



Annual Review

2014 - 2015



About us

Queenstown Airport, one of Australasia's fastest growing airports and the gateway to southern New Zealand, is a vital part of the regional and national tourism industries.

QAC strives to deliver an efficient and operationally sound airport with world-class facilities and an outstanding passenger experience that reflects the best our region has to offer.



About us

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QAC strives to deliver an efficient and operationally sound airport with world-class facilities and an outstanding passenger experience that reflects the best our region has to offer.



\$275m

annual economic benefit to region

NZ Airports Association research 2013



\$24.8m

revenue



The year in review

It's been a busy year at Queenstown Airport as we have once again experienced remarkable growth in the number of passengers passing through the terminal.

We were also proud to complete a raft of airport development projects, with the highlight being the opening of our new international terminal at the end of June. Looking forward, our forecasts remain positive for the coming year and growth is set to continue.



1.4m
Passengers ▲ 12%

\$8.3m
Net Profit

\$5.2m
Dividend Declared

The airport welcomed a total of 1.4 million passengers in the 12 months ending June 2015, a 12 per cent increase on the record set in the previous financial year.

Strong trans-Tasman passenger growth, buoyed by the recommencement of Jetstar's Gold Coast service as well as domestic passenger numbers hitting the one million mark for the first time, were the main contributors to this increase.

These numbers helped propel us to a strong year-end result, with Net Profit after Tax reported at \$8.3 million, up from \$6.6 million last year. We are also pleased to report our largest ever dividend of \$5.2 million to our shareholders, up 19 per cent from \$4.3 million last year.





Key milestones

**“Queenstown Airport wins the
‘Major Airport of the Year’ award
at the 2014 NZ Airports Conference”**



Key milestones

The airport handles a record number of international passengers and flights with the help of a temporary 'pop-up' structure which expands the international baggage reclaim area to cope with the peaks.

On 4 July, Queenstown Airport sets a new record for the highest number of international passengers and aircraft (1,362 pax and 10 aircraft) arriving in a single day.

Airpresso Café and Bar opens for business.

Rental car operator AB Group (Avis and Budget) relocates its on-airport service centre to Lucas Place, allowing us to expand our public carpark by 36 spaces.



July
2014

Sep
2014

Oct
2014

Nov
2014

Dec
2014



Key milestones

The 'pop up' structure is removed at the end of the peak winter season.



July
2014

Sep
2014

Oct
2014

Nov
2014

Dec
2014



Key milestones

Construction starts on the new international terminal.

The Manaia Passenger Lounge opens on the first floor of the terminal, providing a premium space for eligible Qantas and Jetstar passengers as well as pay-in customers.



July
2014

Sep
2014

**Oct
2014**

Nov
2014

Dec
2014



Key milestones

Queenstown Airport wins the 'Major Airport of the Year' award at the NZ Airports conference in recognition for gaining approval from CAA and CASA for our foundation safety case for evening flights.

In-terminal store Icebreaker completes a fit-out which reflects our local environment and active lifestyle.



July
2014

Sep
2014

Oct
2014

**Nov
2014**

Dec
2014



Key milestones

TravelPharm opens in the terminal, giving travellers easy access to over-the-counter medicines, healthcare items, beauty products and travel necessities.

Jetstar recommences its direct 3x weekly Gold Coast-Queenstown service.

Aviation and tourism stalwart Norm Thompson and business advisor Michael Stiasny are appointed to QAC's Board of Directors, replacing the outgoing Alison Gerry and Richard Tweedie.



July
2014

Sep
2014

Oct
2014

Nov
2014

Dec
2014



Key milestones

Preliminary assessments for full noise mitigation works on 13 Inner Noise Sector homes are completed.



Feb
2015

Mar
2015

Apr
2015

May
2015

June
2015



Key milestones

We sponsor and host airlines and airport executives at Destination Queenstown's Urban Vineyard event in Sydney.



