



Queenstown Airport Corporation Limited

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Wanaka Airport

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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.

The Annual Report is available at

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



ANNUAL PROFILE 2018 - 2019



About Us

Queenstown Airport Corporation (QAC), as owner of Queenstown Airport and long-term lease holder of Wanaka Airport, continues to ensure the safe, efficient operation of its infrastructure assets, connecting people and sustaining the Southern Lakes region.

QAC manages these assets on behalf of its two shareholders to ensure they are financially viable and sustainable, generate appropriate returns on assets, and contribute to the region's economic development and the wellbeing of its communities.

QAC is considered an 'Airport Authority' under the Airport Authorities Act 1966 and is required under this legislation to operate and manage its airports as commercial undertakings, including carrying out improvements where necessary. QAC also has an obligation as a Council Controlled Trading Organisation (CCTO) to support QLDC in providing good quality local infrastructure that is appropriate to meet current and anticipated future needs and circumstances.

The company is owned by two shareholders:

75.01%

Queenstown Lakes District Council (QLDC)



24.99%

Auckland International Airport Limited



About Queenstown Airport

Operating since 1935, Queenstown Airport is New Zealand's fourth busiest airport. It is a strategic national and regional asset which contributes to the vibrancy and prosperity of New Zealand's economy, its tourism sector and the regional communities served by the airport.

More than 60 businesses and 700 people work across the airport precinct providing a broad range of services. The airport provides a domestic and international entry point to Queenstown and the broader Southern Lakes region. Residents and visitors, domestic and international alike, have access to daily air services to/from Auckland, Wellington and Christchurch, as well as direct trans-Tasman services to east coast Australia through

the ports of Brisbane, Coolangatta, Sydney and Melbourne.

Queenstown Airport is also a base for various general aviation activities, including flightseeing and other commercial operations, search and rescue, life flights and other emergency services. It is New Zealand's busiest helicopter port and a popular choice for private jet customers who reside in or visit the region.

About Wanaka Airport

Situated in a beautiful alpine environment, Wanaka Airport supports a broad range of general aviation activities.

As airports go Wanaka Airport is small in scale, but big in the contribution it makes to the local economy. Nearly 300 people work across approximately 20 businesses at the airport, which is a base for tourism and training operations, an aircraft servicing hub and home to a diverse general aviation community.

Wanaka has a strong and proud aviation tradition, including being a long-time base for the famous Warbirds over Wanaka airshow and one of the global launch sites for NASA's scientific space balloon programme.

In 2009, QAC was engaged by QLDC to manage Wanaka Airport's day-to-day operations. After a public consultation process in 2017, QLDC granted QAC a long-term lease for the management, planning and future development of Wanaka Airport. The 100-year lease commenced on 1 April 2018.



Strategic direction

Everything we do to achieve our collective and individual purpose is underpinned by our core values and guiding principles.

THIS REFLECTS OUR DESIRE TO BE:

Innovative in our thinking, planning, processes, technology, resourcing and infrastructure development

Integrated as one team which manages both airports whilst preserving their unique DNA and connecting them to their communities

An outstanding first and last impression of the destinations represented by the airports, reflecting the best of the region in our people, customer offerings, infrastructure and sustainable practices.

The year in review

Queenstown Airport Corporation (QAC), through its operations at Queenstown and Wanaka airports, continued to deliver returns to its two shareholders, investing in operational resilience, enhancing the customer experience and progressing its strategic planning in FY 2018/19.

Visitors and residents continue to be drawn to the region, with solid passenger movements for the year ended June 2019 of 2,321,347 - an 8% increase on the previous year.

We continued to progress our work and strategic thinking in a number of areas with capital expenditure of \$23.5 million.

