



ANNUAL PROFILE 2017 - 2018



About Queenstown Airport

As New Zealand's fourth busiest airport by passenger numbers, Queenstown Airport is the gateway to stunning southern New Zealand. It is a strategic national asset with a vital role to play in the region's growth and prosperity.

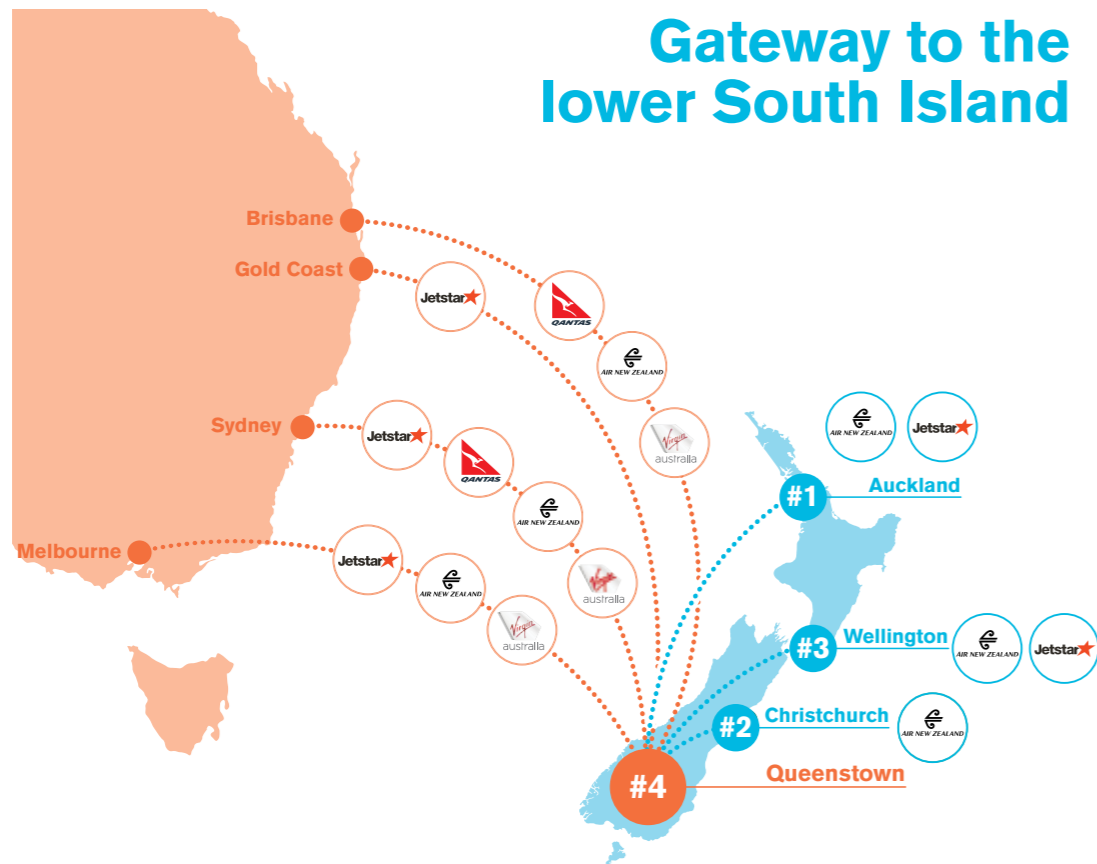
Queenstown Airport welcomes over 2 million passengers each year, connecting visitors, residents and businesses in our region to key cities across New Zealand and Australia and then to international destinations beyond.

As a major tourism hub, the airport provides easy access to some of New Zealand's most renowned scenery and visitor experiences. It is also used for regional flight-seeing operations,

is New Zealand's busiest helicopter port and caters to a growing private jet market.

The airport plays an important role in the local economy, supporting a thriving tourism industry as well as providing business and employment opportunities with over 60 tenant businesses and 700 staff. The total annual economic benefit of the airport's operations to the region equates to over \$203 million.

Gateway to the lower South Island



About us

Queenstown Airport Corporation (QAC) operates Queenstown Airport to ensure it is safe, customer focused, operationally efficient and provides value to shareholders and key stakeholders. Since April 2018, QAC is also responsible for the planning and development of Wanaka Airport, following the signing of a 100-year long-term lease with QLDC.

We strive to deliver world-class facilities and an exceptional experience for our visitors which represents the best of our region and a unique sense of place.