Feb
2014

Mar
2015

Apr
2015

May
2015

June
2015

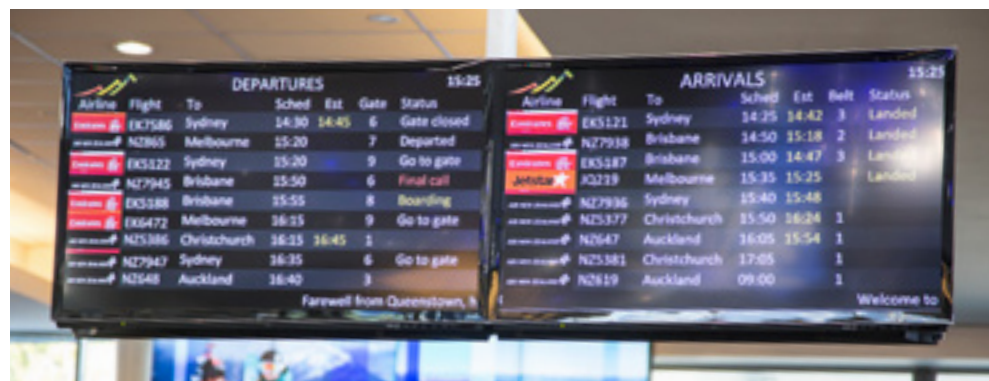


Key milestones

\$420,000 worth of repairs are completed to maintain our runway for future traffic increases.

We launch our new Flight Information Display System which automatically streams real-time flight updates from airline data feeds.

Full noise mitigation works on our first trial house are completed.



Feb
2014

Mar
2015

Apr
2015

May
2015

June
2015



Key milestones

Queenstown Airport is voted the 'World's Most Scenic Airport Landing' in an annual poll conducted by international private jet booking service PrivateFly.



Feb
2014

Mar
2015

Apr
2015

May
2015

June
2015



Key milestones

We celebrate 20 years of international air services with the opening of our new \$17 million international terminal.

We launch a new eye-catching Queenstown Airport website with a fresher, brighter feel, improved content and seamless usability across mobile, tablet and desktop devices.

The airport hits the one million mark for domestic passengers over 12 months for the first time ever.



Feb
2014

Mar
2015

Apr
2015

May
2015

June
2015



Significant increase in returns to shareholders and community

QAC returned a total of \$5.2 million to its two shareholders Queenstown Lakes District Council (75.1%) and Auckland Airport (24.9%), a 19 per cent increase on the 2013-14 dividend of \$4.3 million. For majority shareholder Queenstown Lakes District Council this means a dividend payment of \$3.9 million, which equates to around \$168 per rateable property in the district.



