

STATEMENT OF INTENT

YEAR ENDING 30 JUNE 2024



QAC'S REGISTERED OFFICE

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INTRODUCTION

This Statement of Intent (SOI) is prepared by the board of directors of Queenstown Airport Corporation Limited (QAC) for its shareholders in accordance with Section 64(1) of the Local Government Act 2002.

QAC is a council-controlled trading organisation (CCTO) for the purposes of the Local Government Act 2002. The company is owned by one majority and one minority shareholder:

- 75.01% by the Queenstown Lakes District Council (QLDC)
- 24.99% by Auckland International Airport Limited (AIAL)

The SOI is a public and legally required document. It is agreed annually in consultation with shareholders and covers a three-year timeframe. This SOI covers the period from 1 July 2023 to 30 June 2026 (FY24 - FY26).

The SOI sets out the company's purpose and objectives, the nature and scope of the activities to be undertaken and the financial targets and non-financial measures by which the performance of the company may be judged

in relation to its objectives. QAC's achievements against the objectives outlined in each year's SOI are set out in its Statement of Service Performance as part of its end of year reporting.

QAC, in consultation with its shareholders, prepares a draft SOI for delivery to shareholders on or before 1 March each year, and delivers a final SOI, approved by the QAC board of directors on or before 30 June.

In February 2023, QLDC, the majority shareholder of QAC delivered a Statement of Expectations (SOE) for the three-year period commencing 1 July 2023, which is reflected in this SOI.

We will continue to proactively engage with our shareholders on the company's strategic direction. Each SOI will reflect the 10-year strategic plan. The 10-year strategic plan will be updated every three years. The next update will be completed in FY25 for the FY26 to FY35 period.

NATURE AND SCOPE OF ACTIVITIES

QAC's purpose is to create long-term value and benefits for its shareholders, business partners and the communities of the Queenstown Lakes District, measured against social, environmental, economic and cultural wellbeing.

QAC's primary activity is the safe and efficient operation of Queenstown Airport, facilitating air connectivity through the provision of infrastructure in the region, to meet the needs of our customers, the residents of, and visitors to the lower South Island. This includes the provision of appropriate and sound aeronautical and associated infrastructure and facilities for the operations at the airport. QAC also manages Wānaka Airport and the Glenorchy Airfield on QLDC's behalf.

We:

- Ensure effective stewardship of the airports, including meeting all relevant statutory obligations
- Provide airfield, airside, terminal and landside facilities and infrastructure that deliver the required outcomes for all operators and users
- Ensure the operational resilience of Queenstown Airport as a lifeline utility, as required under the Civil Defence Emergency Management Act 2002.

QUEENSTOWN AIRPORT

At Queenstown Airport, QAC provides for scheduled domestic and international air services, commercial and private general aviation operations and the Lakes District base for the Otago Rescue Helicopter service.

WĀNAKA AIRPORT

Wānaka Airport is owned by QLDC. QAC manages Wānaka Airport under a Management Services Agreement (MSA) with QLDC. Wānaka Airport facilitates scheduled domestic air services, and both commercial and private general aviation operations.

GLENORCHY AIRFIELD

Glenorchy Airfield is owned by QLDC. QAC provides grounds maintenance services and airstrip management at Glenorchy, under a Management Services Agreement with QLDC.

REGULATORY OBLIGATIONS

Under the Airport Authorities Act (AAA) and Resource Management Act (RMA), QAC has statutory responsibilities and obligations related to land use and planning and operates in accordance with these obligations. QAC will continue to monitor and maintain regulatory compliance with the obligations set out in the district plan, QAC's designation and resource consents associated with the operation of Queenstown Airport. QAC will continue to monitor regulatory compliance at Wānaka Airport and highlight any issues to QLDC.

COMPANY VALUE

As at 30 June 2022, QAC's land, land improvements and buildings were valued at \$435 million and included 153.0ha at Queenstown Airport and 149.5ha owned by QAC near Wānaka Airport. QAC's estimated enterprise value, as adopted by its board of directors in June 2021, was in the range \$535 million to \$550 million. This was supported by an external valuation by Northington Partners.



OUR COMPANY

GOVERNANCE

QAC is governed by a board of five directors. The board of directors is appointed by the shareholders to govern and direct QAC's activities, within the parameters of the Statement of Intent. QLDC is the majority shareholder. Auckland International Airport Limited (AIAL) is the minority shareholder. One director is appointed by AIAL. The remaining directors, including the Chair are appointed by QLDC.

The board is the body responsible for all strategic and operational decision-making within the company. It is accountable to its shareholders for the financial and non-financial performance of the company.

The board of directors and management team are proud to be stewards of these important community assets and are committed to effective governance, ensuring the company meets best practice governance principles and maintains the highest ethical standards.

The board has an established Audit and Financial Risk Committee to oversee the company's financial reporting processes, system of internal control, and the external audit process, and its processes for identifying and managing financial risk, and for monitoring compliance with applicable law and its own policies. The board also has a Safety and Operations Risk Committee to oversee the company's performance and reporting related to health, safety & security and operational activities and monitor compliance with applicable law and its own policies.

COMMITMENT

The board of directors will continue to govern the company on behalf of shareholders as a sustainable business enterprise, operating in a manner which is safe, financially stable, customer-focused, well planned, and environmentally conscious.

