



Annual Review
2013–2014

Introduction

As New Zealand's fastest growing airport and the gateway to Central Otago and the Southern Lakes region, Queenstown Airport is a key economic driver of the region's tourism industry and economy.

Queenstown Airport Corporation Limited (QAC) is responsible for ensuring this critical national infrastructure asset is efficient, operationally robust and provides value for money. QAC strives to deliver world-class facilities and an outstanding passenger experience, and reflect the best of what our region has to offer.

This Annual Review covers QAC's activity from 1 July 2013 to 30 June 2014.

Queenstown Airport is the 4th busiest airport in New Zealand

- 1 Auckland
- 2 Christchurch
- 3 Wellington
- 4 Queenstown



“ QAC strives to deliver world-class facilities & an outstanding passenger experience, and reflect the best of what our region has to offer ”





“ Building on the success of recent years, Queenstown Airport has delivered a \$4.3 million dividend to its two shareholders QLDC and Auckland Airport ”

Strong financial performance

Queenstown Airport Summary of Financial Performance

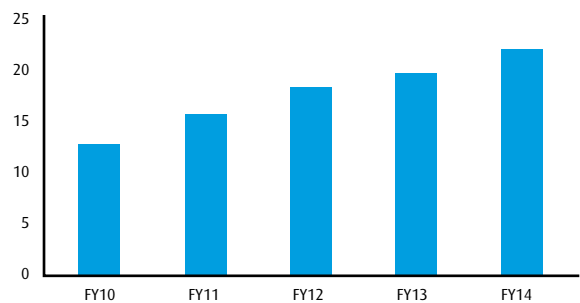
For the financial year ended 30 June 2014

	\$m
Income	21.9
Net Profit After Tax	6.6
Dividend	4.3
Net Assets	157.7

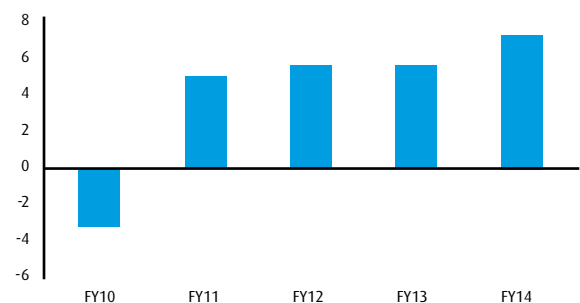
Full Financial Statements: This is a summary of the financial information only, which has been derived from, and should be read in conjunction with the Queenstown Airport Corporation Limited Annual Report. The Annual Report contains the full company Financial Statements and the accompanying notes which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



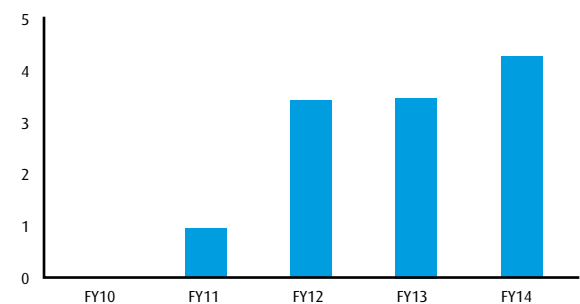
Revenue (\$ million)



Net Profit after Tax (\$ million)



Dividend Paid (\$ million)



Key milestones

JULY 2013

LS Travel opens its new Duty Free store.



OCTOBER 2013

The Queenstown Airport Liaison Committee is established to oversee the airport's Noise Management Plan.



NOVEMBER 2013

We announce two new executive appointments to the QAC team – GM of Operations and GM of Property – to strengthen and future-proof key aspects of the airport's operations.

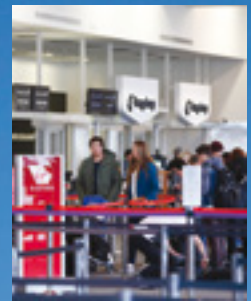
DECEMBER 2013

Kapa Design Gallery opens in the terminal, offering a selection of New Zealand artists' works including prints, woodwork, textiles, glass, ceramics, and jewellery.