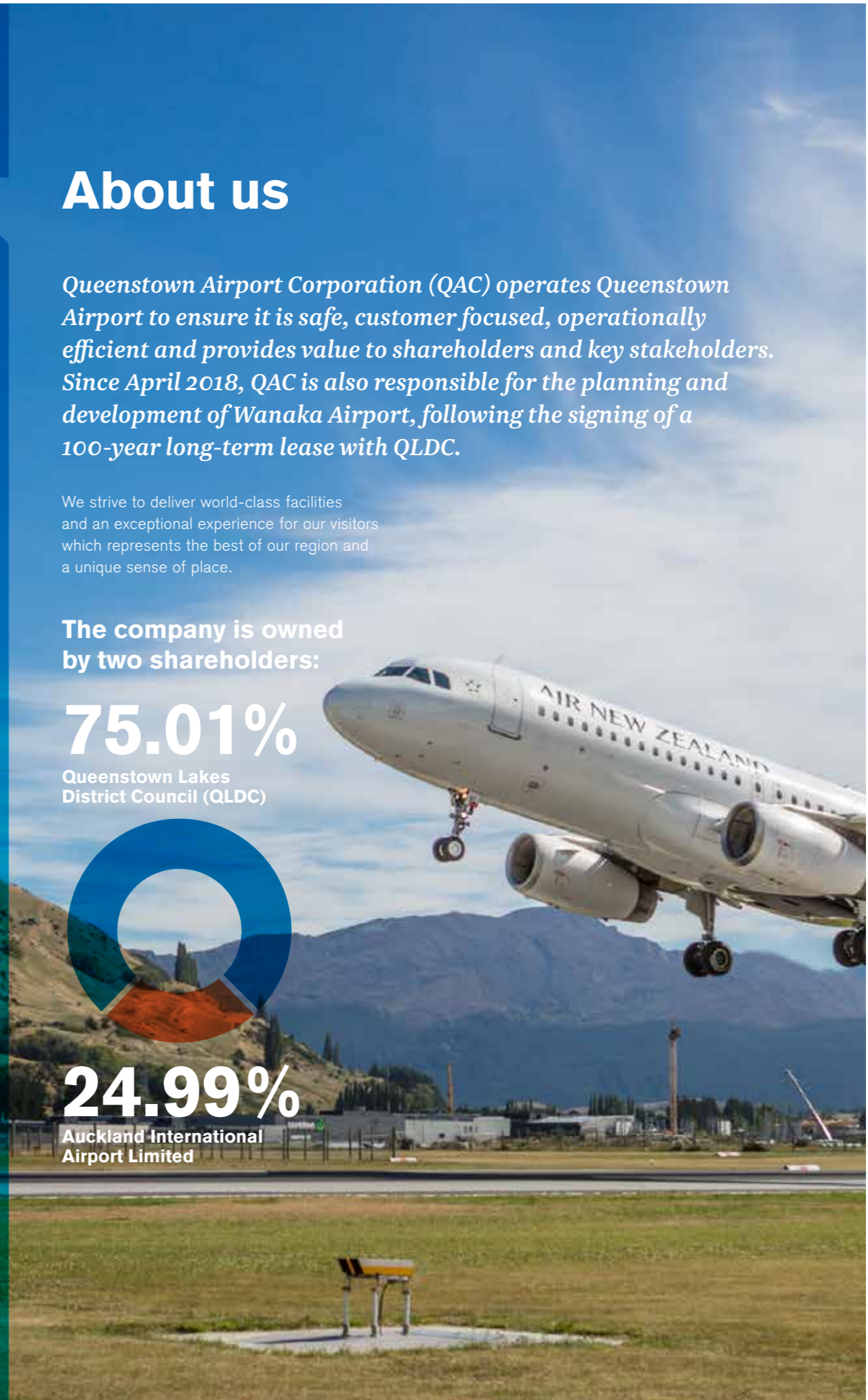
The company is owned by two shareholders:

75.01%

Queenstown Lakes District Council (QLDC)

24.99%

Auckland International Airport Limited





Mission and objectives

Our mission is to position ourselves as a world leading tourism airport group - connecting people, sustaining our region.

Our key point of difference is that we are a destination airport with a high level of potential for return visitation. The sheer scale and beauty of our natural environment also sets us apart - the moment a passenger flies in to Queenstown and steps off their aircraft, whether they be a resident or visitor, they experience a feeling of awe.

