
- » **Mount Isa**
- » **Longreach**

We also manage Miles and Chinchilla airports for Western Downs Regional Council. Following a strategic review we have recently exited non-core business units. In October 2015 we sold a ground handling business (AVGH) and in June 2015 sold an aircraft maintenance company (AVIEX).

Our vision is for operational excellence through a long-term commitment to regional investment, sustainable growth and partnership.

OUR SHAREHOLDERS

100% Australian-owned, our shareholders are:

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



OUR VISION

Engaging customers, connecting communities, exceptional experiences.

OUR MISSION

To be the best regional airport owner and operator in Australia.



ACCOMPLISHED OPERATORS

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



HIGH PERFORMING WORKFORCE

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



SHAREHOLDER VALUE

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



CUSTOMER EXPERIENCE

- › Continually measuring and enhancing customer service quality
- › Upgrade facilities
- › Range of products and services



SOCIAL RESPONSIBILITY

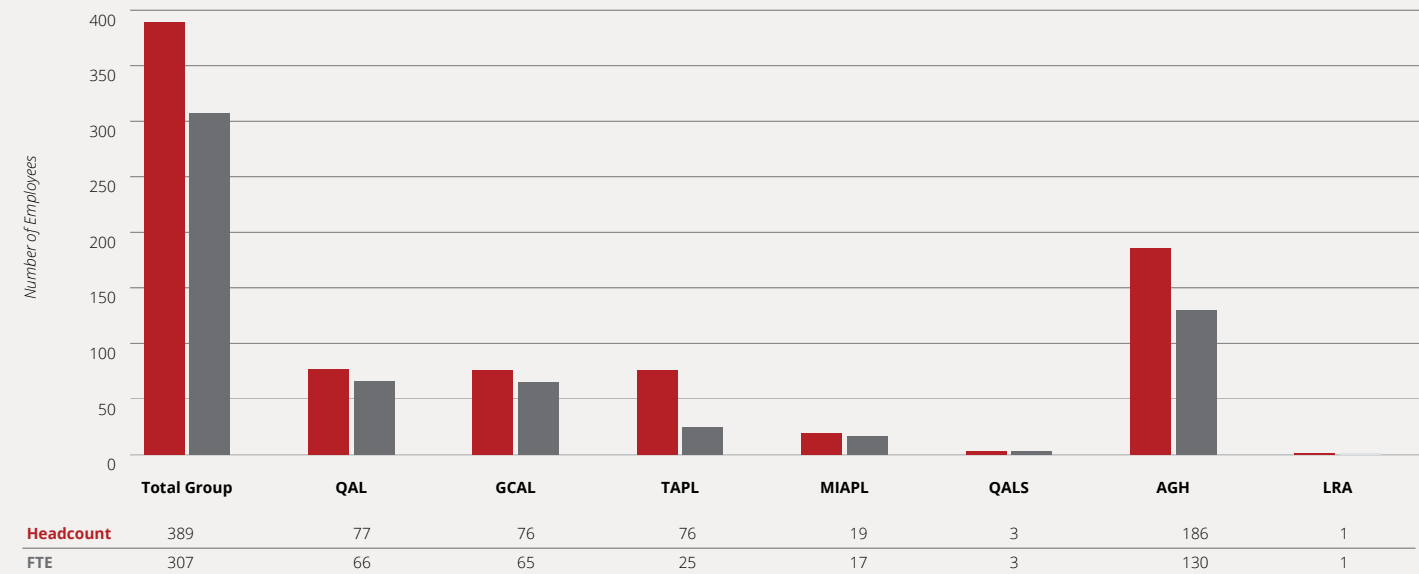
- › Sustainable activities
- › Collaborating with the community
- › Economic drivers in our regions



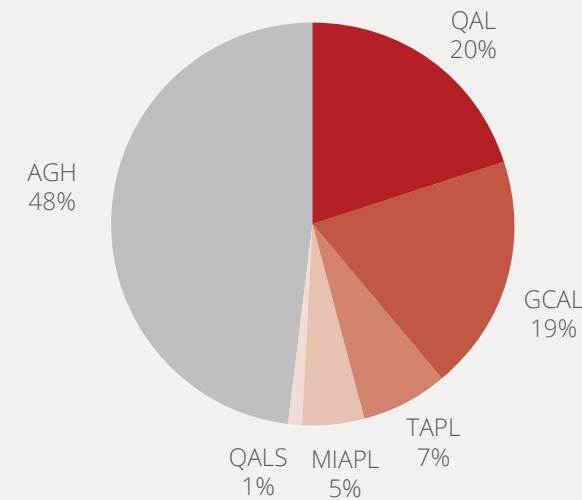
QAL AT A GLANCE

Our staff

Number of employees vs. Full Time Equivalent (FTE)