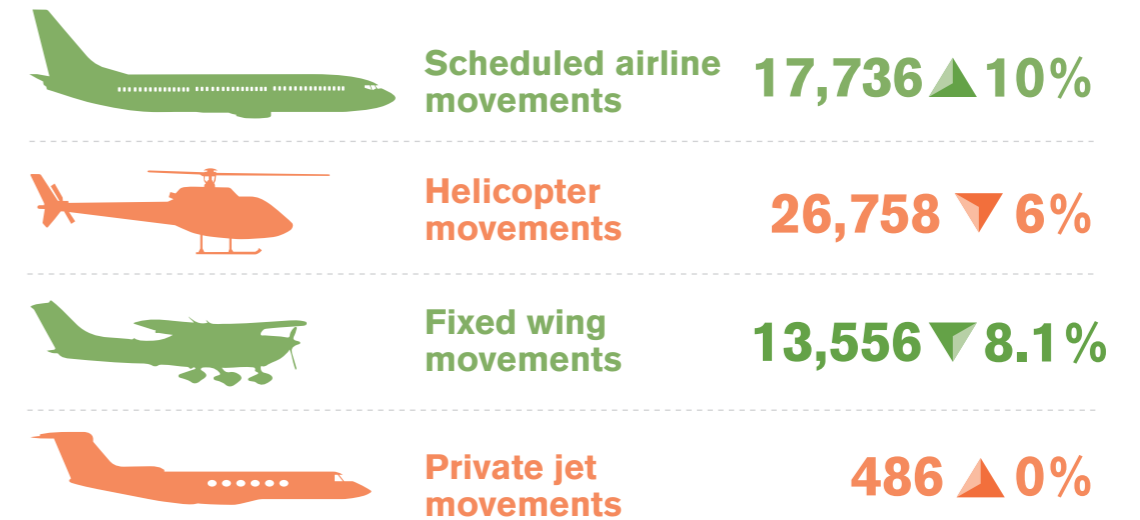
Continuing our focus on health and safety, we have emphasised the security of our visitors, staff and airport community this year, making enhancements in a number of areas to prioritise a safe and secure aviation operating environment and a 'just culture'. Continued investment in technology and other solutions to improve the customer experience was also a highlight.

Work continued to ensure Queenstown and Wanaka airports are well placed to meet forecast demand from both residents and visitors, with over \$5.6 million invested in infrastructure and land at Queenstown Airport.

These accomplishments build on the foundations from previous years and allow us to provide high quality airport infrastructure to connect both residents and visitors to the Southern Lakes region and maintain the highest levels of safety, efficiency and customer service.

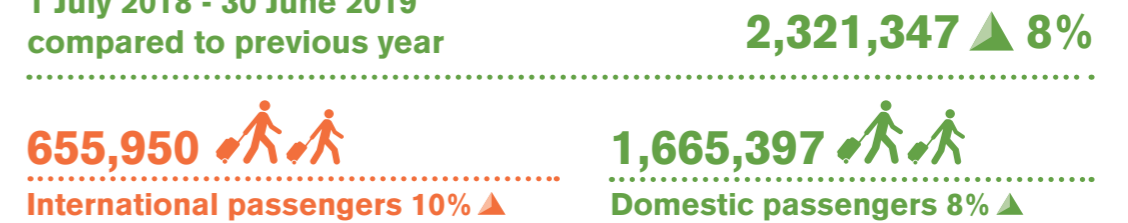
ZQN total aircraft movements

1 July 2018 - 30 June 2019 compared to previous year



ZQN total passenger movements

1 July 2018 - 30 June 2019 compared to previous year



WKA total aircraft movements



AIRCRAFT AND PASSENGER MOVEMENTS EXPLAINED



- 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

Supporting the community

QAC declared a total dividend of \$8.2 million to its two shareholders Queenstown Lakes District Council (75.01%) and Auckland International Airport (24.99%) for the year ended 30 June 2019 in-line with the Company's dividend policy.

For majority shareholder Queenstown Lakes District Council this is a dividend declared of \$6.2 million, which equates to \$237 per rateable property in the district.

Wanaka Airport is included in this year's financial reporting as QLDC granted QAC a 100-year lease for Wanaka Airport, which commenced on 1 April 2018.