Our vision is to deliver sustainable growth and benefits for our region by connecting people. This is demonstrated in the way we work with the wider airport community and with the Queenstown Lakes District community. It cannot be achieved without this close co-operation.

Objective:

The success of our vision is measured in 3 areas - People, Place and Performance. Each area has 3 objectives related to our 4 major stakeholder groups - visitors, team, airport community and wider community.

The year in review

Queenstown Airport achieved a number of key strategic, operational and financial milestones in 2017/18.

The airport continued to benefit from the region's attractiveness as a four-season destination, with a record 2,140,669 passenger movements by the year ended 30 June 2018, a 13% increase on the previous year.

Last year all four airlines operating at Queenstown Airport became certified for after-dark flights, enabling greater flexibility for customers.

Providing a safe, friendly and efficient experience for our customers remains our top priority. We have invested in technology and innovative systems to improve operational resilience and customer experience and enhanced our health and safety systems to ensure we meet our goal of Zero Harm to our people.

Work continued on several long-term projects, including our noise management programme, working with Queenstown Lakes District Council (QLDC) on a long-term lease for Wanaka Airport, and unlocking the constraints identified during our 30-year master plan process; noise and land boundaries and infrastructure pressures across the region.

These achievements will provide a solid platform for our future as we continue to develop Queenstown and Wanaka airports to serve our customers, local communities, region and nation for decades to come.

Our passenger growth continued with two million passenger movements per annum reached for the first time in December 2017.

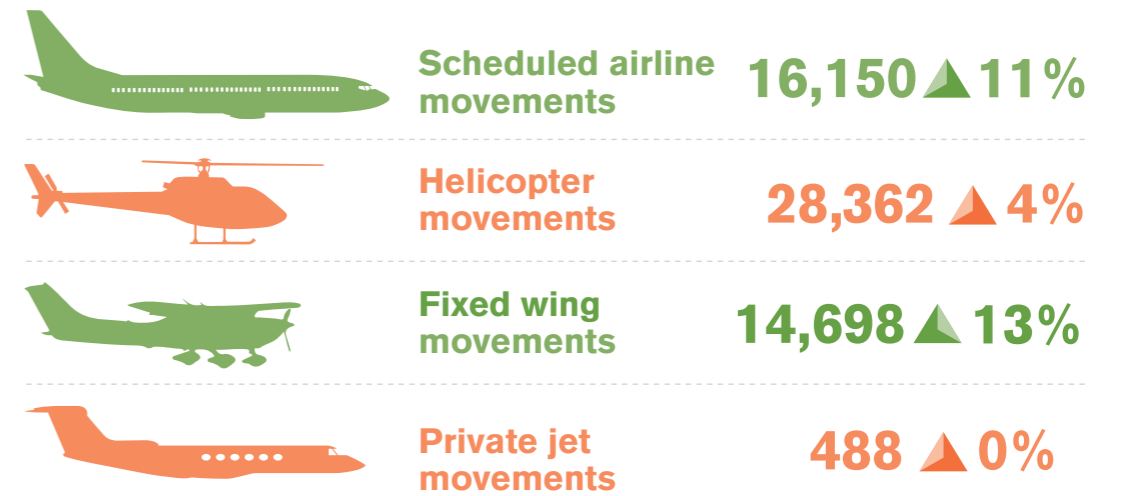
5.4 million
2017-18 ANNUAL DIVIDEND TO LOCAL COMMUNITY