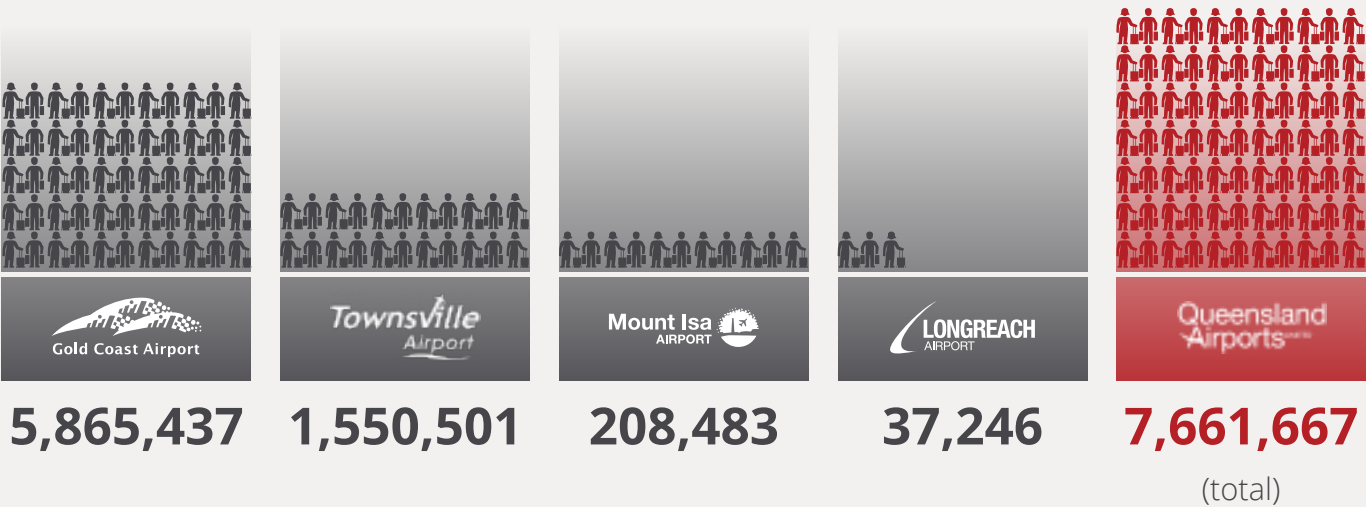
Headcount % of total group



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

Our passengers

FY15 passenger numbers:



Our airports busiest routes for FY15 are:



CHAIRMAN'S MESSAGE



It gives me great pleasure to report on my first full year as Chairman of Queensland Airports Limited.

Annabelle Chaplain

The 2014-15 financial year for the QAL Group has been a year to take stock of all that the business has achieved since its inception in 1999 and to lay some strong foundations for the future so that our operations remain competitive, customer focused and capable of delivering long-term value for shareholders.

This financial year was a challenging one for Australian airports as global uncertainty affected business investment and passenger levels. In this context, QAL's Board of Directors spent significant time developing a strategic plan to guide us through the next ten years. We worked closely with the management team to refresh QAL's vision and mission to ensure the business remains focused on those elements which ultimately drive high performance.

QAL is investing in its businesses and the communities in which it operates. Passengers and airlines will benefit from very substantial upgrades in the Gold Coast Airport under a plan which will address current peak hour capacity issues and meet forecast demand up to 2023. Townville Airport will also see significant investment and upgrade

to the existing terminal and apron facilities. These investments of over \$300 million in total highlight QAL's confidence in these major Queensland communities.

I would like to make mention of QAL's long-serving Managing Director and CEO, Dennis Chant, who retired from this position in October 2015, after sixteen years with QAL. During that time, Dennis led many key projects across the group. On behalf of my fellow directors, I would like to thank him for his valuable contribution over many years. It has been the role of the board to appoint a new Chief Executive who could best navigate these uncertain times and capitalise on future growth opportunities. The appointment of QAL's former Chief Financial Officer, Chris Mills, to the Chief Executive role after a very extensive search is strong evidence of the depth of talent within the organisation. Chris' proven track record in strategy development, his financial acumen and his ability to motivate and work decisively with others, provides the company with a leader energetic and capable of executing on our growth aspirations.

Partnerships with the communities we serve are fostered across all of our airports. QAL is an active sponsor of state and regional events. Sponsorships include the Queensland Tourism Awards, the North Queensland Tourism Awards and the Gold Coast Airport Marathon. In addition to our noise abatement and environmental advisory committees, Townsville and Gold Coast Airports continue to manage Community Aviation Consolation Groups (CACG) under the leadership of independent Chairmen.

I would like to acknowledge the efforts of all of our staff. My board colleagues and I appreciate your commitment and contribution to reposition the company for the next phase of growth. We also thank our customers, industry and financing partners for their ongoing support. QAL values the role it plays in the communities we serve. As the largest regional airport operator in Australia, we are committed to fostering deep relationships within our local communities.

On behalf of the board, I thank you our shareholders for your continuing support and commitment to your company.

CEO'S MESSAGE



It is an honour to pen my first report as the Chief Executive Officer of Queensland Airports Limited.

Chris Mills

Having taken over only recently as CEO, I am very much aware that I am working in a great business with a talented and dedicated team.