ROLE OF THE BOARD OF DIRECTORS

The board is responsible for the strategic direction and oversight of QAC's activities. This responsibility includes:

- Approving strategic plans, airport master plans, budgets and the SOI
- Approving capital investments and land acquisitions/disposals
- Establishing procedures and systems to ensure the occupational health and safety of the company's people and contractors
- Corporate policies, including financial and dividend policies, and delegated authorities
- Monitoring financial performance and achievement of the strategic initiatives and SOI objectives
- Appointment and monitoring of the performance and remuneration of the Chief Executive Officer (CEO)
- Ensuring that the company adheres to high ethical and corporate behaviour standards
- Integrity of management information systems
- Assessment of business opportunities and business risks
- Internal control and assurance systems
- Compliance with relevant regulations and legislation
- Ensuring that QAC has appropriate risk management and regulatory compliance policies in place and the company's adherence to these policies
- Actively engaging with Shareholders and the community to ensure alignment on objectives

RELATIONSHIP WITH SHAREHOLDERS

The board of directors and management team are committed to engaging with the company's shareholders, both formally and informally, in an open, collaborative and constructive manner. The board works with its shareholders to ensure a 'no surprises' relationship, including timely consultation with shareholders before any significant departure from the SOI, including any significant land disposal or acquisition.

QAC meets regularly with QLDC, as follows:

- **Bi-monthly** Chief Executive/Chief Executive (CEO) meetings
- **Quarterly** Mayor and CEO/ QAC Chair and CEO meetings
- **Regular** QLDC/QAC Climate Action Plan progress meetings
- **Bi-annually** with the QAC board, QLDC councillors and Wānaka Community Board to discuss business performance, vision and direction
- **Meetings** to guide the development of the SOI through its key milestones held as required

QAC's CEO and CFO also present the annual financial results and interim financial results to the QLDC council.

QAC maintains regular engagement with AIAL. Annual meetings are held between QAC's Chair and CEO and AIAL's Chair and CEO.

The company holds its AGM each year within six months of the end of the previous financial year.

REPORTING TO SHAREHOLDERS

The company has adopted 30 June as its balance date. Within two months of the end of the first half of each financial year, the directors will deliver to shareholders an interim report which will include:

- Chair and CEO's report
- Directors' Responsibility statement
- Unaudited financial statements
- Half-yearly passenger, aircraft and general aviation movements

Within three months of the end of each financial year, the directors will deliver to shareholders an annual report which will include:

- Chair and CEO's report
- Directors' Responsibility statement
- Audited financial statements
- A Statement of Service Performance summarising QAC's performance against the SOI goals and objectives
- Independent Auditor's Report
- Annual passenger, aircraft and general aviation movements

LEGAL AND REGULATORY REQUIREMENTS

QAC's obligations and rights are defined within legislation. QAC is required to fulfil all its statutory duties, both to QLDC and AIAL as shareholders, and to work collaboratively with QLDC to support it to achieve some of its wider statutory obligations.

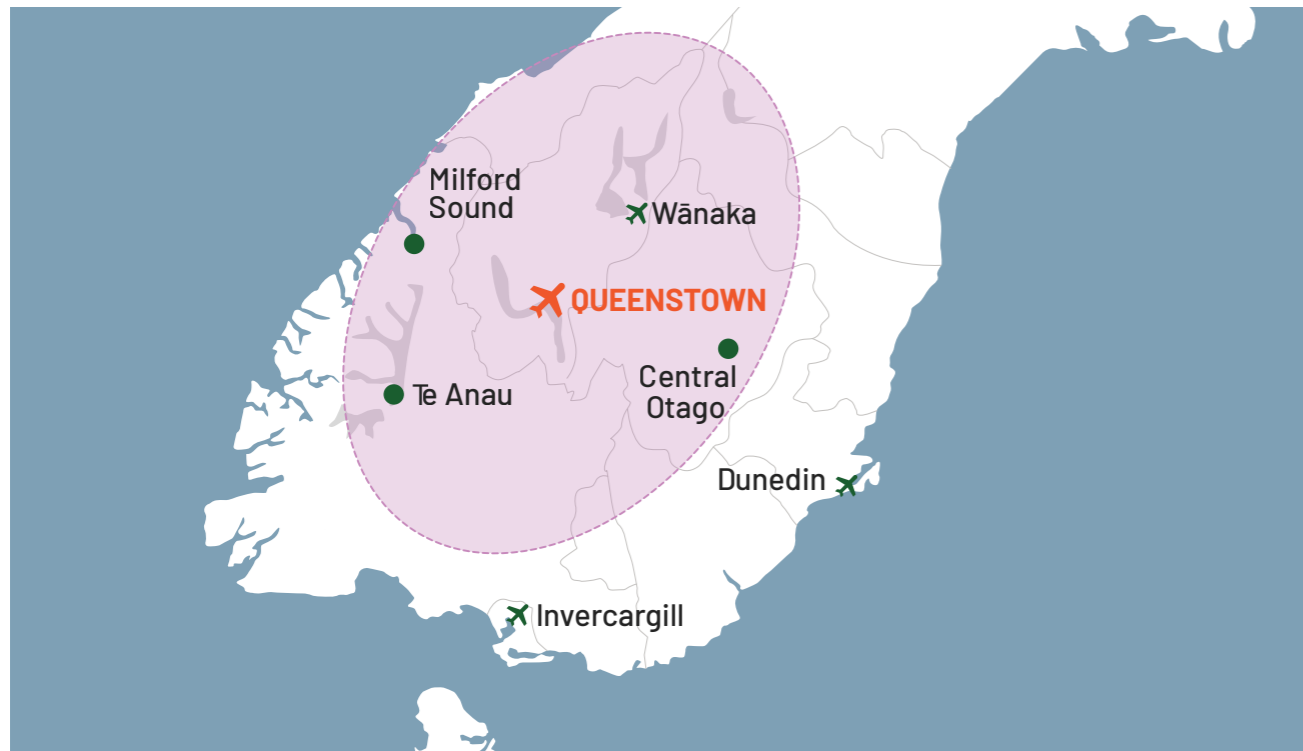
QAC is:

- An 'airport authority' under the Airport Authorities Act 1966
- A 'council-controlled trading organisation' (CCTO) under the Local Government Act 2002
- An 'aerodrome operator' under Civil Aviation Rule Part 139 and the Civil Aviation Act 1990
- Queenstown Airport is a lifeline utility under the Civil Defence Emergency Management Act 2002
- A network utility operator and a requiring authority under section 166 of the Resource Management Act 1991

QAC also complies with the disclosure requirements of a specified airport company pursuant to the Airport Authorities (Airport Companies Information Disclosure) Regulations. The company's governance is also covered by the Companies Act 1993. QAC's aeronautical operations are governed by the Civil Aviation Act 1990 and Civil Aviation Rules Part 139.