203m
ANNUAL ECONOMIC BENEFIT TO THE REGION

OVER 700
STAFF WORKING WITHIN THE AIRPORT COMMUNITY

ZQN Total aircraft movements

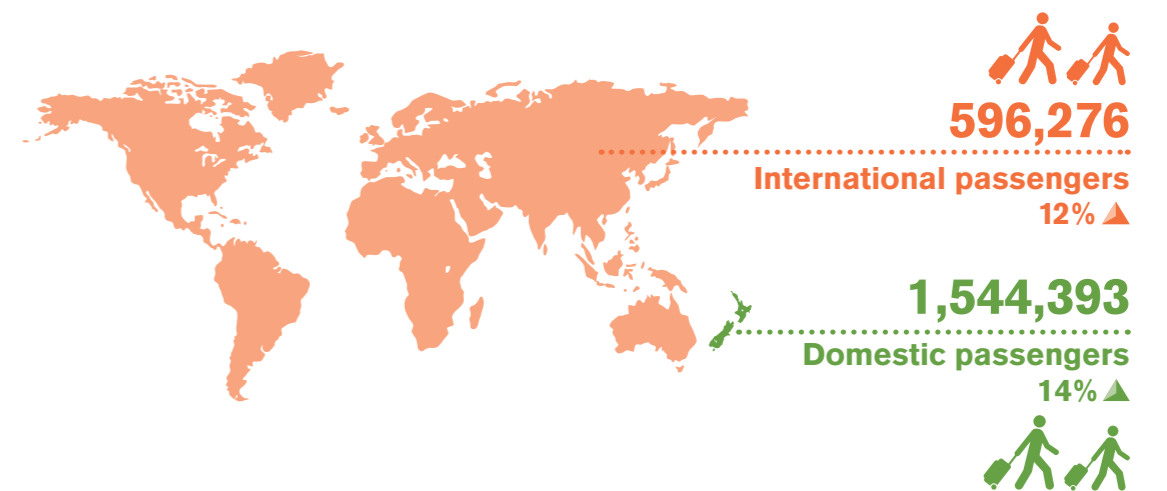
1 July 2017 - 30 June 2018 compared to previous year



ZQN Total passenger movements

1 July 2017 - 30 June 2018 compared to previous year

2,140,669 ▲ 13%



AIRCRAFT AND PASSENGER MOVEMENTS EXPLAINED

Airports report passengers and aircraft as "movements".

- Passenger movements count both arrivals and departures i.e. 1 passenger is counted as 2 movements – their arrival and then their departure. This means that the actual number of visitors/residents arriving into the region via the airport is approximately half the number of passenger movements.
- Aircraft movements count both take-offs and landings i.e. 1 take-off = 1 movement and 1 landing = 1 movement



Returns to the community

QAC returned a total dividend of \$7.2 million to its two shareholders Queenstown Lakes District Council (75.01%) and Auckland International Airport (24.99%) in FY18.

For majority shareholder Queenstown Lakes District Council, this means a dividend payment of \$5.4 million, which equates to around \$215 per rateable property in the district.

QAC reported annual revenue of \$45.7 million, an increase of \$6.7 million (17%) compared to the corresponding period last year. Reported Net Profit After Tax was \$14.9 million, up by \$2.9 million or 24%.

The financial performance of Wanaka Airport since the lease commenced on 1 April 2018 is included in the financial information in this report. The dividend level was determined by taking into account the company is embarking on a period of intense capital investment.

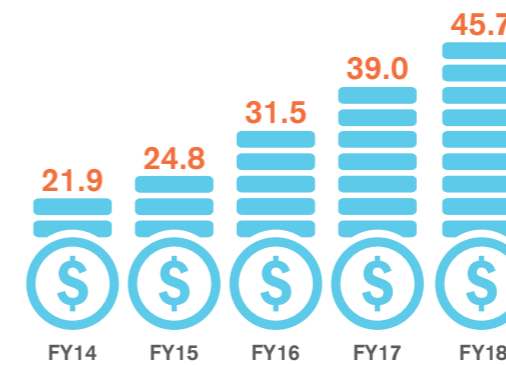


Strong financial performance

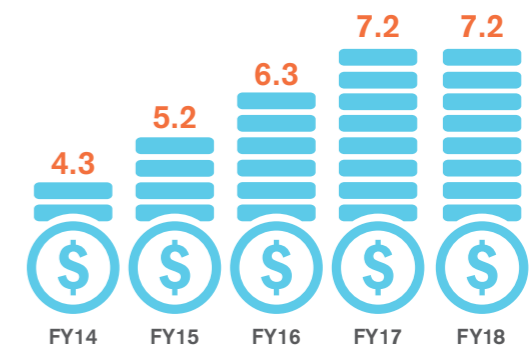
Queenstown Airport Corporation Summary of Financial Performance

For the year ended 30 June 2018

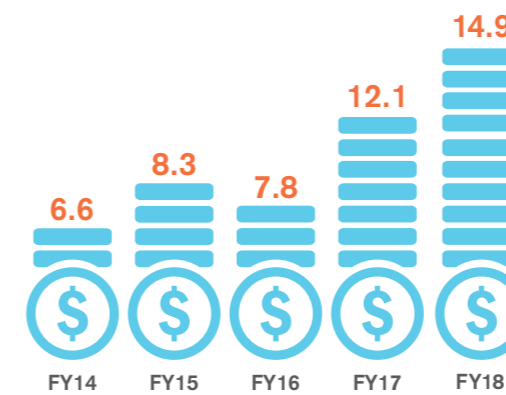
Revenue (\$ million)