JANUARY 2014

We report our busiest calendar year on record with a 5.1% increase in passenger movements for 2013 – up 59,276 to 1,215,526.



Our new arrivals entrance is completed. The glassed entrance way is designed to enhance passenger flows.



FEBRUARY 2014

We announce our plan to reduce the impact of aircraft noise on our neighbours.

A special commemorative event is held to mark the 50-year anniversary of Mt Cook Airline's first scheduled service to Queenstown on 4 February 1964 – a major milestone in the history of both Queenstown and the airport.

MARCH 2014

We hold a Community Information Evening to outline our noise management plans to our neighbours.

Patagonia expands and opens a new boutique café – complete with pizza oven – in the terminal, adding a new line of fresh produce and savoury food to its existing offering.

We welcome the airport's first Boeing 757 – the Royal New Zealand Air Force aircraft sets a new record as the largest plane to date to land in Queenstown.

APRIL 2014

The Duke and Duchess of Cambridge fly in and out of Queenstown Airport in a Royal New Zealand Air Force Boeing 757 as part of their royal tour of New Zealand.



The Airport Café closes and work begins on the fitout of the new Airspresso Café, scheduled to open in July 2014.

MAY 2014

We welcome the green light from New Zealand's Civil Aviation Authority and Australia's Civil Aviation Safety Authority to approve the foundation safety case for after-dark flights into Queenstown Airport, subject to infrastructure and technology requirements.

The airport's new mini corporate jet terminal 'Queenstown Corporate Jet Services' opens for business.

We move into a new administration office to make way for a new airline lounge.

Airport staff and all local agencies take part in the airport's biennial full-scale emergency training exercise.

JUNE 2014

Airspresso Airside opens for business in the international departure lounge, offering food and beverages and the airport's first fully licensed airside bar.



With a 25% increase in trans-Tasman flights announced for winter, we install an innovatively themed 'pop-up' structure for the busiest eight-week July-August period to provide extra capacity for arriving international passengers and their luggage.



Record-breaking passenger numbers

Increased passenger numbers underpinned QAC's strong financial performance for 2013-2014.

Queenstown Airport experienced its busiest financial year on record with a 4.2% increase in passenger movements compared to the previous 12 months, itself a record.

A total of 1,248,878 passengers travelled through the airport, 75% of which were domestic passengers and 25% international passengers.

A key contributor to this strong performance was stellar month-on-month trans-Tasman passenger growth which jumped 27.6% from 241,714 to 308,402 in a year.

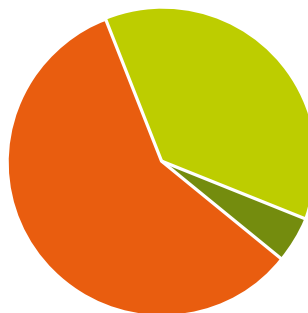
All three trans-Tasman routes – Brisbane, Sydney and Melbourne – enjoyed double digit percentage growth thanks to extra capacity and frequency added by Air New Zealand, Jetstar, Qantas and Virgin Australia. The Brisbane route in particular was a standout performer, achieving 57% growth.

Domestic passenger numbers experienced a small decline, decreasing 1.7% to 940,476. Contributing factors included Jetstar withdrawing its services from Wellington and realigning its schedules to increase capacity on trans-Tasman routes. Overall, the Auckland-Queenstown route was the strongest performer with passenger numbers growing 5% year-on-year.

The airport's private jet business went from strength to strength, increasing 13.7% to 231 landings. In May 2014 a dedicated private jet terminal was opened by joint venture partners Air Center One and Capital Jet Services to better service their premium clients.

General aviation users – flightseeing aircraft and helicopters – also had a strong year with landings up 7.2% on previous year.