This financial year has been one of the busiest on record for QAL, with our board investing in numerous development projects across the group.

Gold Coast Airport has prepared Major Development Plans for both an Instrument Landing System (ILS) and Project LIFT, a multi-million dollar redevelopment of the terminal.

Townsville Airport also successfully reinstated international airport status and has prepared a Major Development Plan for a significant terminal redevelopment. Mount Isa Airport is making plans to upgrade the existing car park facility.

Passenger numbers at Gold Coast Airport experienced modest growth during this financial year, welcoming in excess of 5.8million passengers. Our other airports reported declines in passenger numbers due to a number of external factors including a softening in the resource sector and reduced airline capacity.

During the year we began a process to align our business with our new strategic plan. Our focus on core business lead us to sell the Aviex maintenance business in June 2015, and begin a process to sell the Aviation Ground Handling business.

I would also like to join our Chair in acknowledging the leadership of Dennis Chant over the past sixteen years. Dennis has played a pivotal role growing QAL to make it the strong business it is today.

I look forward to the coming year, working closely with my team to focus on our core business and achieve the goals we have set.

Thank you to our staff, our customers, and our industry partners for their ongoing support this financial year.

OUR STAKEHOLDERS

The success and operation of the QAL Group is made possible by our relationships with a wide-range of stakeholders. We thank them for their support.





High performing workforce

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

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., and also serves as a Director of the operator of the light rail on the Gold Coast and the operator of Yarra Trams in Melbourne.

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.

Annabelle is as Non-Executive Chairman for Canstar Pty Ltd, a Non-Executive Director for Seven Group Holdings Limited, and also Chairman of Date Distribution and Marketing Pty Ltd.

Annabelle is a member of the Finance and Audit Committee for the Gold Coast 2018 Commonwealth Games Corporation.



Arthur Dennis Chant

(Retired 16 October 2015). B. Tech (Civil), MBA, MIEAust., RPEng, MAICD

Executive Director and Managing Director appointed 19 March 2003. 43 years' experience in the aviation, maritime and tourism industries.

Member of World Governing Board of Airports Council International (ACI) and President of the ACI Asia-Pacific Regional Board. Member of the Tourism and Transport Forum's (TTF) National Advisory Board. Member of the Gold Coast Light Rail Advisory Committee.

Board Member of the Gold Coast 2018 Commonwealth Games Organising Committee and an Adjunct Professor at Griffith University.



Andrew Agnew

B.A., B.Ec. (Honours in Finance), GAICD

Non- Executive Director appointed 5 March 2013.

Chairman of the Remuneration Committee.

Former banker for 31 years. Now Director of infrastructure fund manager, Gardior Pty Ltd and a Director of global tank terminal company, LBC Tank Terminals.



Ashley Kilroy

FAICD

Non-Executive Director appointed 26 October 2012.

Former Airline Executive, 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.

He is Chairman of Aviation Australia Pty Limited and is also a Non-Executive Director of Newcastle Airport Pty Limited and Mildura Airport Pty Limited.



Robert Lette

FASFA, MAIST, GAICD

Non-Executive Director appointed 24 January 2005.

Chairman of the Risk and Audit Committee.

Consultant to and former partner of the Queensland law firm Mullins Lawyers. Admitted to the Supreme Court of Queensland in 1966. Director of North Queensland Airports Group. Chairman of BUSS(Q) Building Super, Gardior and The Infrastructure Fund.



Alan Mulgrew

BA (Mgmt), Dip Corp Fin, GRAICD, JP

Non-Executive Director appointed 25 March 2013.

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.

Chairman and Director on a number of high profile Boards spanning Transportation, Energy, Infrastructure and Government.

Non-Executive Director of Adelaide Airport Ltd (SA), Tesla Corporation (WA) and CBH.

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.



Nigel Chamier

OAM, FRICS, FAICD, FAPI Non-Executive Director appointed 1 April 2014. Chairman, Gold Coast 2018 Commonwealth Games Corporation and the Commonwealth Games Infrastructure Authority. Executive Chairman, NAC Investments Pty Ltd and Honorary Consul for Sweden.

Nigel is a Fellow of the Royal Institution of Chartered Surveyors, the Australian Property Institute and the Australian Institute of Company Directors. Mr Chamier 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, Mr Chamier 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.

Mr Chamier oversaw the acclaimed \$215 million restoration of Brisbane City Hall and chairs the Anzac Square Restoration Committee for The Lord Mayor of Brisbane.



Matthew Lorback

B Comm

Non-Executive Director appointed 21 February 2008. Member of the Risk and Audit Committee.

Investment Director at Hastings.

Responsible for overseeing all Hastings' investments in the airport sector and for assessing new airport related investment opportunities for Hastings clients.

Previously a Director of Cairns and Mackay Airports and currently an alternate Director of Perth Airport.