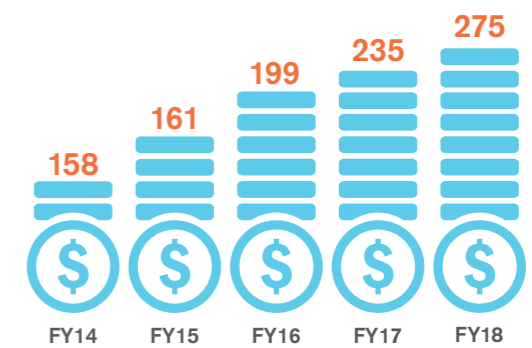
Dividend Declared (\$ million)



Profit (\$ million)



Net Assets



This is a summary of 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 Statements and the accompanying notes which form part of these Financial Statements.

Investing in the customer experience

Improving parking, safety and traffic flow around the airport has been a priority. In July 2017 the P2 drop-off zone was reinstated directly outside the terminal, which was welcomed by the community. We also expanded parking and transport options to offer customers more convenience and choice.

HIGHLIGHTS INCLUDED:

Changes to terminal car parking

Park and Ride trial as an affordable long-term parking option - commenced in June 2017 with 150 spaces and increased to 300 in December

New external wayfinding signs unveiled, including coloured glass and new pavement icons to better guide visitors

Expanded retail offering to include seasonal "pop-ups". Winter saw Taco Medic in the forecourt and Mons Royale and Spark in the terminal, followed by Chunky, Hikari Sushi, Life's A Grind and the Plant B food concept for summer

A new-look airport information desk in a central location, complemented by new wayfinding signage across the terminal, to deliver a better customer experience.





Qantas lands its first after-dark flight into Queenstown on 1 July 2017 after gaining regulatory approval. All four airlines operating at Queenstown Airport are now certified to fly after-dark services in and out of the resort.

The Lions rugby squad pays the team a visit when they came through to train as part of the New Zealand Lions tour.



QAC launches its pop-up strategy to offer customers more choice in food, beverage and retail offerings. Local food truck Taco Medic is first off the rank, with more to follow as the seasons change.



New customer-centric external wayfinding signage is unveiled, using a modern, internationally recognised design to help passengers find their way from park to plane.



QAC travels across the region sharing its 30-year Master Plan options for Queenstown Airport and seeking feedback from the different communities. The work is also shared at a national level with government and industry stakeholders.



Air New Zealand announces it will add an additional 8 return flights between Auckland and Queenstown for the 2018 summer (around 60,000 seats).

New Tap & Go Technology launches at the terminal car parks, enabling customers to pay for parking by tapping a valid debit or credit card when they enter and leave the car park.

Following the completion of the infrastructure works to improve vehicle flow, the free 2-minute drop-off zone – or Pash & Dash as it became known – returns much to the delight of locals.

We sadly say goodbye to Zeta, QAC's first airport dog who joined MPI in 2013, due to illness.



Queenstown Corporate Jet Services increases its footprint by 60%, with a modular expansion to its private jet passenger facility.

Key milestones JULY 2017



AUG-SEP 2017

OCT-NOV 2017

Events involving stakeholders from both airport communities are held as part of Aviation Safety Week. Wanaka Airport takes part for the first time.



QLDC appoints two new directors for QAC. Queenstown-based Professional Director Prue Flacks replaces John Gilks as Chair and Auckland-based Professional Director Adrienne Young-Cooper joins as a Director, replacing James Hadley.



QAC launches a new microsite designed to assist Chinese-speaking visitors to more easily access important travel information online.

QAC appoints experienced aviation professional Olivia Pierre to the senior leadership team as General Manager Commercial and Customer Experience.



DEC 2017

Jetstar announces it will operate between Wellington and Queenstown three times a week providing travellers with a choice on the route for the first time since 2013.



QAC opens the doors to 'The Hub', the airport's first operations centre, which includes a new dedicated Operations Centre, Emergency Operations Centre (EOC), Operations Control room, training room, offices and houses all the Queenstown Airport Operations team in one fit-for-purpose office.

After working together for over 18 months, the Wakatipu Aero Club (WAC) and QAC reach an agreement to re-establish the Aero Club at a new home base in Kingston.



