Queensland Airports Limited holds all of the equity interests in three significant Queensland regional airports.

Queensland Airports Limited (QAL) holds all of the equity interests in three significant Queensland regional airports: Gold Coast Airport, Townsville Airport and Mount Isa Airport.

QAL was formed as part of a corporate restructure of the shareholding of Gold Coast Airport Limited in 2003, assuming a 100 per cent ownership of Gold Coast Airport Limited, the owner and operator of Gold Coast Airport. On 15 March 2005, QAL acquired a 100 per cent stake in Australian Airports (Townsville) Pty Limited and Australian Airports (Mount Isa) Pty Limited, the owner and operators of Townsville and Mount Isa airports.

The airports were privatised by the Commonwealth through the sale of long term leases in 1998. Since privatisation, the airports have been developed to ensure their capacity meets significant growth in traffic, improved standard of service to passengers and airlines, as well as improved profitability.

The acquisition of the two airports in March 2005 presents an opportunity to derive a number of synergies between the airports and also provides a level of diversification for the QAL group which was not previously available.

Gold Coast Airport accommodates principally leisure travellers, whilst Townsville and Mount Isa airports have a high proportion of business, Government and family travel with less exposure to tourism related travel.

QAL sets an overall sustainable, profitable and efficient framework for its airports to achieve its vision and maximise shareholder value. QAL has the following roles:

- Leadership to the group;
- Generating a corporate ethos and promoting community focused airports;
- Broad guiding principles and the framework for each airport’s sustainable development;
- Overseeing implementation of strategy within each airport;
- Providing the necessary corporate and administrative support to enable each airport to operate autonomously to service its respective communities; and
- Ensuring each airport investment derives an acceptable return to enhance the shareholder value and return for QAL shareholders.

Our Vision
To be the investment and management company of choice for significant regional airports.

Our Purpose
Queensland Airports Limited has a passion to be Australia’s most successful airport investment company focused on the sustainable growth of regional airports through visionary leadership, partnerships and innovative strategy.

‘Regional Airports with a passion for growth’
By any measure the 2004/05 financial year has been a successful one for Queensland Airports Limited

By any measure the 2004/05 financial year has been a successful one for Queensland Airports Limited. A change in QAL's major shareholder, the acquisition of Townsville and Mount Isa Airports, and a record number of 5.2 million passengers across the group, resulted in a growth in earnings before interest, tax, depreciation and amortisation (EBITDA) of 11 per cent compared with the full year results achieved in 2003/04 for the three airports.

The year under review is one in which the company’s strategic commitment to a triple bottom line philosophy in providing superior regional airport facilities and services to the travelling public and regional communities, gave all the indications of paying sustainable dividends.

QAL directors and management’s commitment to achieving sustainable economic, social and environmental outcomes is enshrined in our strategic and operational plans.

Economic

QAL derived an EBITDA of $23.8 million for the year. This compared favourably to the $18.6 million achieved in 2003/04. This strong performance was achieved on the back of passenger growth well in excess of the average for the Australian airport network.

The availability of low cost airline product to the Gold Coast, and the strong growth in the Townsville and Mount Isa economies, has stimulated substantial growth in airline seat capacity across the group. Our focus on low cost carriers at Gold Coast has necessitated the tailoring of our facilities and services to meet the particular needs of airlines and the leisure passenger. Particular emphasis is placed on efficiency of operation to reduce turnaround time and costs while optimising facility development costs and concession revenue generating opportunities.

With this strong emphasis on cost effective airport solutions, the QAL group has been able to maintain a competitive operating environment for our airline partners whilst at the same time sustaining the growth of the returns to the QAL shareholders. This commitment to contain the airport costs is critical to maintain our competitiveness and develop a long term sustainable product.

At year end, single class carriers provided 94 per cent of the domestic seat capacity into the Gold Coast. While for international routes into the Gold Coast 100 per cent of seat capacity is provided by single class low cost or leisure based airlines. The combination of increased airline capacity and affordable fares has underpinned sustainability of Gold Coast Airport’s recent strong growth.

This growth at Gold Coast Airport presents new challenges in the coming years. Terminal facilities are near capacity and negotiations are being held with airlines to determine their needs for future expansion.

Projects at Gold Coast Airport completed during the 2005 financial year including an interim expansion of Terminal 2 departure lounge and the long term car park.

In order to maintain the strong growth in international traffic experienced on the Gold Coast, the Directors and Gold Coast Airport management continue to plan for the possible construction of the runway extension approved by the Commonwealth Minister for Transport and Regional Services in November 2004. This extension will open up new international opportunities within the next three years. A key part of this runway project is an agreement which has been reached between Gold Coast Airport Limited and the Queensland and NSW governments on a preferred route for the long awaited Tugun Pacific Highway Bypass to the west of the airport. Part of this bypass will be constructed under the alignment of the future runway extension.

Townsville is a major regional airport handling 1,185,980 passengers in the past financial year. A $10.5 million expansion of the Townsville Airport Terminal in 2003 included a refurbishment of the domestic terminal and provided aerobridge facilities. This expansion has enabled the airport to provide quality services and facilities to its passengers.

The economies of the Townsville and Mount Isa regions are influenced by different factors from that of the Gold Coast and Northern New South Wales regions. The acquisition of the airports serving these regions lessens QAL’s exposure to a single industry sector.
Key capital projects at Townsville Airport include a planned resurfacing of the runway and taxiway systems in conjunction with the Department of Defence.

Mount Isa traffic tends to be driven by the fortunes of the mining industry in the city. Growth in passenger movements of 17.2 per cent in the 2004/05 year can be related to the mining investment activity at Mount Isa and the strong resources sector during the last financial year. The growing mobility of the mining workforce is also contributing to this traffic growth.