75.1%

Owned by
Queenstown Lakes
District Council



24.9%

Owned by
Auckland
Airport



Queenstown Airport Summary of Financial Performance

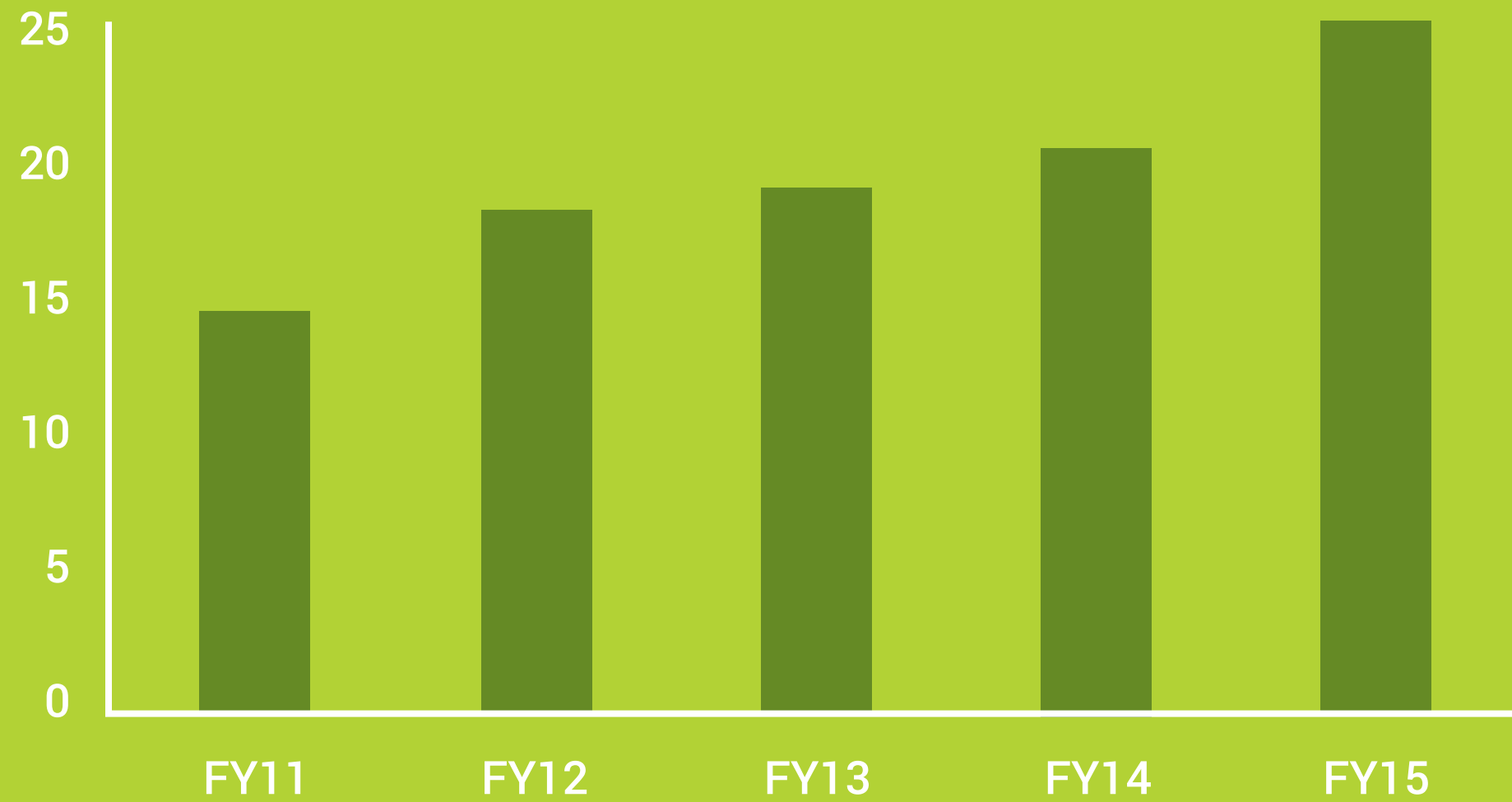
For the financial year ended 30 June

	FY2014(\$m)	FY2015(\$m)
Revenue	21.9	24.8
Net Profit After Tax (NPAT)	6.6	8.3
Dividend	4.3	5.2
Net Assets	157.7	161.1