BOARD COMMITTEES

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

Risk & Audit Committee

- Mr Robert Lette, *Chair*
- Mr Matthew Lorback, *Non-Executive Director*
- Mr Ashley Kilroy, *Non-Executive Director*

Remuneration Committee

- Mr Andrew Agnew, *Chair*
- Ms Annabelle Chaplain, *Independent Chairman*
- 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 has over 25 years' experience in various industries including tourism, property development and retail management. His initial grounding in chartered accounting firms in Australia and England has led to senior executive roles in the private and public sectors.

Chris joined QAL in 2014. Prior to this he worked at Ardent Leisure in financial and operating roles within the theme park and marina businesses. He has managed financial, retail and operating activities at the South Bank precinct in Brisbane, and was General Manager of Economic Development Queensland, the state government's commercialised unit for expediting planning and development throughout Queensland. He is also currently a board member of Currumbin Wildlife Sanctuary.



Marion Charlton, Chief Operating Officer, Gold Coast Airport

Marion Charlton has over 30 years' experience in the aviation industry both within Australia and overseas. Since joining QAL in 2004, Marion has held a variety of management roles including her most recent role of General Manager Commercial and Terminals.

Marion's first job was in Dublin with the Irish Airport Authority. Marion worked at Atlanta Airport during the 1996 Olympic Games and at Sydney Airport during the 2000 Olympic Games. The knowledge Marion gained while working at Atlanta Airport during the Games helped form the framework for the Sydney Airport 2000 Olympic Operating Plan. In 2014 Marion attended the Commonwealth Games in Glasgow, further enhancing her knowledge and experience in this area.

Marion also oversaw Gold Coast Airport's most recent airport terminal expansion which was completed in 2010. Marion commenced the role of Chief Operating Officer in November 2015. Marion has worked on the Tourism Advisory Board for Bond University, and is currently on the Advisory Board for Southern Cross University Business School.

In 2008 Marion was awarded the International Woman's Day Leadership Award for the Gold Coast.



Kevin Gill, Chief Operating Officer, Townsville Airport

Kevin Gill has 19 years' experience in aviation and has held executive positions in airlines in Australia and New Zealand including Air New Zealand and MacAir.

Since joining QAL in 2008, Kevin has been involved in a range of programs and initiatives to develop Townsville and Mount Isa Airports. This has seen significant airport development at Mount Isa and a number of new airlines commenced operating through both Townsville and Mount Isa Airports. This has included Regional Express who have set up their Queensland base in Townsville.

Kevin has been a board member of Townsville Enterprise since 2008 and was appointed Chairman in 2012.



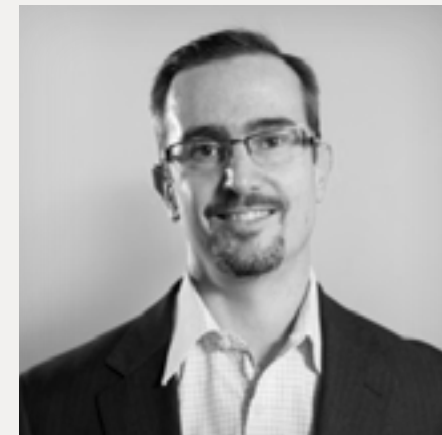
Paul Donovan, Executive General Manager Business Development and Marketing

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

Paul was Chief Operating Officer at Gold Coast Airport from 2005 – 2014. Paul was responsible for the day-to-day operations and several key projects: delivery of a runway extension, a \$10 million terminal redevelopment, a long term car park and the 2011 Airport Master Plan.

In July 2014, Paul was appointed to the role of Executive General Manager Business Development and Marketing for the group.

Paul has been a member of the Gold Coast Tourism Board for eight years and in his sixth year as Chair. Paul is a Director on the Tourism and Events Queensland Board.



Hamish McKellar, General Counsel and Company Secretary

Hamish has 18 years' experience as a corporate lawyer, starting his legal career in the Commonwealth Treasury in the regulation of financial markets then moving in-house into the financial services industry focusing on funds management, life insurance and banking.

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

OUR PEOPLE

Award win

Gold Coast Airport was named the Best Regional Airport Australia/Pacific at the Skytrax World Airport Awards 2015 held in Paris.

The Skytrax World Airport Awards is held annually in conjunction with the World Airline Awards, and is a customer survey and airport awards process that is independent, impartial and global.

Winning the Skytrax award is a credit not only to all Gold Coast Airport staff, but to those people who are employed in businesses at the airport.

The most significant part of these awards is that they are based on feedback from passengers – it is not an award that the airport can enter.

To be held in such high esteem by our airline passengers is very humbling and we'd like to thank them for their continued support.

Skytrax is the world's largest airline and airport review site, and the World Airport Awards are based on 13.02 million survey questionnaires completed by over 112 different nationalities of airline passengers, covering 550 airports worldwide.

Gold Coast Airport ranked 3rd in the best airport staff category within Australia/Pacific.

Gold Coast Airport also performed well on the world stage, ranking 9th as best regional airport worldwide, and 5th in the 5-10 million passenger category.