REGIONAL CATCHMENT

Queenstown Airport is the fourth busiest airport by passenger numbers in New Zealand and connects people to the Southern Lakes region and beyond. The Southern Lakes catchment encompasses the Queenstown Lakes District, Central Otago, and parts of western Southland, including Fiordland.



COMMERCIAL ENTITY

As an airport authority Queenstown Airport is required to operate as a commercial undertaking, including carrying out improvements where necessary. The key obligation QAC must demonstrate to the Civil Aviation Authority (CAA), as regulator, is that it has the required financial resources and capacity to meet its regulated safety outcomes.

DIVIDEND POLICY

The directors will declare dividends according to the following policy:

At their discretion, directors may declare a full year dividend each year in a range of 50% and 100% of normalised Net Profit After Tax (NPAT), after adjusting for unrealised gains and losses arising from revaluation of property or treasury instruments and material extraordinary items.

In determining the full year dividend, the directors will consider:

- solvency;
- banking covenants and company treasury policy;
- working capital and capital expenditure requirements; and
- the interests of shareholders

An interim dividend may be declared and paid by 28 February each year. Any final dividend will be paid by 31 August each year.

Directors will determine the level of imputation credits having regard to the needs of shareholders. The directors will consider any request from the Shareholders for additional dividend payments and will apply prudent governance when considering such requests.

The directors will not issue shares wholly or partly in lieu of the proposed dividend or proposed future dividends, without the written approval of shareholders.

CAPITAL SUBSCRIPTION

No new shares in the company can be issued without the consent of shareholders. The company is confident it can fund its capital plans from internal sources (cash flow and/or debt) during the three-year period covered by this SOI. The board of directors will assess this position annually as part of the SOI process.

INVESTMENT IN OTHER ENTITIES

The company must consult with the shareholders prior to any investment being made in another entity.

SERVICES PROVIDED TO QLDC

QAC manages and operates Wānaka Airport under a management services agreement with QLDC. It also provides grounds maintenance services and airstrip management at Glenorchy Airstrip under a management services agreement with QLDC. QAC leases land to QLDC which forms part of the Frankton Golf Course.

AUDIT

The Office of the Auditor General (OAG) has appointed Deloitte to undertake the financial audit of QAC for the three years ended 30 June 2023.

ACCOUNTING POLICIES

QAC will maintain accounting records in accordance with the Companies Act 1993. QAC will prepare financial statements in accordance with the Financial Reporting Act 2013; the Companies Act 1993, the Local Government Act 2002, the Airport Authorities Act 1966 and the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999 (as amended in 2014). These include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

SHAREHOLDER AND COMMUNITY ENGAGEMENT

Queenstown and Wānaka airports are important community-owned infrastructure assets. More than 80 businesses are based at Queenstown and Wānaka airports, the majority of which are locally owned, and together are a major employer in the district. As the owner of Queenstown Airport and manager of both Wānaka Airport and the Glenorchy Airfield, we are proud to be part of this community.

We recognise the importance of balancing aeronautical activity with both the capacity of regional infrastructure and preserving what makes the region a special place to live, work and visit. Consulting with our shareholders and the community is an integral part of our strategic planning, as we consider the role that air travel plays in supporting the region and its residents, and the scale and nature of future investment.

Community stakeholders will include, but are not limited to, community associations directly and indirectly affected by the airports' operations, residents' associations, iwi, the business community, regional tourism organisations, industry sector groups and those community groups specifically established around airport matters.

QAC is committed to positive engagement with local iwi and hapū. We will work to strengthen engagement with iwi and incorporate appropriate use of tikaka and te reo Māori. QAC's majority shareholder, QLDC has established partnerships with both Aukaha and Te Ao Marama, and these organisations are mandated on behalf of iwi to work with relevant Territorial Local Authorities (TLA). QAC will build relations with these organisations as we work to respect the whakapapa of Kāi Tahu as part of our cultural heritage initiatives. QAC will ensure that iwi values and issues are reflected in plans and initiatives.

Queenstown Airport Liaison Committee (QALC) - The QALC is an independent, community-led representative committee, which provides an effective interface between the airport, the surrounding community and other key stakeholders. The QALC's mandate is prescribed by the Noise Management Plan (NMP) as set out in Queenstown Airport's aerodrome designation. The QALC meets quarterly, and the committee membership, the minutes of its meetings, together with the NMP, are publicly available on the Queenstown Airport website.