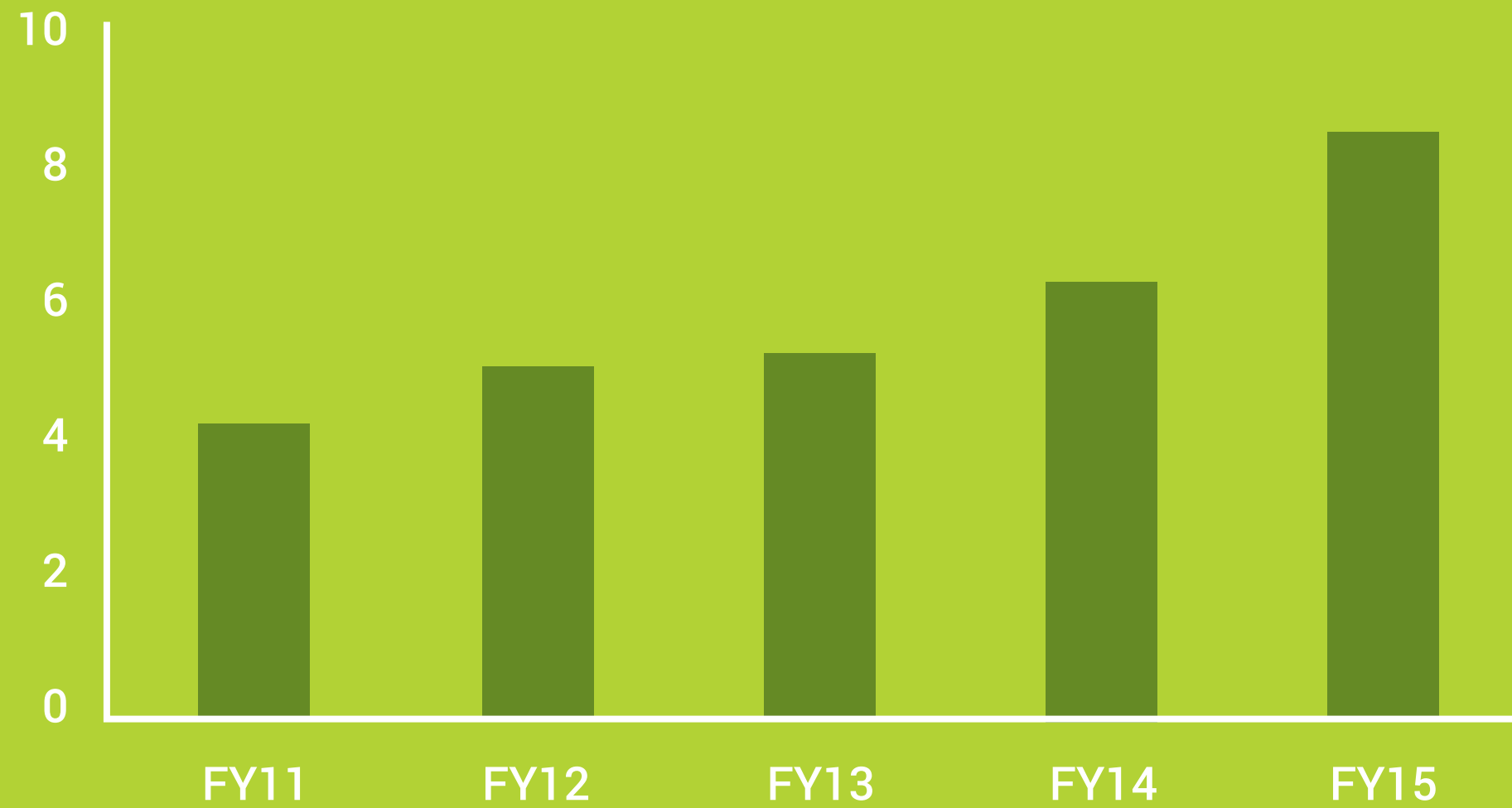
Full Financial Statement: This is a summary of the financial information only, which has been derived from, and should be read in conjunction with the Queenstown Airport Corporation Limited Annual Report. The Annual Report contains the full company Financial Statement and the accompanying notes which form part of these Financial Statements. The Annual Report is available at www.queenstownairport.co.nz.