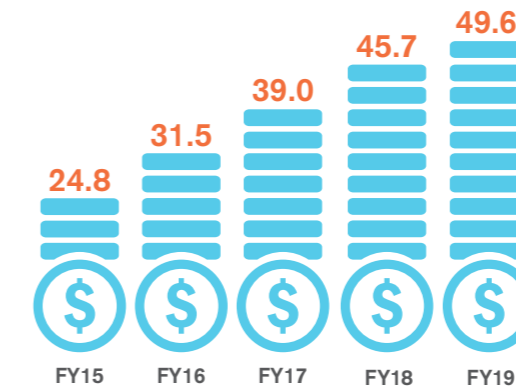


Solid financial performance

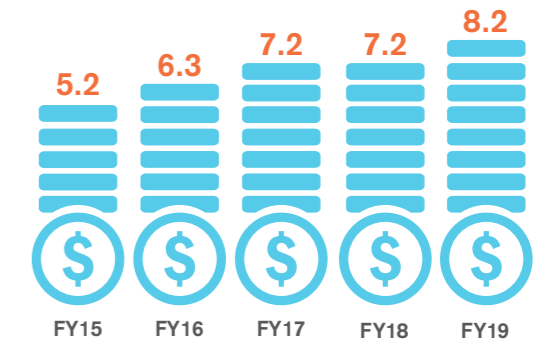
Queenstown Airport Corporation Summary of Financial Performance

For the year ended 30 June 2019.

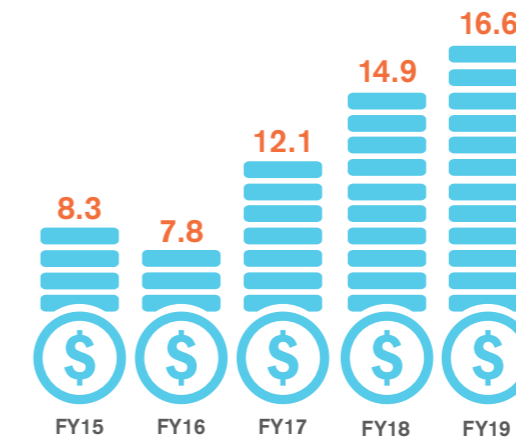
Revenue (\$ million)



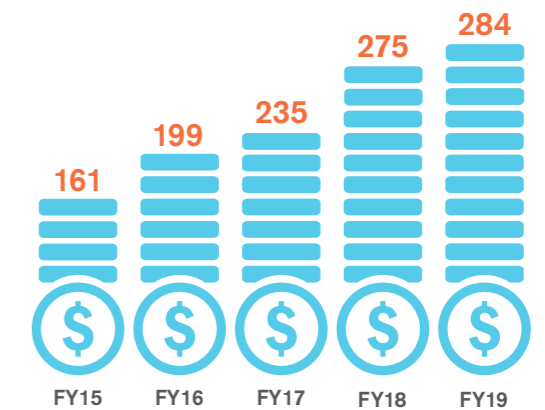
Dividend Declared (\$ million)



Profit (\$ million)



Net Assets



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Our sustainability journey

This year work started on the Company's sustainability framework which will guide our future thinking and work.

HIGHLIGHTS INCLUDED:

Completing the \$7 million full apron overlay project, using a new low carbon asphalt, incorporating 1.5 million recycled glass bottles and 330,000 waste printer toner cartridges