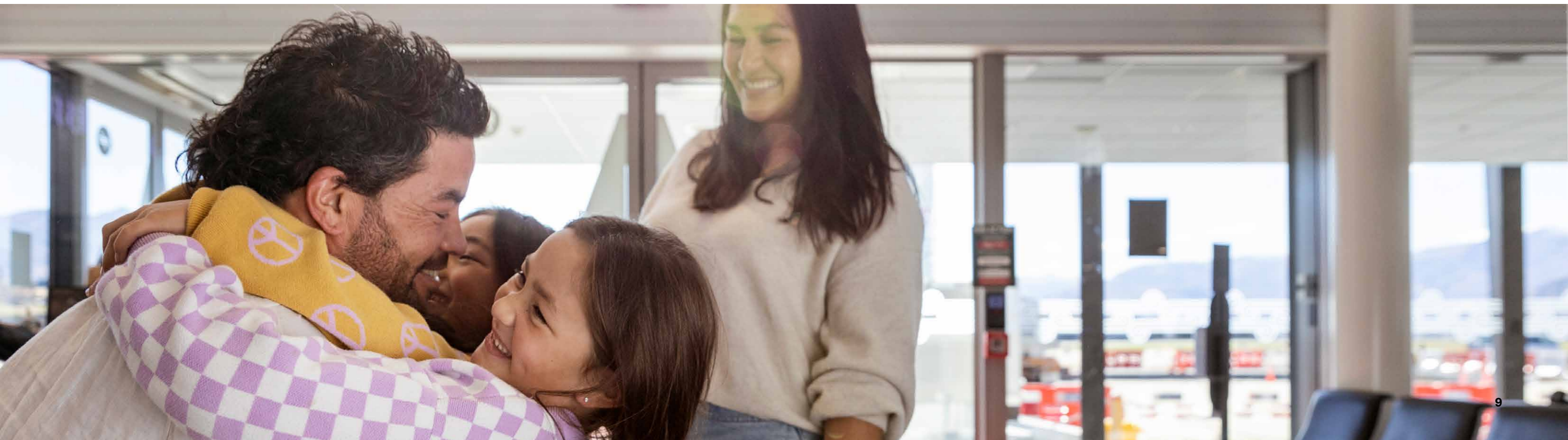
HEALTH, SAFETY AND SECURITY

The health, safety, security and wellbeing of our employees, airport community, customers and contractors are our highest priority. QAC ensures a safe working environment and maintains the wellbeing of staff and tenants as an employer and landlord.

QAC is committed to achieving Zero Harm. We prioritise a safe aviation operational environment and a 'just culture' framework and encourage site-wide incident reporting, which is a positive indicator of a strong safety culture. QAC is responsible for maintaining stringent levels of health, safety and security as a lifeline utility and as an aerodrome operator to achieve and maintain its certification requirements under the NZ Civil Aviation Act.

We will:

- Comply with all legislative requirements and industry standards
- Set high standards and expectations for health, safety and security performance
- Review our health, safety and security commitment policy annually
- Take a collaborative approach with our staff, stakeholders, contractors and tenants to continue to improve our health, safety and security performance
- Take all practical and reasonable steps to provide and maintain a healthy, safe, secure and injury-free environment for employees, contractors and visitors
- Incorporate 'safety in design' into all of our infrastructure projects
- Take swift and decisive action to respond to health, safety, security emergencies
- Ensure that staff are appropriately informed, equipped and supported to manage health protocols and processes
- Work constructively and collaboratively with our airline customers and wider airport community in response to COVID-19
- Measure, benchmark and regularly report on health, safety and security performance





QUEENSTOWN AIRPORT

MISSION, VISION AND VALUES

MISSION

Why we exist

**PROUDLY CONNECTING
OUR HOME
WITH NEW ZEALAND
AND THE WORLD**

VISION

Where we want to be

**AN INNOVATIVE
AIRPORT
THAT PEOPLE LOVE TO
TRAVEL THROUGH, AND THE
COMMUNITY TAKES PRIDE IN**

HOW WE FLY

What our team values

DO THE
RIGHT
THING

we get
it DONE

REMARKABLE
EVERY DAY

STRATEGIC PILLARS



EXPERIENCE

Exceed expectations
at every touch point



RESILIENCE

Strong and capable



COMMUNITY

Respect for people
and place

OUR SUSTAINABILITY FOCUS

Queenstown Airport is committed to meeting the needs of the region into the future with excellent domestic and trans-Tasman links which support tourism in the Southern Lakes region and provide connections for the communities of the district with New Zealand and the world.

Our business focus over the period covered by this SOI is to deliver on the company's 10-year strategic plan for the benefit of shareholders and the local community.

Our planning considers how best to provide aviation infrastructure and amenity for the district and reflects the company's essential role in contributing to the overall wellbeing of Aotearoa New Zealand's air transport services, the local and regional economies and supporting the needs of current and future communities. Our planning is interconnected with QLDC's long-term planning, forecasts and aspirations for the district.

Queenstown Airport fully supports the Queenstown Lakes District's ambitious target, announced in November, to be the world's first carbon zero tourism destination under the banner "Travel to a thriving future". Planning for and enabling the decarbonisation of aviation is core to our strategy and will be critical to achieving this bold ambition.

In the coming years there will be an incremental annual increase in aviation related emissions as passenger and aircraft activity grows. While QAC is not directly responsible for aircraft emissions, we recognise that the decarbonisation of air travel is where the greatest opportunities lie.

Planning for and enabling the decarbonisation of aviation is embedded in our Sustainability Strategy and long-term planning. We will support and encourage airline partners and general aviation operators in their pursuit of carbon-reduction objectives and technologies. Our priorities over the course of this SOI are providing leadership in the transition to a lower carbon economy and setting the groundwork for transitioning to Airport Carbon Accreditation. Airport Carbon Accreditation is the only global, airport-specific carbon standard which relies on internationally recognised methodologies. It provides airports with a common framework for active carbon management with measurable goals. The programme is site-specific allowing flexibility to take account of national or local legal requirements, whilst ensuring that the methodology used is always robust. We plan to collect emissions data from more sources so that we can prioritise efforts that will have the greatest impact on emissions reduction across the airport.



SUSTAINABILITY

Our sustainability strategy ensures we deliver shareholder value aligned to the social, environmental, economic and cultural wellbeing of the communities of the Queenstown Lakes District while continuing to manage a profitable and sustainable business enterprise.

When developing our Sustainability Strategy, we incorporated feedback and guidance from a range of stakeholders including shareholders, community, and sustainability experts.

The insights gained enabled us to produce a sustainability strategy that prioritises three pillars – people, planet and prosperity, and is aligned to Local Government's four wellbeing measures of social, economic, environmental, and cultural.

We support our majority shareholder, QLDC's vision that our district sets the standard for regenerative, low impact living, working and travel.

We have identified key priorities under each pillar which will help drive initiatives and deliver results across the business.

Our Sustainability Strategy will be reviewed annually and targets set for the coming year.