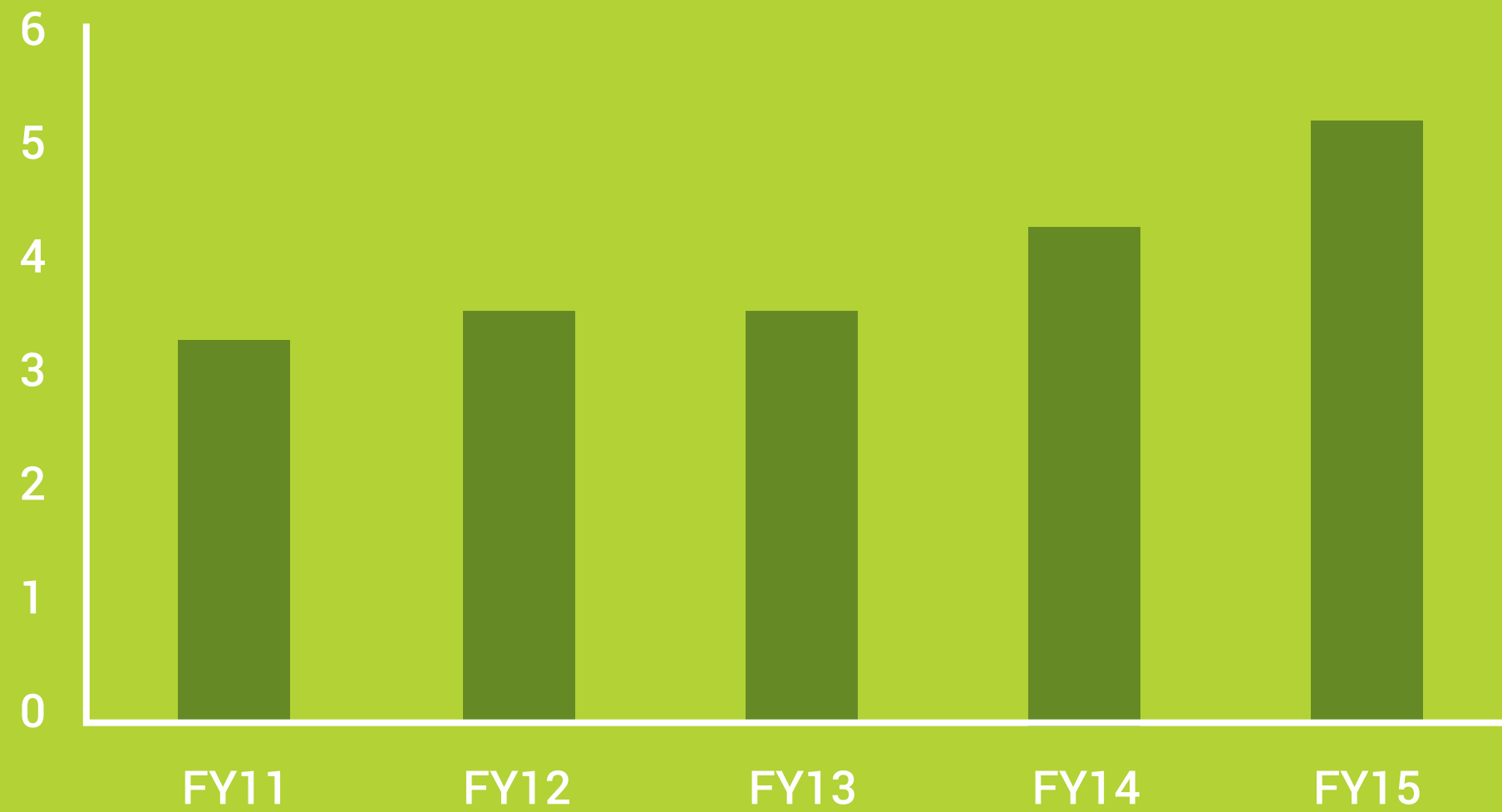
Revenue (\$ million)



Net Profit after Tax (\$ million)



Dividend Declared (\$ million)



Healthy growth

“Sustained passenger growth has again underpinned QAC’s financial performance”



Healthy growth

Sustained passenger growth has again underpinned QAC's financial performance, helped by an outstanding 29 per cent increase in trans-Tasman visitors which helped push total passenger numbers to 1,398,640 passengers, up 149,761 (12 per cent) on the previous year's record.