A Hamilton family of four travelling on NZ613 from Auckland to Queenstown made history when they became Queenstown Airport's two millionth passengers in a year.

Plant B opens on the terminal forecourt offering healthy, plant-based food, continuing the successful pop-up strategy and adding to the airport's food and beverage offering.



New Air New Zealand Port Manager, Chris Woods, joins the Queenstown Airport community after long-term manager, Christina Guthrie heads back to Auckland.





The Flight Information Display Systems (FIDS) are given a re-vamp, with larger screens, more locations and a cleaner, sharper design in Arrivals, Departures, Baggage Reclaim, Check-in and Gates. The state-of-the-art doublesided screens in the main terminal concourse span 6m wide x 1.7m high and are the highest quality screens available in NZ.



As part of continued plans to improve customer experience, the forecourt area is enhanced in time for summer with tables, umbrellas, planting and beanbags to create a relaxing and welcoming feel to complement the outdoor pop-ups.



Daniel De Bono joins as Wanaka Airport Operations Manager to assist QAC to grow and develop Wanaka Airport to its full potential.



A 100-year, long-term lease for Wanaka Airport is signed with QLDC marking the start of a new era for Wanaka. The lease transfers the operation, planning, development and governance of the airport to QAC.



Queenstown Airport was once again voted one of the world's Top 10 Scenic Landings for the 5th year in a row in the annual PrivateFly poll, taking out 4th place after Donegal (Ireland), Barra (Scotland) and Nice (France).

Key milestones JAN 2018

MAR-ARR 2018

MAY 2018

JUNE 2018



The Wanaka community has their say on the future of Wanaka Airport through a series of workshops attended by over 140 people. A new online community hub our.wanakaairport.com is also launched to gather ideas, stories and thoughts around the future of the airport.



Bill Wrigley passes on the Rescue Fire Chief baton after 30 years of service at ZQN, moving to a new operations role within the team



Dan Kirkman joins the team as Manager Airfield and Compliance to head up the airside operations team.



Air New Zealand announces it's growing its WLG-ZQN route core schedule to twice daily jets (plus 1 ATR on Sundays), with improved schedule timings to offer business timed flights.

The spotlight is on Queenstown as more than 6,000 Amway China visitors arrive for the company's annual leadership programme from 2 April - 16 May. A cross-functional airport community works with key stakeholders to manage logistics for the 11 waves of about 600 people, including passenger flow through the terminal, coach transfers, and advertising/activations.

Our two Rescue Fire firefighters Gavin Mason and Simon Bowden smashed the Firefighter Skytower Chair Challenge. Gavin took out 3rd place in 9.34 and Simon was 20th in a time of 12.04. The event raises funds for Leukaemia and Blood Cancer New Zealand Foundation.



BlipTrack, a new passenger movement tracking system at the Security Screening area, launches. The system generates data from passive WiFi sensors to measure the median wait time for departing passengers. Information is transmitted to a live 'queue time' screen at the screening point entry to help passengers see how long it will take to get to their gate.



Air New Zealand and Qantas announce plans for a reciprocal codeshare agreement that leverages the strengths of each carrier's domestic networks, making travel within Australia and New Zealand easier from October 2018.



Virgin Australia announces changes to its trans-Tasman services from October 2018, including adding up to 4 flights per week between Melbourne and Queenstown, becoming the only airline to offer business class on the Melbourne-Queenstown route.



Health & safety

Our target is to achieve Zero Harm to our people and customers and ensure a safe operating environment. We are pleased to report that the company has not had an employee or contractor Lost Time Injury for over three years.

Despite this exceptional record, the identification, review, mitigation and management of our critical risks continues to be a key focus. The past year has seen numerous safety improvement initiatives implemented across the business and both airports.

THESE INCLUDED:

Completion of the Company's Safety Management Systems under CAA rule Part 100 with Certification by CAA achieved in February 2018

Opening of the airport's first dedicated operations centre, The Hub. This facility houses the Operations team, Emergency Operations Centre and Operations Control room.

Participation in Airport Safety Week by both Queenstown and Wanaka airports with a diverse programme of activities

RMSS, a new cloud-based Health and Safety reporting tool, to help promote a strong safety culture within the organisation is now well imbedded into the team

Introduction of an apron code of conduct involving collaborative auditing with our apron stakeholders





Technology and innovation

Our technology strategy continued to deliver enhancements to the customer experience, operational efficiency and business resilience.