Learning and development

- › A competency based Supervisor Training and Development Program (STDP) was developed and implemented in Aviation Ground Handling (AVGH). This provides employees with the basic skills, tools and knowledge to effectively make the transition from team / crew member to supervisor.
- › The QAL Development Passport was launched and is used for recording training attendance.
- › Commenced a new cohort of employees in the newly reviewed and relaunched QAL Accelerated Airport Management Program (AAMP) in partnership with Griffith University.
- › Developed and launched a comprehensive group-wide Employee Reward and Recognition Program which supports both the QAL strategy and the corporate core values.
- › A senior leadership development program was developed. This program incorporated a 360 degree leadership competency assessment and subsequent development coaching session with an organisational psychologist, resulting in the development of a comprehensive individual development plan for each participant.
- › The annual staff engagement and enablement survey was conducted with an overall increase in the majority of domains across the group.

WH&S and security

- › A number of training methods and sessions have been delivered throughout the year to promote and guide good health and safety practices:
 - » Work teams participated in consistently safe operating procedure training via team meetings, tool box talks, monthly training packages and online learning.
 - » QAL rolled out training for site supervisors and managers to inform them of their obligations in regards to WHS processes, responsibilities and procedures.
 - » External consultants were engaged to hold various WHS training sessions which included risk management, manual handling, ergonomics, hazardous substances, personal protective equipment, noise and engaging contractors.
- › '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.
- › Other activities through the year at Gold Coast Airport included: site noise surveys and hearing tests, introduction of a recruitment health declaration form, CCTV speed monitoring in the baggage room and consistent consultation with the site contractors.
- › 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.
- › A new fire control panel and emergency warning system installed 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:

Exercise "Talk to me" was held in August 2014 with 20 organisations in attendance to test the communication and co-ordination capabilities between the Forward Command Post and the Emergency Operations Centre and to determine the type of information flowing to and from these two areas.

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 2014.

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.

The emergency training involved a simulated MRH90 helicopter crash, also involving a Fokker 100 aircraft, resulting in aircraft damage and multiple casualties.



Shareholder value

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

FINANCIAL PERFORMANCE

	2010	2011	2012	2013	2014	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Revenue	106,654	115,236	120,749	126,316	125,278	129,830
Operating Expenditure	47,022	46,344	44,122	48,366	45,588	45,646
EBITDA	59,633	68,892	76,627	77,950	79,690	84,184
Interest Revenue (External)	1,440	1,564	1,602	805	854	376
Interest Costs (External)	22,646	33,048	35,388	33,257	32,496	32,326
Depreciation & Amortisation	21,898	21,718	22,267	29,449	31,535	28,595
Other Adjustments	-2,853	-5,877	1,740	17,821	858	8,331
Loan Note Interest	3,751	3,951	4,569	5,051	5,079	5,079
Income Tax Expense	3,679	1,183	1,161	5,314	4,317	6,429
Net Profit After Taxation	6,245	4,679	16,584	23,505	7,975	20,462
Dividends Declared	22,999	24,500	31,501	33,008	35,509	34,642

The 2015 financial year saw QAL welcome 7.6 million passengers to its airports.



THE YEAR IN REVIEW

July

- › Townsville Airport were ambassadors for the V8 Supercars with representation in the terminal providing information to the travelling public on Townsville tourism.
- › Aviation Ground Handling awarded the ground handling contract for Alliance operations at Brisbane Airport.
- › Gold Coast Airport continues as naming rights sponsor of The Gold Coast Marathon where a new race record was achieved in 2014.

August

- › A short film, 'Departure Lounge', a Bollywood style romantic comedy was filmed at the Townsville Airport. The film premiered February 2015.
- › Aviation Ground Handling awarded the ground handling contract for Virgin Australian Regional Airlines in Roma.

October

- › Jetstar added an additional daily service on the Gold Coast – Melbourne route.

November

- › A business case was submitted to the Department of Transport and Regional Development for Townsville Airport to facilitate international operations.
- › QAL was the naming rights sponsor of the Australian Airports Association National Conference held on the Gold Coast.

December

- › Jetstar commenced Gold Coast – Wellington route, operating three times weekly.
- › Jetstar commenced Gold Coast – Queenstown route, operating three times weekly.
- › Jetstar reinstated Gold Coast – Perth route, operating six times weekly.
- › Victoria's Secret retail store opened at Gold Coast Airport.
- › New online parking offers at Gold Coast Airport were launched in market and early indications show that there has been growth in the intended target market.
- › Front of terminal rejuvenation project including structural enhancements, planting, environmental and landscaping improvements was completed in Townsville.
- › Taxi pick up area cover was installed in Townsville, providing weather protection for taxis and passengers.

February

- › Gold Coast Airport welcomed six Chinese New Year charter services operated by China Southern and Cathay Pacific.

March

- › Jetstar commenced thrice-weekly services between the Gold Coast and Fiji.
- › Gold Coast Airport's northern apron overlay project was completed.
- › The successful inaugural Townsville Urban Challenge, a stakeholder engagement and health and wellbeing initiative was conducted. 65 people comprised 13 teams from the airport's stakeholders to participate in the challenge that showcased the many recreational activities available in Townsville.