International passengers arriving from four trans-Tasman ports comprised 28 per cent of overall passenger numbers. Seventy-two per cent arrived on domestic flights from Auckland, Wellington and Christchurch, however a significant portion of these domestic passengers were themselves international visitors to the region.

Trans-Tasman capacity was boosted by the return of Jetstar's three-times weekly Gold Coast to Queenstown service from 13 December 2014, giving us the ability to tap into the northern New South Wales and south-east Queensland market (1.5 million residents). It has effectively created another hub for long haul travellers looking to experience Australia and New Zealand as a dual destination.

The airport's other trans-Tasman routes – Brisbane, Sydney and Melbourne – all enjoyed double digit percentage growth thanks to extra capacity and frequency added by our airlines.

Domestic passenger numbers rebounded this year, increasing 6.4 per cent to hit the one million mark for the first time. We saw benefits from the strong route support provided by Auckland Airport and its new long haul routes.



Healthy growth



1.4m

Passengers ▲ 12%

398,000

international (28%)

1,001,000

domestic (72%)

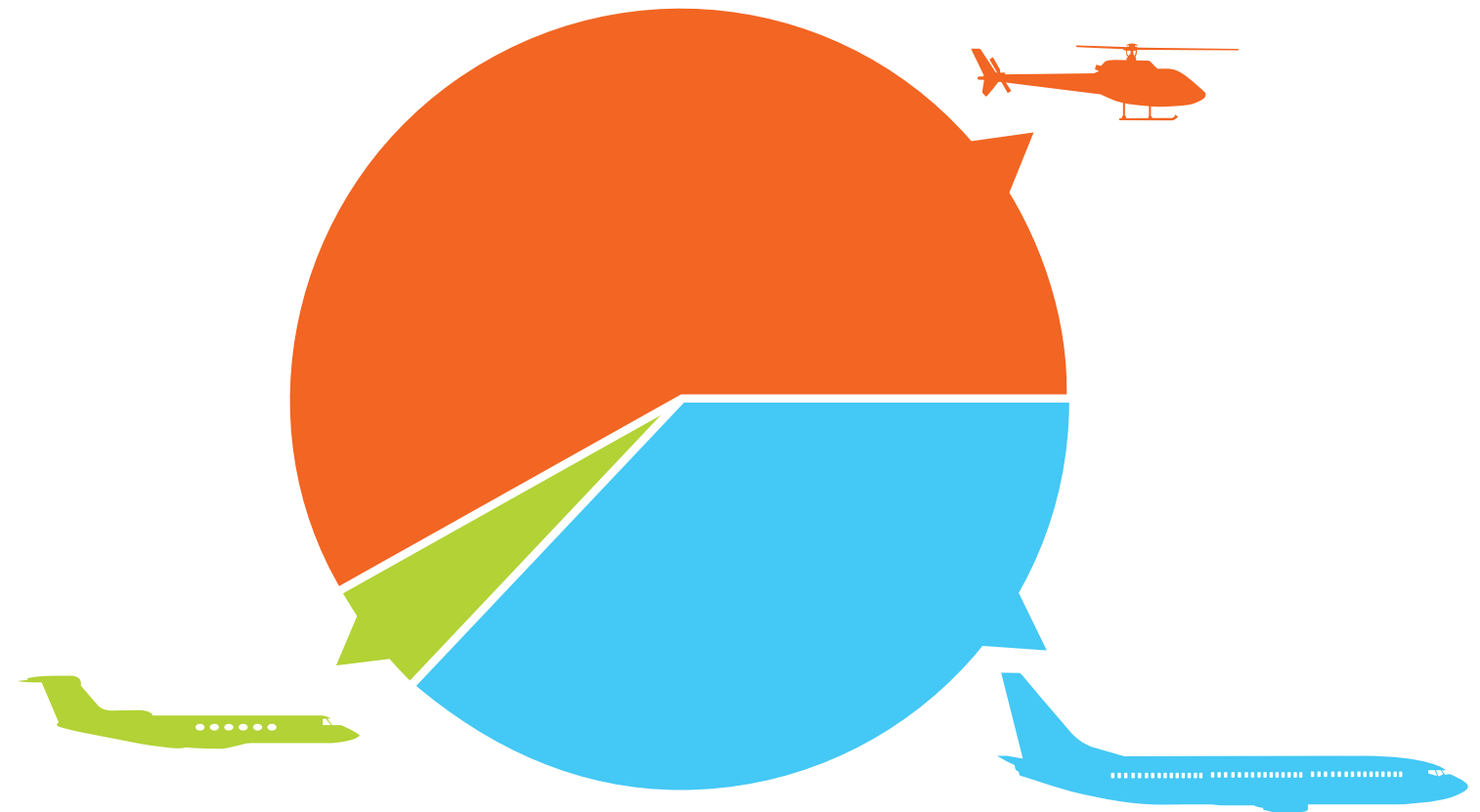
 **6%**
Domestic passenger growth

 **29%**
Trans-Tasman passenger growth




Healthy growth

The airport's private jet operations - both short and long haul - also went from strength to strength this year, increasing 20 per cent to 218 landings, with aircraft flying direct from north Asia and the West Coast of the United States. Commercial general aviation operators ('flight-seeing' aircraft and helicopters) benefited from visitor growth to the region, and the number of landings increased by 10 per cent.



17,000
fixed wing & helicopter
landings ▲ 10%



6,000
scheduled airline
landings ▲ 7%



218
private jet landings
▲ 20%

46,000 total aircraft
movements

▲ 29% increase in
international
flights



Managing growth

The 2014-15 financial year was the most challenging to date in terms of managing growth.

Winter 2014 saw the airport handle a record number of international passengers and flights by using a temporary 'pop-up' structure to expand the international arrivals area. This was prior to commencing construction of our new \$17 million international terminal in October 2014.