HIGHLIGHTS INCLUDED:

Introducing transport solutions such as time-saving Tap & Go technology in the terminal car parks and RFID cards for all commercial operators to make it easier to access the airport

Installing car parking sensor technology across the terminal car parks to provide customers real-time information on the availability of public car spaces

Upgrading Flight Information Display screens including a new state-of-the-art digital screen in the main concourse to better inform our passengers

Launching a Chinese language version of the Queenstown Airport website to better communicate essential information with Chinese speaking visitors

Launching BlipTrack, a new passenger movement tracking system at the Security Screening area, that generates data from passive WiFi sensors to measure the median wait time for departing passengers

Implementing the online engagement tool – Engagement HQ- across both airports to provide a platform for the community to engage 24/7 and deliver a more comprehensive analysis of engagement.



Wanaka Airport

In April 2018, a 100-year long-term lease was signed for Wanaka Airport. A number of initiatives have been implemented in Wanaka this year.

At a glance



7
flightseeing operators



3
flight training schools



4
aircraft servicing organisations



300
people employed



2
sealed public car parks




25
hangars, commercial and private



1,200m
length of sealed runway



900m
length of grass runway



127ha
current airport footprint



149ha
owned by QAC next to airport

THESE INCLUDED:

Establishing new Airport Operations Manager Role

Bi-monthly Health, Safety and Operational meetings with commercial operators, bringing together all parties to discuss and address safety concerns

Reviewing published aerodrome data and creating new arrival and departure procedures for VFR aircraft

Participation in Airport Safety Week, conducting a series of safety workshops and activities alongside Queenstown Airport

Conducting a full-scale emergency exercise involving the airport community and locally-based emergency services

Community workshops to gather feedback and ideas from stakeholders and the wider community on the future of the airport to 2045

Creation of a new online community hub, our.wanakaairport.com, as an interactive portal for members of the community and stakeholders to have their say 24/7

We will continue to build strong relationships across the community with support of events such as Warbirds Over Wanaka, Festival of Colour, The NZ Mountain Film Festival and Ignite Wanaka Business Awards.

In April 2018, QAC signed a 100-year long-term lease for Wanaka Airport



Our community

The continued and rapid growth of our region's resident population and seasonal visitors is having an increased effect on the communities we serve. Our challenge is to strike a balance between providing a world-class tourism airport and being a good neighbour in our community and region, supporting its economic growth.