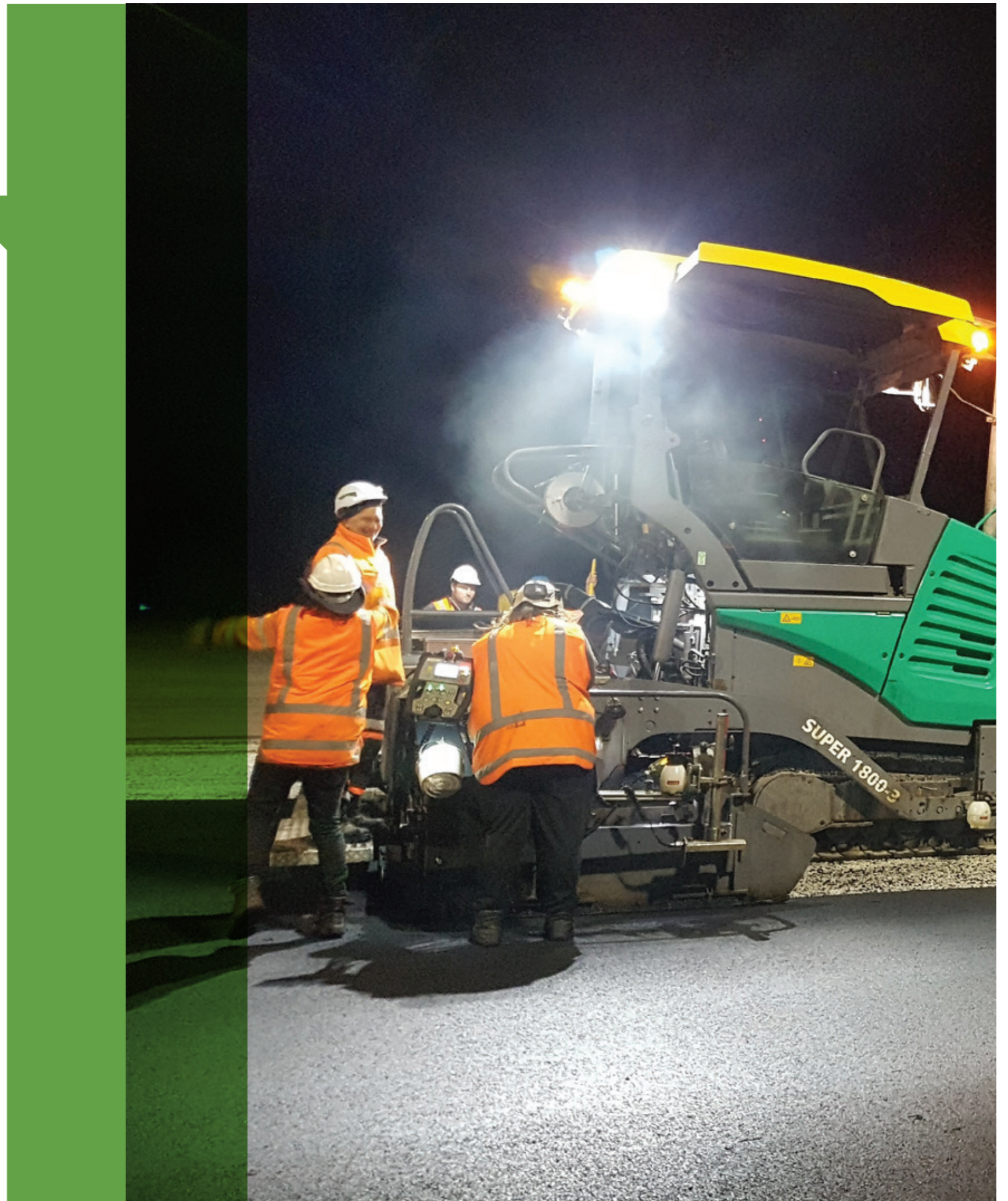
Adopting an Environmental Management System (EMS), which includes an Energy Management Plan providing an overarching framework and guidance for managing environmental impacts

Adopting a "Plan, Do, Check, Act" framework aimed at continuous improvement as we move forward with an eventual pathway to accreditation

Conducting an energy audit to provide a review of energy efficiency measures and setting a target to reduce greenhouse gas emissions by 5% from 2016 levels, on a per passenger basis by the end of 2020

Additional fuel and power metering to understand how we consume energy and fuels throughout our business

Installing charging stations to accommodate 80% of the 54-plus electric airside vehicles and equipment by the end of 2019.





QAC announces a five-week public consultation on proposed changes to the current air noise boundaries for Queenstown Airport. The proposed changes would enable the airport to continue providing sustainable domestic and international air services for the next 30 years, while managing the effects of aircraft noise on the local communities.



Community visioning workshops in Wanaka gather locals together to explore their views about the future of Wanaka Airport. More than 150 people attended the two sessions, with a further 80 people joining in the conversation on the our.wanakaairport.com online engagement platform.



Air New Zealand announces added capacity on the WLG-ZQN route, growing the core schedule to twice daily jets, with improved schedule timings to offer business timed flights. The new schedule includes an early morning and late afternoon flight, along with business-friendly mid-morning and early evening returns.



New sensor Blip Track technology is introduced to enhance the customer experience. The technology helps staff to monitor and proactively manage passenger flow, and work with aviation security, airlines and border agencies to respond quickly to irregular operations and disruptions. The average wait time is also displayed on a screen to help inform travellers, creating realistic expectations on wait times, improving passengers' journey through the airport.



Wanaka luxury retail brands, Common People and Mons Royale, pop-up in-terminal for winter, expanding the airport's regional retail offering.