The 5,000sqm addition to the southern end of the terminal opened for business in time for the winter 2015 peak season and has doubled the size of the airport's international operations to provide a top-

class facility for international visitors. It allows us to better cater for existing passenger volumes and accommodate future growth. Key features include two new gate lounges which continue the theme of stunning floor-to-ceiling alpine views, a new Customs processing area, expanded airside retail outlets, a third baggage carousel and back-of-house handling areas all designed to improve the passenger experience.

Before the busy Christmas period and peak summer season commenced this past year we made changes to the airport's road layout to address safety concerns and provide more capacity for coaches servicing a booming tour market. We also added 36 new spaces to the public carpark.



Key strategies

“We believe evening flights will be a game changer for the region’s visitor sector and for the airport”



Key strategies

Spectacular scenery, world-class experiences, a packed events calendar, and a vibrant food and wine scene make our region a highly desirable destination.

We are working closely with our aviation and tourism partners to identify high quality growth opportunities and to ensure that we are equipped for the future and can provide the best possible visitor experience.



As part of this, we are:

- **Planning to introduce evening flights to increase capacity and provide greater accessibility for international flights**
- **Creating a new aviation precinct with the proposed acquisition of approximately 16ha of land (Lot 6) from developer Remarkables Park Limited**
- **Working closely with local government and businesses in Queenstown to encourage investment in visitor infrastructure to ensure the destination maintains quality and the infrastructure keeps pace with the growth we anticipate.**



Key strategies

We believe evening flights will be a game changer for the region's visitor sector and for the airport. It will enhance our potential as an international airport, allow better utilisation of our infrastructure, spread peak loads, and create new employment opportunities at the airport and for the region. We are working towards evening flights for winter 2016 and over this coming summer we plan to widen the runway and install an advanced aviation lighting package.