Landings



5,597
scheduled airline
landings ▼1%



15,442
fixed wing & helicopter
landings ▲7%



231
private jet
landings ▲14%

42,540 total aircraft
movements

▲ 27% increase in
international
flights

1.25m

Passengers ▲ 4.2%



310,000
international

940,000
domestic



4,721

passengers on the busiest day

▲ 5%

Auckland route growth:
strongest domestic

▲ 57%

Brisbane route growth:
stand-out performer

▲ 28%

trans-Tasman
passenger growth



Growing passenger volumes

We continue to work closely with aviation and tourism partners to build sustainable capacity growth and improve connectivity.

Airline alliances, such as those between Air New Zealand and Virgin Australia, and Qantas and Emirates, have been instrumental in opening us up to international flying networks, giving short and long haul travellers better access and more flexibility to visit our region.

Forward schedules show a strong desire from our four airlines – Air New Zealand, Jetstar, Qantas, and Virgin Australia – to continue to meet rising demand from our key market of Australia. We are very grateful for their on-going support and are working hard to ensure we have the appropriate infrastructure in place to meet this growth and maintain service levels.

By working closely with our airlines, we have agreed a pathway to support the forecast growth in international passenger numbers. The key elements agreed are:

- Providing temporary arrivals capacity for winter 2014
- Undertaking a major build to the terminal through summer 2014/15 to provide a new and larger international arrivals area
- Increasing the size of the international departure lounge by July 2015
- Modifying the check-in process and check-in area to more efficiently accommodate the peaks.

Looking to the future, a key driver for taking the airport to the next level will be securing evening flights. We have worked with industry partners for the past two years to determine its feasibility and in May 2014 we were delighted that New Zealand's Civil Aviation Authority, in consultation with Australia's Civil Aviation Safety Authority, approved the Foundation Safety Case for flights in and out of Queenstown after dark.

This is the first step towards securing evening flights, which we believe will be a game changer for Queenstown Airport and the region's tourism industry and economy. Much work is still to be undertaken and we are anticipating evening flights to commence by winter 2016.







“ After-dark flights would be a potential game-changer for Queenstown Airport and the region’s tourism industry and economy ”





Commercial development meeting our passenger needs

Our spectacular growth in passenger numbers in recent years and a continued positive outlook has allowed us to agree increased rents and improved fitouts with existing tenants as well as attracting new retail offerings to the airport. In many cases rents are now linked to a tenant's turnover which rewards and motivates both parties to grow passenger spend.

New offerings in the past year include The Remarkable Sweet Shop (opened June 2013), Kapa (December 2013), Patagonia Café (March 2014) and Airspresso (July 2014). All have proved very popular with airport visitors.

In October 2013, the Bing Bong Bar was removed to make way for a new domestic arrivals entrance. The change has worked well, with incoming passengers now separated from outbound passenger queues moving through the Aviation Security screening point.

In May 2014, our corporate office moved into new ground floor offices to make way for a new passenger lounge to be built on Level One. The Manaia Lounge will primarily cater for premium Qantas Club members but other passengers will also be able to gain entry by paying a small fee.

In an effort to provide passengers with more car parking options at different price points – an offering we believe is very important – we introduced long-term airport parking last year. While the initiative has proven popular it has also come at a price – our car park revenues fell year-on-year as we lost a portion of the higher revenue stream from the main short-term car park.

Demand for car parking remains high and new spaces will be added to the main car park in time for summer 2014/2015.



Noise management working with our community

In October 2013, the Queenstown Airport Community Liaison Committee was formed and held its first meeting.

The Committee comprises an independent chair (Jane Taylor), three community members, representatives from the airport, airlines, General Aviation users, Airways, and Council.

In February 2014, the Committee formally adopted the Queenstown Airport Noise Management Plan which prescribes how QAC and its users will work with our local community to address noise concerns.

Part of the plan involves QAC offering noise mitigation works to an estimated 380 homes close to the airport by 2037.

The mitigation works will commence at the end of 2014 and will continue in annual or biennial tranches for the next 20 to 23 years.