We are a member of the Toitū Envirocare programme and have received Toitū CarbonReduce certification due to our ongoing commitment to decrease greenhouse gas (GHG) emissions annually. The annual independent audit and certification process provided by Toitū enables us to benchmark and measure our progress as we work towards our emission reduction targets.

Our organisational boundaries are set for GHG inventory purposes in accordance with the GHG Protocol and ISO Standard 14064-1:2018, as consistent with the operational and financial control approach.

The reduction of our organisational carbon footprint and implementation of our decarbonisation roadmap are key elements of our ten-year Strategic Plan and include a commitment to work with and influence airline partners in the pursuit of emission reduction objectives and technologies. We recognise that the most important environmental impact we will have is planning for and enabling the decarbonisation of air travel.

REPORTING ON CLIMATE-RELATED RISKS AND OPPORTUNITIES

Adapting for climate change, including physical impacts and technological changes, will be integrated into our planning to ensure that our infrastructure is maintained, designed and developed appropriately. We recognise that if we don't plan for changes in our climate we could face more frequent disruption of service at Queenstown Airport, which would have an impact on the wider community.

Over the course of this SOI, we will voluntarily include climate-related disclosures in our annual reports, aligned to the recently published XRB standards.

SUSTAINABILITY SNAPSHOT



PEOPLE

ONE TEAM | ACCOUNTABLE | NOISE



BE AN EMPLOYER OF CHOICE AND LIVE OUR VALUES creating a safe, inclusive airport environment.



COMMUNICATE OPENLY AND REPORT REGULARLY demonstrating our commitment to achieving our sustainability goals.



PROVIDE CERTAINTY AND CLARITY TO THE COMMUNITY around airport activity, mitigate the impact of aircraft noise and complete the residential noise mitigation programme.



PLANET

CLIMATE | WASTE | BIODIVERSITY



BE NET-ZERO BY 2040 by developing, then delivering on, our ZQN to Net-Zero Strategy.



LEAD WASTE MINIMISATION AND COMPOSTING across the airport campus to significantly reduce waste to landfill.



ACTIVELY RESTORE OUR NATIVE HABITAT, working with key partners, for the benefit of future generations.



PROSPERITY

CLIMATE RISK | ZQN | COMMUNITY



BE RESILIENT AND PREPARED, aware of and responsive to, the risks and opportunities posed by climate change.



EMBED SUSTAINABILITY ACROSS OUR AIRPORT so that like health, safety and security, sustainability is what we do.





SUPPORT OUR REGION TO THRIVE by connecting with, and contributing to, our community socially and economically.


The reduction of our organisational carbon footprint and implementation of our decarbonisation roadmap are key elements of our planning.



Plan for and enable
**DECARBONISATION
OF AIR TRAVEL**


 **CARBON
NEUTRAL**
by 2023

 **NET-ZERO
EMISSIONS**
by 2040 or
earlier

 **60% ABSOLUTE
EMISSIONS
REDUCTION**
by 2030*

 Complete a
**ZON CLIMATE
RISK
ASSESSMENT**
by 2023

 **SINGLE USE
CUP FREE ZON**
by 2023

 **ELECTRIFY**
our airfield to reduce
fuel consumption

 **100% CERTIFIED
RENEWABLE
POWER**
on airport campus

 **BIODIVERSITY
PROJECT**
in partnership
with Whakatipu
Reforestation Trust

 Complete
**NOISE
MITIGATION
PROGRAMME**
by 2028

 Be an
**EMPLOYER
OF CHOICE**
& maintain living
wage accreditation

 Continue our Partnerships Programme
including our legacy partnerships with
**WHAKATIPU REFORESTATION TRUST
& COASTGUARD QUEENSTOWN**

*From our baseline year of 2019



NOISE MITIGATION PROGRAMME

We acknowledge that noise and noise management is a significant matter to Queenstown Lakes District communities, particularly those living near Queenstown Airport. Queenstown Airport is committed to mitigating the impact of noise created by its business operations on the local community by providing mitigation measures to the most affected homes to reduce the level of noise experienced by those residents.

QAC is required to either fully or partially fund the cost of mitigation works on eligible homes in the inner and mid-noise sectors, as prescribed in the QLDC district plan. QAC has opted to fully fund the cost of mitigation works for all eligible homes to ensure mitigation measures are accessible for those homeowners who wish to implement them in their homes.

Queenstown Airport is also working closely with airlines to encourage and incentivise the deployment of new generation, quieter, lower emissions aircraft into Queenstown.

DECARBONISATION ROADMAP

We have set ambitious targets to eliminate all non-emergency Category 1 & 2 emissions by 2030 and to reduce our total operational emissions across all categories by 60% (as compared to our 2019 baseline) in line with a 1.5°C climate warming pathway.

We have developed an emission reduction workplan and are implementing a programme of activities to reduce our emissions in line with our targets. Our focus areas are:

- Waste minimisation and adoption of circular economy principles
- Improving energy efficiency and renewable energy sourcing
- Zero emission ground transport planning

We are introducing initiatives to reduce our own and our customers' emissions across the Queenstown Airport campus including:

- An improved airport-wide recycling and composting programme
- Landside EV charging capacity
- A Single Use Cup (SUC) free policy
- Universal ground service equipment (GSE) charging stations

In addition, we are working with our stakeholders, including our major airline partners, in the pursuit of broader emissions reduction objectives to support the international aviation sector goal of net zero emissions by 2050.

- Additional emission sources we will collect data on:
- Terminal wide emissions including those of our tenants, water consumption and wastewater discharge
- Aircraft emissions associated with the landing and take-off cycle for all aircraft landing at Queenstown Airport as well as auxiliary power use whilst parked on-gate
- Emissions associated with ground service equipment operation airside
- Emissions associated with landside ground transport for passengers travelling to and from the airport
- Commuting for all employees working at ZQN

We also plan to review internal business procedures in an effort to influence our stakeholders and supply chain. This includes changes to our procurement and commercial lease frameworks to account for a broader range of considerations, including sustainability and carbon emissions. We see these changes as critical steps to building a circular economy.