April

- › Jetstar announced direct services between Townsville and Bali thrice-weekly to commence in September 2015.
- › Townsville Master Plan preparations commenced.
- › Realignment of intersections and relocation of pedestrian crossing to better facilitate vehicles and passengers was completed in Townsville. As part of the project, extension of covered walkway and lighting to new location was also completed.
- › Aviation Ground Handling awarded ground handling contract for QantasLink at Whyalla Airport.
- › Commercial building works at Gold Coast were completed.

May

- › Widening of taxiway Echo at Gold Coast Airport was completed.
- › WHS audit on Longreach Airport completed.
- › A landmark agreement was announced between Jetstar and Hubei Wanda New Airline International Travel Services Co. Ltd with direct services between Gold Coast – Wuhan, China. Set to commence in September 2015, the service will operate twice per week.
- › Works began on the refurbishment of the Townsville international terminal in preparation for the commencement of services to Bali.
- › Gold Coast Airport 'win an Audi' competition was completed. An overall PSR increase of 9% was achieved during this promotion period (well above the 5% increase target).

June

- › Aviation Ground Handling confirmed to take over terminal cleaning contract at Longreach Airport, effective 1 July 2015.
- › Jetstar announced direct services between Gold Coast – Avalon to commence in September 2015. The service will operate daily.
- › Upgrade of aerobridge stairwells for passenger dual boarding, including non-slip treatment and lighting, was completed in Townsville.
- › Sale of AVIEX business.



Customer experience

- › Continually measuring and enhancing customer service quality
- › Upgrade facilities
- › Range of products and services

CONNECTIVITY



INVESTING IN TOMORROW

New building at Gold Coast Airport

Construction works for a three-storey commercial building commenced in July 2014, with two floors pre-leased to the Australian Federal Police.

To expedite the delivery, the works were approved and delivered in a staged manner, allowing early civil works to be completed while the building design was being finalised.

The building included a secure compound for 36 AFP spaces and a 110 space licensed area for general parking comprising 30 AFP non-secure spaces, 70 spaces for the future tenant of the second floor and 10 visitor spaces.

ADCO Construction Pty Ltd completed all design and construction works of the base building. The base building was completed ahead of schedule and within budget.

The AFP will move into the new premises in December 2015.



Gold Coast Airport Instrument Landing System Major Development Plan

Gold Coast Airport released a preliminary draft Major Development Plan (MDP) proposing the installation of an instrument landing system (ILS) at the airport in April. 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.

Through the MDP, Gold Coast Airport and Airservices Australia sought feedback on the proposal to install an ILS for aircraft landing at the northern end of the main runway.

About two-thirds of flights each year land from this direction due to prevailing winds and use of the proposed ILS is expected to significantly reduce the number of flights that are unable to land at the Gold Coast during poor weather.

The MDP was open for public comment between April and July, giving the community an opportunity to review and comment on the proposal.

Passengers and airlines will benefit from a proposed investment of more than \$200 million in the Gold Coast Airport.

Project LIFT Major Development Plan

Passengers and airlines will benefit from a proposed investment of more than \$200 million, in the Gold Coast Airport under a plan which will address current peak hour capacity issues and meet forecast demand up to 2023.

The proposed redevelopment, named *Project LIFT (Let's Invest for Tomorrow)*, will meet future demand and deliver better services.

Stage one of construction is due to commence in early 2016 and includes an initial three new wide-bodied aircraft stands and a three level terminal development, with provision for up to four aerobridges associated with the new infrastructure. This stage of the proposed redevelopment will be substantially completed in late 2017 prior to the Commonwealth Games, when more than 126,000 visitors, athletes, officials, and media are expected to descend on the Gold Coast.

Preliminary concepts include architectural and design features that capture the essence of the Gold Coast and create a memorable passenger experience.

This significant investment demonstrates QAL's confidence in the Gold Coast and its ongoing role as a major contributor to the Queensland and New South Wales economies.

Importantly, the region will benefit through the creation of more than 230 full-time jobs during stage one of construction, while an additional 180 direct full-time workers will be required for ongoing operations.



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.

The redevelopment will breathe new life into the airport and improve the user experience.

The proposed redevelopment will deliver ongoing facility improvements as well as hundreds of construction jobs throughout this project, at a time Townsville needs them most.

Highlights of the MDP include:

- › Upgrade and expansion of the security screening area to reduce congestion
- › Rationalisation of the existing check-in area to accommodate additional check-in kiosks
- › The addition of new retail spaces
- › Extension of the upper concourse to provide two new club lounge facilities and help meet the growing needs of business travellers
- › Extension of the ground floor to relocate Virgin and Qantas engineering offices



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 donations throughout Queensland and Northern New South Wales each year.

Our charitable partnerships this financial year include The Royal Flying Doctor Service, The Movember Foundation, Careflight and Currumbin Wildlife Sanctuary Animal Hospital.