Key milestones JULY 2018

OCT-NOV 2018

QAC receives nearly 1,500 online survey responses as well as 19 individual and group submissions during its five-week public consultation on the proposed noise boundary. The consultation followed six months of extensive stakeholder discussions at a local, regional and national level.

Airport Safety Week shines a light on travelling and personal safety, with a programme involving staff from Queenstown, Wanaka and, for the first time, Invercargill airport. The programme includes drone awareness, civil defence training, health and wellness and the importance of vigilance with airport security.

New wayfinding signage unveiled in the terminal to help passengers and greeters to more easily find carparks, drop-off zones, rental car parks and the arrival and departure gates, as well as other facilities. Designed to enhance the visitor experience, the initiative is part of QAC's strategy to enhance the park-to-plane journey.

After considering community and stakeholder feedback regarding boundaries, QAC announces it will consider the outcomes of other key long-term planning initiatives before considering any further proposals around noise planning changes at Queenstown Airport.



QAC's sustainability journey continues when QAC partners with infrastructure and facilities company Downer on the \$7 million project to resurface the apron area ahead of the peak summer season. The revolutionary lower carbon asphalt incorporates waste printer toner and recycled glass.



The Air New Zealand Queenstown Marathon kept our team of volunteers busy for the best part of 8 hours, who worked non-stop to serve the 15,000+ athletes who ran, walked and even danced through Aid 8, lifting their spirits by cheering, dancing and singing along to great tunes from our two DJs.



AUG-SEP 2018

DEC 2018

Online booking for the Airport Park and Ride service launches in time for the Christmas and summer season, enabling customers to secure and pay for a spot before they travel.

QAC's inaugural Christmas Community Days brings the airport and wider community together to celebrate the season, welcome Santa and support a good cause. The Let's EAT charity receives \$962 in donations, topped up by a further \$1,000 from QAC as well as crockery, cutlery, cups and glasses donated to them by Qantas.



Hosting students is all in a day's work for QAC, through the education programme which provides insights into how the airport works, as well as opportunities for older students to enjoy work experience. Over 257 students have visited us and pre-Christmas, 13 Wakatipu High School students also worked in and around the airport to raise funds for a 12-day outdoor education camp.



QAC's new weather warning system provides the Airport Operations team, Airways and airlines with automated advice on wind and severe weather conditions at the airport and surrounding areas. Powered by MetService, the system sends real time notifications of lightning within 10-15km of the airport and enables storm monitoring.



Enhancing the park-to-plane journey

As part of our goal to enhance the “park-to-plane” journey for our customers, we have continued to invest in new and innovative product and retail offerings, as well as implementing technology solutions to ensure processes are smooth, efficient and effective where possible.

HIGHLIGHTS INCLUDED:

Creating a dedicated manager role to focus on customer ground transport activities

Providing a new “grab and go” food and beverage offering in the domestic departure lounge

Continuing to enhance the retail “pop-up” offerings to provide greater seasonal variety

Relocating the customer information desk improving the customer experience

Implementing a new and innovative terminal advertising and information programme including new advertising infrastructure and local/national content.

Implementing new customer wayfinding signage in terminal.





Andrew Williamson joins the team as Chief Financial Officer and Company Secretary, responsible for financial performance management, strategic planning, capital funding, risk management and information technology.



Terminal improvements continue in-line with our investments to provide the best customer experience as well as a secure, safe and welcome workplace. The list includes stage four of the Border Agency Space Management project. The Swing Lounge project, to create additional space depending on demand, proved valuable over the summer peak, expanding the domestic passenger lounge facilities during busy periods.

New E-learning programme Litmos launches, enabling every member of our airport community the opportunity to become aware of any risks to security and safety and how these can be mitigated. More than 500 members of the community have completed courses in terminal services, welcome processes, biosecurity and aviation security.



Wanaka Airport's Warbirds Over Wanaka International Airshow picks up two awards at the New Zealand Event Association annual awards dinner in Auckland. The 2018 Airshow was judged the Best National Event and also picked up the People's Choice award for New Zealand's Favourite Event. WOW Event Manager, Mandy Deans was also named as a finalist in the Event Professional of the Year category.

Luxury-brand Sir Edmund Hilary opens in the terminal as part of the airport's 'pop-up' programme, marking the brand's first physical store.