WĀNAKA AIRPORT

QAC's masterplanning relates only to Queenstown Airport. While QAC manages the day-to-day operations of Wānaka Airport under a management services agreement, QLDC as the owner of Wānaka Airport will consult with the community on the potential future for the airport.

QAC purchased 149ha of land adjacent to Wānaka Airport in 2016. The land is currently leased and used for agriculture and in part for NASA's global super pressure balloon programme.

Permitted development on QAC owned land is currently limited. QLDC's proposed district plan places significant focus on the maintenance of open landscape values, with resource consent applications within the rural landscape character areas often publicly notified.

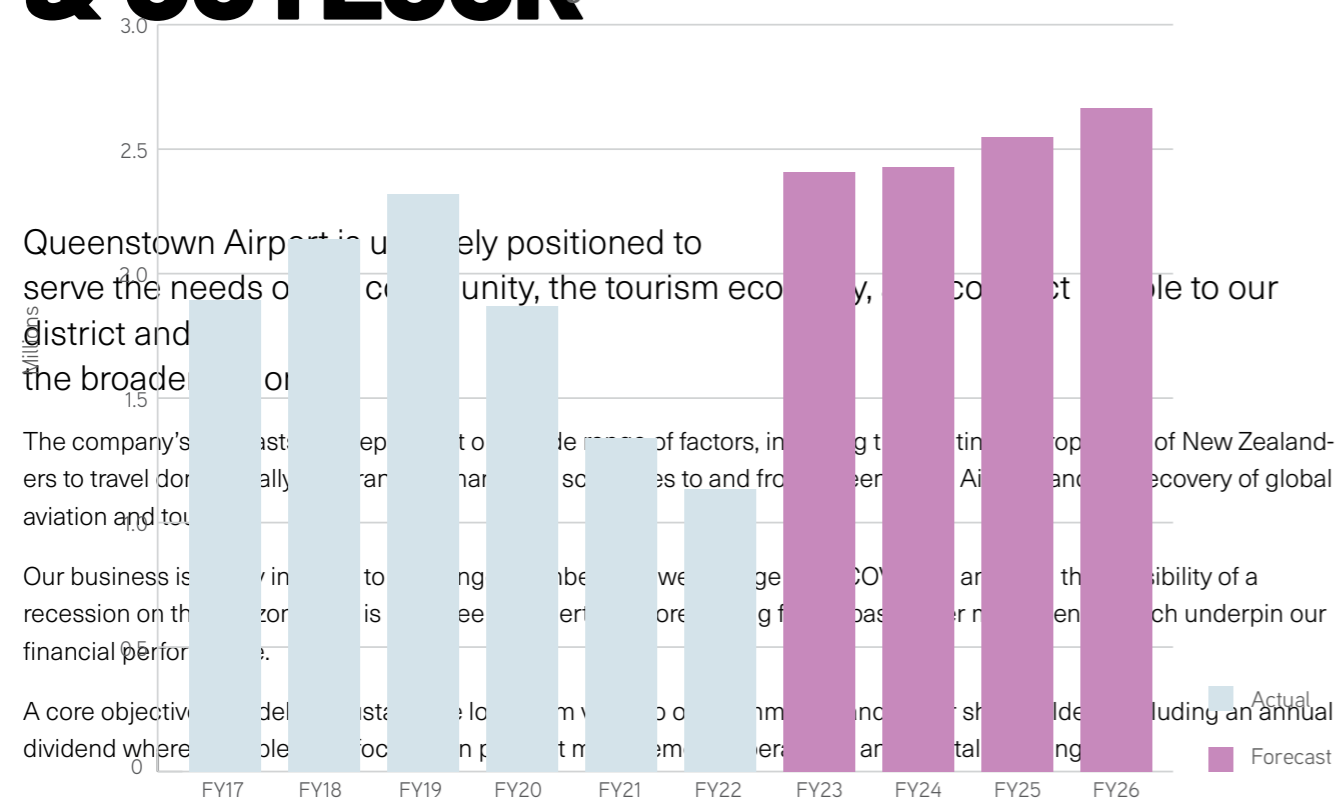
Decisions regarding the future use of QAC owned land near Wānaka Airport will be made once a long-term plan is created for the airport.





FINANCIAL PERFORMANCE & OUTLOOK

ZQN Passenger Movements FY17-FY26



The graph below provides the passenger movements forecast for the three-year period covered by this SOI, based on the key assumptions that trans-Tasman scheduled services will be operating throughout the period, that strong demand for domestic travel to and from Queenstown Airport continues and that the airport will be operating within the existing noise boundaries.

When considering QAC's financial forecasts for the next three years, the following points should be noted:

- Underlying commercial revenue is subject to passenger volumes
- QAC has a relatively fixed operating cost base, particularly in respect to its major terminal and airfield assets. QAC has been able to leverage these characteristics during periods of growth
- QAC has significant elements of its cost base where cost increases are outside of its control and are likely to increase at rates higher than inflation. These include rates, insurance and electricity
- Depreciation and amortisation expenses will increase as new assets are commissioned

PASSENGER AND AIRCRAFT MOVEMENTS

(000'S)	FY23	FY24	FY25	FY26
Domestic Passengers	1,650	1,635	1,707	1,777
International Passengers	758	794	842	889
Total Passengers	2,407	2,429	2,550	2,666
Aircraft Movements	17.9	18.0	18.9	19.8

FINANCIAL PERFORMANCE SUMMARY

\$(000'S)	FY23	FY24	FY25	FY26
Income Statement				
Total Revenue	60,300	60,824	67,483	72,805
EBITDA	44,344	42,694	48,718	53,571
Net Profit After Tax	22,970	20,528	23,437	27,303
EBITDA as % of Revenue	74%	70%	72%	74%
Dividends Paid	7,281	15,025	13,015	14,990
Return on Capital Employed (EBIT to Net Operating Assets)	7.5%	6.4%	7.2%	8.3%

CAPITAL INVESTMENT

The capital expenditure programme primarily relates to investment in building and infrastructure resilience (seismic improvement and sustainability) and core airfield investment. In addition, capital investment in planning and development is anticipated during the forecast period.