The planned new aviation precinct, which will accommodate Queenstown's general aviation industry and allow for world-class private jet facilities, involves acquiring land (Lot 6) from our neighbour, property developer Remarkables Park Limited. Land surrounding the terminal and carpark which is currently occupied by general aviation will be freed up for much needed

expansion to benefit all airport users. Progress on securing the 16ha of Lot 6 has been slow with a compulsory process to acquire land working its way through the Environment Court. As at 30 June 2015 a total of \$3.4 million has been spent on the Lot 6 process.



Strategic alliance

with Auckland International Airport Limited

Our strategic alliance with Auckland Airport, New Zealand's largest travel gateway, continues to deliver long-term value for us, and provides improved connectivity and resources that would otherwise not be available. This has helped us grow passenger numbers and improve operational and cost efficiencies.

We expect to see strong growth on our Auckland-Queenstown route over the coming year thanks to the efforts of partner airlines and Auckland Airport in adding new long haul services from China, North America and South America. These services will act as a pipeline to Queenstown and the Southern Lakes region for many of these international visitors keen to experience southern New Zealand.



Working with our community

“We support the community in various ways, including backing the efforts of not-for-profit organisations”



Aircraft noise mitigation

Through our Aircraft Noise Management Plan we are planning ahead and working with our neighbours to reduce the impact that airport noise has on their homes.

As part of this, we have also set up the Airport Liaison Committee to hear feedback on how we are tracking and to receive suggestions on ways in which we can improve.

During the year we directed our focus at the 13 homes most affected by aircraft noise and deemed to be in the 'Inner Noise Sector'. This involved noise management experts assessing each home to develop individual acoustic treatment packages.

Acoustic packages have now been installed in two trial houses to ensure that we can achieve the required noise migration results ahead of rolling out this programme.

This initial phase is expected to take 18-24 months and will include mechanical ventilation offers to an estimated 123 'Mid Noise Sector' houses in 2016. The programme will then continue in annual or two-yearly tranches for the next 20 years.



Contributing to our community

We support the community in various ways, including backing the efforts of not-for-profit organisations, and getting behind various local events and marketing promotions.

We also contribute staff to initiatives such as Shaping Our Future and its associated Visitor and Tourism Industry and Transport Task Forces.

We recognise the success of large-scale events in promoting our region and attracting visitors through the airport. This year we provided in-kind support to events such as the Queenstown Winter Festival, NZ Golf Open, Winter Games, and the Queenstown Marathon, as well as

supporting Destination Queenstown's Urban Vineyard event and Ski Tourism Marketing Network's marketing campaign.

We were also delighted to provide operational support to Wanaka Airport for NASA's first scientific space balloon launch from New Zealand. The launch was a huge success and we will continue working with all parties to establish Wanaka as a base for future NASA launches.

Other community organisations we have supported over the past year include the Queenstown Volunteer Fire Brigade, Coastguard, TedX Queenstown, Gigatown Wanaka, the Heart Kids Day Out, NZ Cancer Society, Autism NZ, and the Lions Club.



Learn to let things slide.
A
experience™, Queenstown, August 2014.
Zealand's most exhilarating driving experience.



Audi
driving experience

Our team

“Queenstown Airport is
a reflection of the quality
and culture of its people”

← Baggage Claim
← Rental Cars
← International Arrivals
← Help Desk

paperplus

my gifts

paperplus



Our team

Queenstown Airport is a reflection of the quality and culture of its people.

A sincere thank-you goes to our QAC team and wider airport community, service providers, contractors, and stakeholders for their hard work, expertise, passion and commitment to excellence in helping us deliver an outstanding visitor experience.

We are very grateful for the ongoing support of our four commercial airlines - Air New Zealand, Jetstar, Qantas, and Virgin Australia - and their global airline partners. Their commitment to improve connectivity will ultimately provide inbound and outbound travellers with more choice and flexibility.

Finally, we acknowledge the contribution provided by outgoing QAC Board Directors Alison Gerry and Richard Tweedie, and we welcome new Directors Michael Stiasny and Norm Thompson.



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