QAC's interim result for the six months to December 2018 shows a net profit after tax of \$8.3 million and an interim dividend of \$1 million to be paid to our two shareholders, with 75.01% going to Queenstown Lakes District Council and 24.99% to Auckland Airport.

Key milestones JAN 2019

MAR 2019

APR-MAY 2019

JUNE 2019

The QAC leadership team launches the Strategy House to the wider team which sets out our aspiration, purpose, major streams of work or themes and key priorities as a Company. We're joined by Cardrona General Manager Bridget Legnavsky who inspires the team talking about Cardrona's journey, vision and values.

Security Week is held at Queenstown Airport for the first time in a joint initiative by QAC, Customs, MPI, the Police and AVSEC. Engaging with airport staff, as well as those employed across services in the terminal, from biosecurity to baristas, both landside and airside, it is believed to be a first for a New Zealand airport.

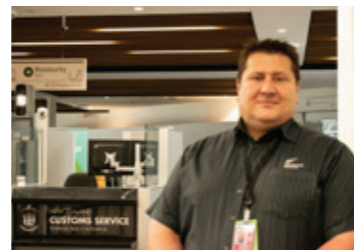
Jetstar celebrates 10 years of flying domestic services within NZ, with flights to and from ZQN commencing in June 2009 to NZ destinations.

Showing our support of LUMA – The Southern Lights Project as installation partners, we play host to Trilogi, an interactive installation designed by artist Simon Holden (South Island Light Orchestra). Lighting up the lives of our passengers and staff, the artwork is installed in the forecourt during June.

More winter capacity comes on board with Qantas adding a new Melbourne-ZQN route (around 10,000 seats), while Qantas' Sydney services will also go from 10 to 13 per week over the ski season. Jetstar is now operating two flights a day on the Sydney route.



Terry Chilton joins Queenstown Airport as Immigration Border Manager, bringing with him more than 10 years' of experience protecting New Zealand's borders with both the Customs and Immigration services.



House of Hygiene is appointed Queenstown Airport's cleaning contractor after a commercial review. The review provides a catalyst for change in the way we operate contracts under the 'one team' approach where everyone shares responsibility for operational performance and the customer experience. All staff now have a QAC uniform, are involved in QAC's social activities and have access to QAC staff areas.

QAC welcomed communications and community engagement specialist Sara Irvine to the senior leadership team as General Manager Corporate and Community Affairs.



Our first Airport Winter Festival Ambassadors, Mariana Costa and Emma Wynne, greet visitors, helping with enquiries and encouraging them to make a Tiaki Promise to protect Queenstown and New Zealand.





Investing in terminal infrastructure

Ensuring a safe, efficient and friendly airport environment is a key focus for us and broader airport community.

Several projects, totalling upwards of \$16 million, were delivered to ensure that the terminal and connecting areas are well positioned to accommodate forecast passenger numbers within the current footprint and to the highest safety standards.

HIGHLIGHTS INCLUDED:

Commencing work on the \$20 million "Project Pathway" initiative, a comprehensive programme of terminal and related infrastructure works

Upgrading the terminal ceiling and related services

Ensuring compliance with current seismic building standards

Creating a new dedicated role to manage the airport noise mitigation programme and continuation of the mitigation work on homes in the inner noise area

Upgrading and expanding the border agency terminal and dog rest areas

Creating a swing departure lounge to enable more efficient use of space and resources and increase the capacity in the domestic departure lounge area

Planning for the implementation of self-service check-in kiosks in the next financial year as well as foundation work to expand the baggage make-up unit

Increasing the area used by ground transport operators for customer pick-up/drop-off.



Health, safety and security

The health, safety and security of our customers, contractors, team and airport community is our highest priority. We have an ongoing Zero Harm target and prioritise a safe aviation operating environment and a 'just culture' and have invested in initiatives that specifically enhance the health, safety or security of our people and community. This is on top of the significant investment in operational resilience and terminal infrastructure improvements.

HIGHLIGHTS INCLUDED:

No employee or contractor Lost Time Injury for more than four years

Incident reporting, which is a positive indicator of a strong safety culture, has increased by 248% over the last three years

Investing in our own rescue fire training ground and sending our Rescue Fire team to the Air Services Australia training facility in Melbourne for world-class training

Implementing contractor pre-qualification process in a bid to further improve contractor safety, performance and collaboration

Creating Queenstown Airport's first Security Week, a week of activities and workshops with a focus on keeping our staff and passengers safe.