The company's 10-year Strategic Plan sets the direction for the company and guides our activity and investment over the FY23 - FY32 period. The Master Plan currently being developed represents a long-term planning and land use framework for airport infrastructure, and also provides indicative phasing for implementation, to 2032 and beyond. The capital forecast does not include investment associated with the Master Plan. Forecasts will be revised subsequent to Master Plan approval and adoption.

Aeronautical investment is funded and cost recovered, after consultation with airline customers, through core aeronautical charges. During FY24, QAC will consult our airline partners on aeronautical charges to commence in FY25.

\$(000'S)	FY23	FY24	FY25	FY26
Airfield (incl. runway, apron, and taxiway)	1,750	16,630	3,100	-
Noise Mitigation	542	500	400	300
Planning & Development	586	805	600	350
Sustaining Capital (Terminal & Airfield)	4,912	5,955	6,195	3,775
Terminal (incl. seismic improvements)	6,998	16,345	14,100	600
TOTAL	14,787	40,235	24,395	5,025

PERFORMANCE MEASURES

REPORTING: STATEMENT OF SERVICE PERFORMANCE

QAC produces an annual Statement of Service Performance (SSP) as part of its end-of-year reporting. We will report progress each year against the commitments in this SOI. Performance indicators will be updated annually in line with the preparation of the SOI.

ACTIONS TO ACHIEVE OUR TARGETS:

REDUCE ABSOLUTE CARBON EMISSIONS BY 60% BY 2030

- Achieve Toitu carbon neutral certification and progress to the global Airport Carbon Accreditation (ACA) programme
- Achieve renewable energy certification

IMPROVE OUR CUSTOMER EXPERIENCE SCORE ANNUALLY

- Complete quarterly ACI passenger surveys and set benchmark for continuous improvement
- Check-in upgrade design and delivery
- Continue the terminal upgrade, including:
 - Domestic departure lounge
 - Additional screening area
 - Food and beverage offering refresh
- Complete our Master Plan and, if approved, commence terminal development planning and design.

INCREASE OUR COMMUNITY SENTIMENT SCORE ANNUALLY

- Follow a structured community engagement process on the Queenstown Airport draft master plan in partnership with Queenstown Lakes District Council.
- Support the implementation of the Queenstown Lakes regenerative tourism strategy by being a founding partner of Love Queenstown / Love Wānaka.
- Ensure heritage assets at Arranmore Farm are preserved in line with the maintenance plans developed by independent heritage consultants.
- Continue to deliver our community sponsorships and partnerships programme

INCREASE THE PERCENTAGE OF PEOPLE TRAVELLING VIA PUBLIC TRANSPORT TO AND FROM THE AIRPORT ANNUALLY

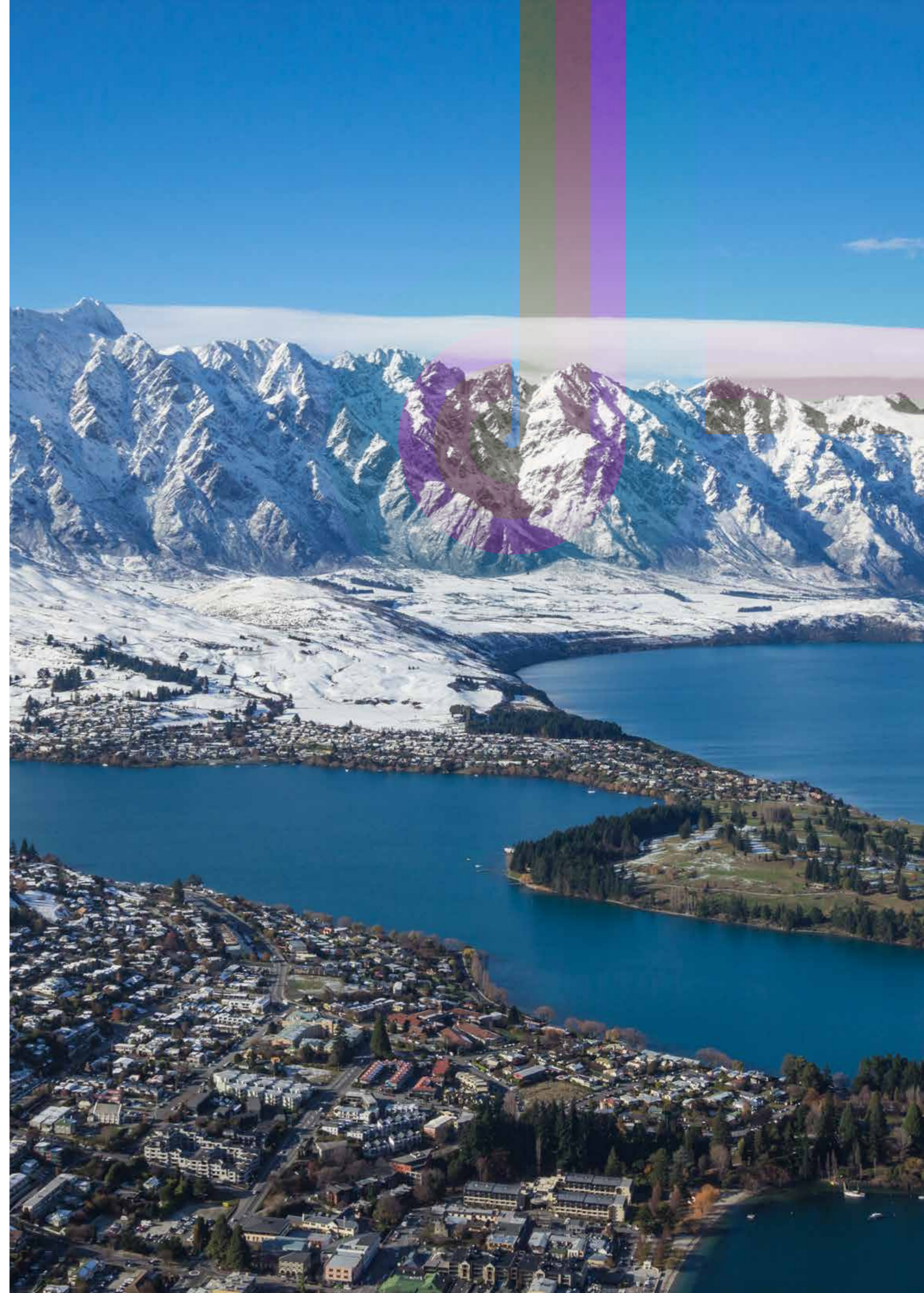
- Support QLDC, ORC and other providers to enable mode shift
- Master Plan completed prioritising people walking, cycling or taking public transport from and to the precinct
- Actively investigate option of QAC-run shuttles or ZQN to city centre buses to complement existing public transport
- Provide, support or promote active travel and public transport options for major events
- Develop an airport staff travel programme to incentivise lower emissions commuting.