We also provide sponsorship support to the arts, culture, tourism and professional sporting leagues within each of our communities including, just to name a few:

- › Queensland Tourism Awards
- › North Queensland Tourism Awards
- › Outback Queensland Tourism Awards
- › Gold Coast Airport Marathon
- › Gold Coast Titans
- › Bleach* Festival
- › Cooly Rocks On
- › SWELL Sculpture Festival
- › Winton Outback Festival
- › Vision Splendid Film Festival
- › Gold Coast Business Excellence Awards

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 representatives and government representatives.

Community Aviation Consultation Group

Gold Coast Airport and Townsville Airport have both established a local Community Aviation Consultation Group (CACG) to help facilitate greater community consultation, particularly on planning and development activities on 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 from both sides of the border encompassing the interests of the broader community. CACG members span a diverse cross-section of the communities including aviation and government officials, tourism and business leaders and local community representatives. The CACG is used to exchange information on issues relating to airport operations and their impacts.

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 Gold Coast Airport's environment management 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.
- › Various energy efficiency initiatives were implemented at Gold Coast Airport including retrofit of metal halide lighting in the terminal with LEDs resulting in a 40-50% reduction in power consumption for lighting common areas and commissioning of Steril-Aire on a portion of Terminal 1 air-conditioning system to improve heat transfer efficiency of cooling coils and improve indoor air quality.
- › Ongoing engagement of environmental consultants including Ecosure, Aurecon, Arup, Everick Heritage Consultants and Avisure to provide Gold Coast Airport advice and assistance with environmental management requirements.
- › Preparation commenced on a whole of airport Cultural Heritage Management Plan for Gold Coast Airport, including consultation with Indigenous stakeholders.
- › Townsville Airport operate a separate Airport Environment Strategy and Management Plan. In accordance with Section 86A(2) of the *Airports Act 1996*, Townsville Airport requested and was granted Ministerial approval to extend the expiry of the AES to the date the replacement Master Plan is approved. The new Master Plan will incorporate the Airport Environment Strategy.
- › The Townsville Airport Environmental Policy was reformatted in September 2014. With a vision to provide safe, healthy and environmentally responsible operations at Townsville Airport through a continuing process of hazard identification and risk management.
- › Townsville Airport engaged Spill Station Australia to conduct spill response training for Townsville Airport employees from the Aviation and Asset Departments.
- › The Wildlife Hazard Management Plan (WHMP) was reviewed by AQA Services in July 2014 and Qantas Group Safety Services in December 2014. Townsville Airport engaged Avisure to conduct an on and off airport risk assessment during June 2015 and wildlife training for Townsville Airport employees from the Aviation Department in July 2015.