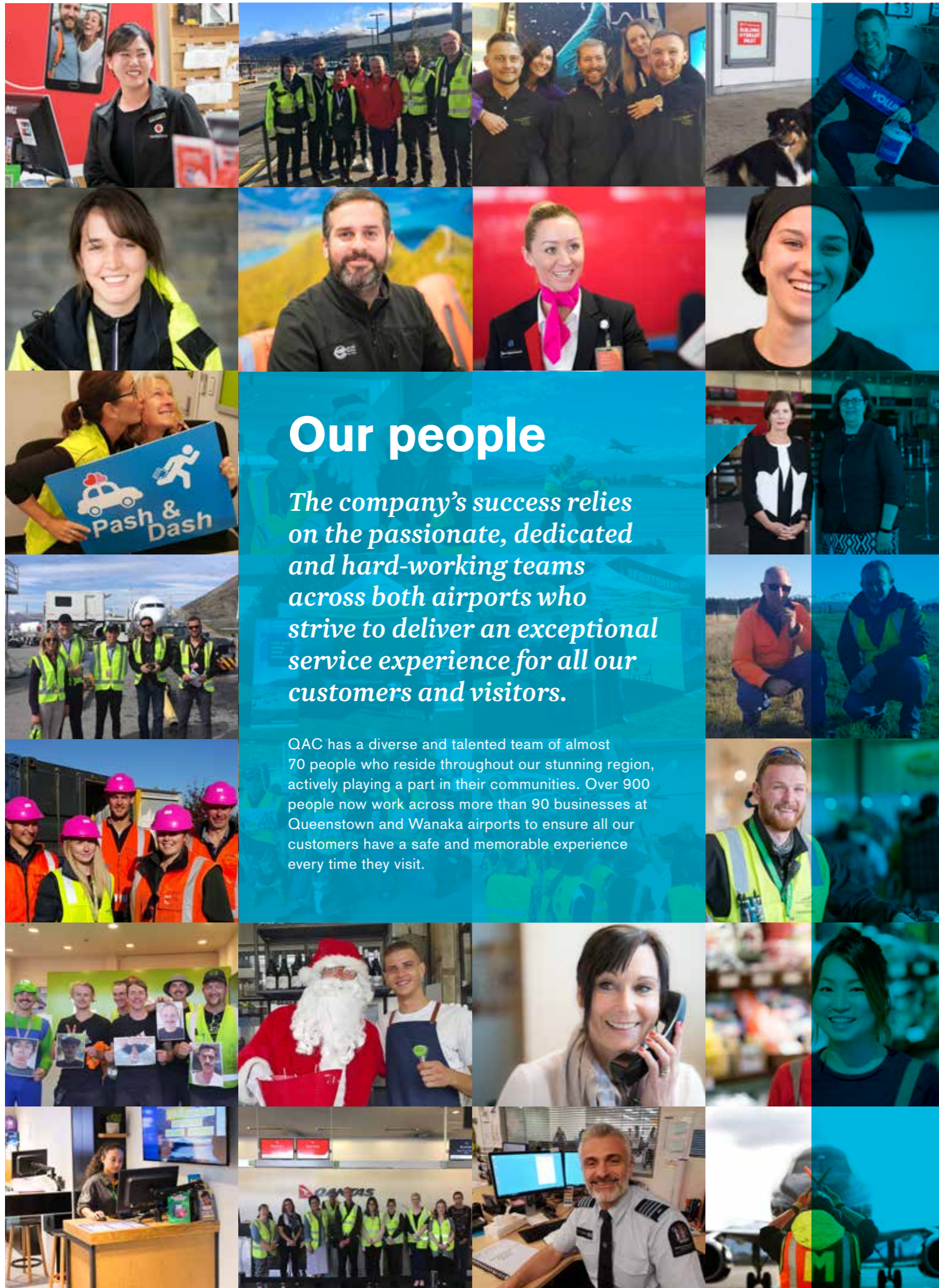
Our continued engagement with our stakeholders through one-to-one meetings, organised events and new online community hubs is key to ensuring a connected regional community. Our sustainability programme continues to evolve and includes work we're doing on our own or with partners to provide social, economic and environmental value to the communities we serve.

We continue to be involved in initiatives such as the regional Transport Governance Group, Chambers of Commerce and Shaping Our Future, as well as supporting various community events and not-for-profit organisations. Over the

last 12 months we have assisted local charities such as the Coastguard, St John, Wakatipu Reforestation Trust, the Pride Pledge, Heart Kids and the Cancer Society. The cross-airport education programme has gone from strength to strength this year with more than 300 children of all ages from regional and South Island schools, community groups and clubs visiting the airport.

We are also a proud supporter of regional events that showcase the best of our region such as the Winter Festival, Winter Games, NZ Golf Open and the Air New Zealand Queenstown Marathon (pictured).





Our people

The company's success relies on the passionate, dedicated and hard-working teams across both airports who strive to deliver an exceptional service experience for all our customers and visitors.

QAC has a diverse and talented team of almost 70 people who reside throughout our stunning region, actively playing a part in their communities. Over 900 people now work across more than 90 businesses at Queenstown and Wanaka airports to ensure all our customers have a safe and memorable experience every time they visit.

The future

The Queenstown Airport community is part of the fabric of the region and our role in providing a world-class airport experience helps to support long-term social, economic and environmental sustainability.

Our current forecasts continue to predict solid passenger growth. We are confident about the sustainability of our domestic and international markets, particularly with all four airlines now certified to fly after dark and the announcement of increased services from late October in time for summer.

We'll also continue our investment in technology, products and infrastructure improvements to provide a better customer experience, with the ultimate goal of making it more seamless for visitors to travel to and from the region and experience the best the region has to offer.

The important conversations we're having today and the work we're doing to plan for the future will provide a critical roadmap as we develop both Queenstown and Wanaka airports to serve our customers and communities.

Looking forward 30 years from now is a challenge and there are some unknowns with the fast-paced changes in technology, innovation and global changes in behaviour. Our goal is to continue to work closely with key stakeholders and the communities we serve to ensure we create well connected aviation centres for our region that are sustainable, adaptable, affordable and memorable.



Queenstown Airport Corporation Limited

PO Box 2641, Queenstown 9349, New Zealand

Phone: +64 3 450 9031

www.queenstownairport.co.nz

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The Annual Report is available at

www.queenstownairport.co.nz/company/planning-and-performance