Launching an airport community safety and security leadership forum

Launching Litmos, a new e-learning platform, to streamline and improve the efficiency of health, safety and security training and risk mitigation

Introduction of a new compliance coordinator role to assist with the ongoing improvements in health, safety, security and aviation compliance.

Innovation and technology

As a forward-thinking business, we continually look at ways to use new technology and innovative solutions to improve business efficiency, enhancing the experience for our airport customers and creating a memorable experience for everyone who visits Queenstown and Wanaka airports.

HIGHLIGHTS INCLUDED:

Introducing online booking capability for airport Park and Ride to ensure a streamlined customer experience

Launching the Company's first Intranet, a cloud-based interface connecting team members across both airports with news, stories and updates from the Company and the industry in one central location

Introducing new sensor technology to enhance the customer experience by measuring passenger queue times and flows at security processing, enabling the airport to dynamically resource staffing, as well as proactively communicate wait times to passengers

Installing new FIDS screens throughout the terminal to improve visibility for customers and enable enhanced advertising facilities.





Wanaka Airport

A number of workstreams have started to help us better understand what's possible at Wanaka Airport, from the air space to underground.

Planning during the next financial year will be informed by the district spatial planning process being undertaken by QLDC in conjunction with Government.

Independent economic and social impact assessments of the impact (positive and negative) of future airport development on the district and its communities will be undertaken by QLDC and will further inform our planning work.

While looking to the future, it's important to ensure that the airport community has an operating environment to succeed, ensuring that all visitors to Wanaka Airport are safe, healthy and secure and have an excellent customer experience. Over the past 12 months, a number of initiatives have been implemented to provide this environment.

HIGHLIGHTS INCLUDED:

Continuation of the bi-monthly health and safety meetings with operators to ensure safe operating procedures and a "just culture" of incident reporting

Review of airspace procedures to ensure safe joining of aircraft to the circuit

Renovation of current building into new offices for the Wanaka team, utilising solar panels for heating and air circulation, plus direct connectivity to the Queenstown Airport Operations Centre for day-to-day activities and for emergencies

Representing the Company on the Wanaka Town Centre Master Plan reference group and Regional Transport Group to find collective solutions to ground transport pressures

Applying for Requiring Authority Status with support from Council

Providing engagement opportunities on the dual-airport model with online platform EHQ, 2:2 sessions, and Meet the Community event to share our current thinking.



Our community

We continue to support the communities we serve by investing in, and being involved with, local events and organisations, community groups, and initiatives that celebrate our community, culture and heritage.

HIGHLIGHTS INCLUDED:

Hosting Christmas Community Days at Queenstown Airport and raising over \$2,000 for local charity "Let's Eat" which promotes feeding people in need, bringing people together by sharing food and reducing food waste

Hosting 257 students around the region as part of our education programme

Providing support and assistance of various events, including the Real Journeys Queenstown Winter Festival, Winter Games, Winter Pride, Festival of Colour, The New Zealand Mountain Film Festival and the Air New Zealand Queenstown Marathon as well as supporting various other community events and not-for-profit organisations

Continuing active participation in key community initiatives, including the regional Transport Governance Group, Frankton and Wanaka Town Centre Plans, Vision 2050 and Shaping Our Future

Actively supporting the national Tiaki Promise to protect our environment and encourage sustainable tourism practices in our region.





One team

There are more than 900 people who work at Queenstown and Wanaka airports, representing a diverse cross section of people. Many play an active part in their communities across the region and our collective success relies on trust, close collaboration and a 'one team' approach.

Over the past 12 months, we have grown the capability of the QAC team through new roles, online development initiatives, an enhanced employee health and well-being scheme and a commitment to paying the national living wage. We have also led the way by supporting diversity in all forms to foster an inclusive culture and flexible working arrangements to promote work-life balance and well-being.

The Company's success is testimony to the success and support of our airport community and we're thankful to both airport communities for helping us deliver an outstanding customer experience, a warm Southern Lakes welcome - or goodbye - in a safe and secure environment.