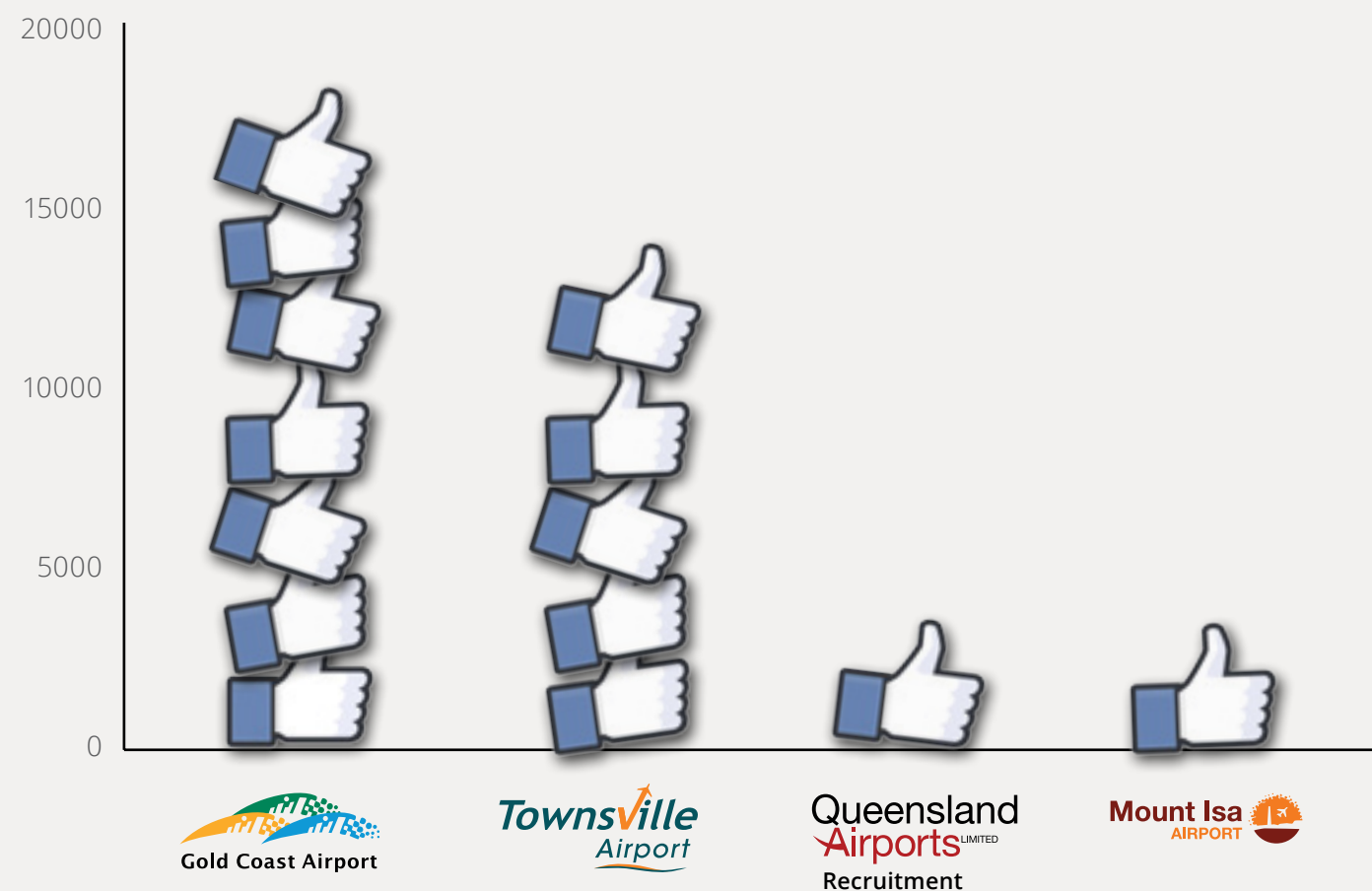


DIGITAL TECHNOLOGY

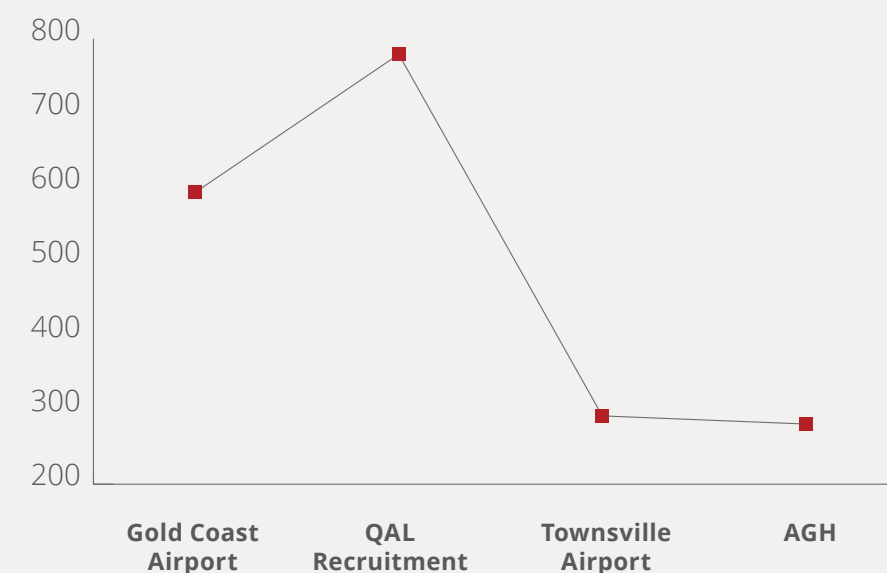
Social media

Across the QAL Group we have grown our social media presence during FY2015. Facebook in particular has become a key engagement tool with our passengers and communities.

Facebook followers



LinkedIn Connections

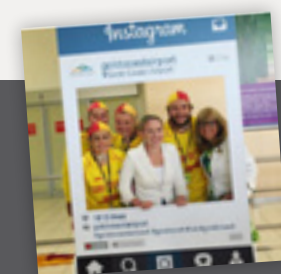


LinkedIn is a social networking site designed specifically for the business community.



Information technology

- Free public Wi-Fi was implemented in November 2014 at Gold Coast, Townsville and Mount Isa Airports.
- A new FIDS screen system was installed in Mount Isa.
- Real-time FIDS screen was installed at the Taxi rank in Townsville to improve user experience.
- Works commenced on an upgrade to the car parking system at Gold Coast.



Instagram

Gold Coast Airport – 91 Posts, 1014 Followers – Since December 2013.

Townsville Airport – 40 Posts, 211 Followers – Since November 2014.



Twitter

Gold Coast Airport – 310 Tweets, 4298 Followers – Since August 2009.

Townsville Airport – 197 Tweets, 597 Followers – Since August 2010.



Facebook activity growth:

- QAL recruitment Facebook page was created in January 2015, during that time the page has gained **450** likes.
- From 1 July 2014 – 30 June 2015 Townsville Airport welcomed **3863** new likes, an increase of 48%.
- From 1 July 2014 – 30 June 2015 Gold Coast Airport welcomed **5023** new likes, an increase of 54%.
- Mount Isa Airport Facebook page was created in December 2014 and has welcomed **750** likes during this time.

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