INCREASE NON-AERONAUTICAL REVENUE TO 25% OF OVERALL REVENUE BY 2032

- Develop a concept plan for QAC-owned non-aeronautical land on the Frankton Flats
- Expand our e-commerce offering to create additional commercial revenue opportunities
- Establish a plan for the use of airport land-holdings adjacent to Lucas Place.

MANAGE AIRCRAFT MOVEMENTS TO REMAIN WITHIN EXISTING NOISE BOUNDARIES

- Investigate physical on-ground noise interventions and determine if they should be implemented
- Include commercial incentives to encourage lower noise and carbon output engines (NEO) as part of aero-pricing negotiations
- Manage the movements of non-scheduled aircraft to make the best and most efficient use of our noise boundaries
- Facilitate quarterly meetings of the Queenstown Airport Liaison Committee. Ensure there are no unresolved noise complaints.



KEY PERFORMANCE INDICATORS

MEASURE
ACHIEVE AN ABSOLUTE EMISSION REDUCTION, FROM QAC OPERATIONAL ACTIVITIES, OF 60% FROM OUR BASELINE YEAR (2019) BY 2030*
IMPROVE OUR CUSTOMER EXPERIENCE SCORE ANNUALLY
INCREASE OUR COMMUNITY SENTIMENT SCORE
INCREASE THE PERCENTAGE OF PEOPLE TRAVELLING VIA PUBLIC TRANSPORT TO AND FROM THE AIRPORT ANNUALLY
INCREASE NON-AERONAUTICAL REVENUE TO 25% OF OVERALL REVENUE BY 2032
MANAGE AIRCRAFT MOVEMENTS TO REMAIN WITHIN EXISTING NOISE BOUNDARIES
MANAGE THE HEALTH, SAFETY AND SECURITY WELLBEING OF EMPLOYEES AND CONTRACTORS
UNDERSTAND OUR CLIMATE CHANGE RISK, INCLUDING FINANCIAL AND LEGAL RISKS

MEASURE		
FINANCIAL RETURN TO SHAREHOLDERS		
Produce no more than 570 tonnes of CO₂e	Produce no more than 529 tonnes of CO₂e	Produce no more than 489 tonnes of CO₂e
5% reduction in total terminal waste sent to landfill, compared to previous year (excluding quarantine waste from international arrivals)	5% reduction in total terminal waste sent to landfill, compared to previous year (excluding quarantine waste from international arrivals)	5% reduction in total terminal waste sent to landfill, compared to previous year (excluding quarantine waste from international arrivals)
Quarterly customer experience surveys conducted at ZQN Baseline score and FY24 target published on Queenstown Airport website in Q1**	Quarterly customer experience surveys conducted at ZQN Annual increase in score achieved	Quarterly customer experience surveys conducted at ZQN Annual increase in score achieved
Achieve community satisfaction score of 66% <i>The FY23 baseline score is 64%</i>	Achieve community satisfaction score of 68%	Achieve community satisfaction score of 70%
Baseline established in Q1	Increase on baseline percentage	Increase on baseline percentage
30% increase in revenue from our e-commerce offering on previous year	30% increase in revenue from our e-commerce offering on previous year	30% increase in revenue from our e-commerce offering on previous year
Concept Plan for the Frankton Development Precinct completed	First commercial partnership(s) and development agreements for the Frankton Development Precinct established	Construction of Stage 1 of the Frankton Development Precinct commenced
Noise modelling demonstrates compliance with operative noise boundaries	Noise modelling demonstrates compliance with operative noise boundaries	Noise modelling demonstrates compliance with operative noise boundaries
Zero employee or contractor lost time injuries	Zero employee or contractor lost time injuries	Zero employee or contractor lost time injuries
Sustainability results and climate related risk included in annual report for FY23	Sustainability results and climate related risk included in annual report for FY24	Sustainability results and climate related risk included in annual report for FY25

* As measured under the ISO 14064-2018. ** Customer experience surveys commenced in Q1 FY24. The baseline score for FY23 is available in Q1 FY24 and published on the Queenstown Airport website.

COMPANY INFORMATION

LOCATION

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SHAREHOLDERS

Queenstown Lakes District Council (75.01%)
Auckland Airport Holdings (No2) Limited (24.99%)

DIRECTORS

Adrienne Young-Cooper (Chair)
Simon Flood (Deputy Chair)
Mark Thomson
Mike Tod
Andrew Blair