An estimated 170 home owners will be offered mitigation works in the first two years of the programme as Queenstown Airport strives to be a respectful neighbour while enabling airport operations to grow to meet demand from visitors and the local community.

Further information, including a factsheet, map and Noise Management Plan is available on a dedicated section of Queenstown Airport's website www.queenstownairport.co.nz/noise.





Managing growth long-term strategies

To meet the long term growth projections of this community we must also secure land.

Negotiations with our neighbour Remarkables Park Limited (RPL) have been in progress for a number of years to acquire a parcel of land to the south of the runway referred to as Lot 6. Our preference is to conclude a negotiated settlement, but should this fail, we also have a statutory right to compulsorily acquire the land.

To date we have spent \$2.6 million on the acquisition process and, while this is a significant amount, it is an unfortunate but necessary cost to acquire the land at a fair price.

We remain firm in our resolve to acquire the land we need for future airport developments.

To help position the airport for future growth, two new executive roles were created which focus on the strategic direction of the airport and its development.

The General Manager of Operations now has the overall responsibility for airside and terminal operations with an emphasis on aeronautical relationships and enhancing the consumer experience, while the General Manager of Property manages the company's commercial property portfolio – a key revenue driver for the airport.

We are currently working with key stakeholders to update our Airport Masterplan and a summary will be released before the end of the 2014 calendar year for public feedback.

Our strategic alliance with 24.9% shareholder Auckland Airport continues to deliver benefits.

Having the ability to tap into the country's number one travel gateway for both operational learning and tourism promotion has helped us reduce costs, gain visitor market share and improve efficiencies in managing future capital investment and property development.





ASSOCIATION
HOUSE FACILITY

acknowledge the following organisations for their contributions and support towards the construction of these courts:

PLATINUM SUPPORTERS \$10,000 +

- CENTRAL LAKES TRUST \$60,000
- KELVIN PENINSULA COMMUNITY ASSOCIATION \$30,000
- QUEENSTOWN LAKES DISTRICT COUNCIL \$30,000
- COMMUNITY TRUST OF SOUTHLAND \$15,000

GOLD SUPPORTERS \$5000 +

- WAKATIPU NEW WORLD
- SKY CITY - QUEENSTOWN
- QUEENSTOWN AIRPORT CORPORATION
- REAL JOURNEYS
- HILTON SPA AND RESORT
- FULTON HOGAN
- HOLMES CONSULTING

SILVER SUPPORTERS \$2000 +

- SOUTHLAND BUILDING SOCIETY
- SKYLINE QUEENSTOWN



Supporting our community

Queenstown Airport is committed to giving back to the community and supports the efforts of various not-for-profit organisations.

Organisations supported in the past year include Bruce Grant Memorial Trust, Queenstown Volunteer Fire Brigade, Queenstown Coastguard, AngelFlightNZ, Kelvin Heights Sports Facility, Queenstown's Heart Kids Day Out, NZ Cancer Society, Autism NZ, and Queenstown Lions Club.

As a key community stakeholder, Queenstown Airport also contributes to longer term projects such as Shaping Our Future and its associated Visitor and Tourism Industry Task Force.

In line with our focus on attracting visitors to the region through the airport, we provide in-kind or value-add support to large-scale events such as the Winter Festival, NZ Golf Open and Warbirds Over Wanaka.

We also contribute to logistics planning for events such as the Royal Tour 2014. While the Duke and Duchess of Cambridge's visit in April was brief, months of detailed planning and inter-agency co-operation went into ensuring all airport logistics were professional and seamless. In addition, the RNZAF Boeing 757 they travelled on was the largest aircraft to ever land in Queenstown, which required meticulous forward planning and execution.



Our people

Queenstown Airport's enduring success is a testament to the quality and culture of its people.

Huge thanks go 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 a solid financial result and an outstanding passenger experience.





Audi driving experiences

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

paperplus
my gifts

paperplus



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