Following the acquisition of Townsville and Mount Isa airports, QAL management completed a full senior debt refinance in late 2005. These new facilities with the Commonwealth Bank of Australia and Suncorp Metway Limited will be essential for the continued development of the airports over the next three years.

**Social**

**Stakeholder engagement**

We thank the local communities and airport consultative committees across the group who provided input and advice throughout the past 12 months on a range of projects and proposals for the future development and sustainability of each of the three airports.

This was particularly appreciated in regard to the Major Development Plan for the Proposed Runway Extension on the Gold Coast, the major Development Plan for the proposed Tugun Bypass, Customer Satisfaction Surveys, the Airport Master Plan for Townsville Airport as well as the Airport Environmental Strategies for Gold Coast Airport and Townsville airports. We look forward to your further contribution as we continue to grow with our communities.

**Supporting the local community**

Sponsorship via the individual airports of major events such as the Gold Coast Airport Marathon, Wintersun Festival, and the Mount Isa Rotary Rodeo contributed significantly to their growing success. Airport management across the group are also active members of local tourism and development authorities in each region including Gold Coast Tourism, Townsville Enterprise Limited and various Chambers of Commerce.

**Our people**

Most significantly we have welcomed on board new staff through the acquisition of both Townsville and Mount Isa airports. As a result of the acquisition in March 2005 there has been a number of structural and staff changes across the group. The Directors and management of QAL welcome these new members and the Townsville and Mount Isa communities as partners in a long and sustainable relationship.

A new organisational structure has been implemented across the group and is designed to improve management control and decision support systems and processes.

**Environmental**

Our environmental processes and initiatives continue to establish a solid foundation for achieving sustainable environmental outcomes at all three airports.

Airport Environmental Strategies for both Gold Coast and Townsville airports for the five years ahead were approved by the Federal Government.

In November 2004, Gold Coast Airport became only the second airport in Australia to be accredited to the ISO14000 Environment Management System. The EMS is incorporated in all business operations and is focussed on continual improvement and enhancement of the airport environment.

Some of the other environment projects completed at Gold Coast Airport throughout the past year include the completion of a comprehensive site-wide Groundwater Contamination Assessment and Modelling report to identify current ground water contamination issues, a Landfill Assessment Study to identify historical airport landfill sites, and the continuation of initiatives including ecological monitoring, weed and feral animal controls, waste minimisation and recycling, drainage and spill control provision, and the Ibis Management program.

**The year ahead**

In moving forward, the primary objectives for the QAL group in the year ahead include:

- Establishing business development strategies to achieve sustainable growth in shareholder value;
- Implementing efficient systems across the group to develop synergies including financial and statistical reporting, risk management and group wide policies and conditions associated with the use of our airports;
- Managing change in staff and their roles, as well as developing effective communications throughout the group and;
- The continued implementation of Environment Management Plans across the group;
- Continued active involvement in community based activities in the regions serviced by our airports;
- Developing individual branding strategies for our airports which reflect the attributes and aspirations of the communities they serve.

Finally, thank you to our fellow directors, the management and staff of the QAL group, our service partners, and our growing band of loyal customers for your contribution to an outstanding year for QAL.

We are confident that, with this ongoing support, QAL can continue to enhance its economic, environmental and social achievements over the next 12 months.

Jim Tolhurst - Chairman

Dennis Chant - Managing Director
Queensland Airports Limited (QAL) is a public company which is not listed. The corporate governance principles of the company are principally governed by the obligations of the Shareholder’s Agreement, Constitution and the Corporations Act 2001.

QAL is a 100 per cent Australian owned entity, with the principal shareholders being:
- Hastings Funds Management Limited as responsible entity for the Australian Infrastructure Fund;
- Hastings Funds Management as trustee for Queensland based Infrastructure Fund; and
- Perron Investments Pty Ltd and;
- University of Melbourne.

QAL has invested in three major regional Australian airports including Gold Coast Airport, Townsville Airport and Mount Isa Airport. QAL has also established QAL Finance Pty Limited, which is responsible for the financing obligations of the group. An extract of the corporate structure is represented in the attached diagram.

Queensland Airports Limited Board Members

Jim Tolhurst
B. Comm. FCPA, FCIS.
Jim is the Non-Executive Chairman of QAL. He is also Chairman of the Finance Committee and was previously the Deputy Chairman of UniSuper Ltd.

Dennis Chant
B.Tech (Civil), MBA MIE Aust. R PEEng MAICD.
Dennis is the Managing Director of QAL and Gold Coast Airport Limited. He is also a member of the Finance Committee and has 20 years experience in airport management and development. He is Chairman of Gold Coast Tourism, and a Director of both Queensland Events - Gold Coast and the Gold Coast and Region Area Consultative Committee.

Phil Baker
Phil is a Non-Executive Director of QAL. He is also a former Managing Director of Gold Coast Airport. Phil is a Board Member for several tourism and business groups in Australia.

Peter Taylor
ACA, B.Bus.
Peter is a Non-Executive Director of QAL and is a member of the Finance and Risk and Audit Committee. Peter has extensive infrastructure investment experience with Hastings Funds Management.

Raphael Arndt
BE (Hons) BCom PhD MIE Aust.
Raphael is an executive with Hastings Funds Management infrastructure team. He has extensive infrastructure investment and policy development experience for various infrastructure sectors. Raphael is also a director of several other Hastings’ managed investee companies.

Bob Lette
FASFA MAIST MAICD MUDIA
Bob is a recently appointed Non-Executive Director of Queensland Airports Limited and Chairman of the QAL Risk and Audit Committee. He is a partner at the law firm of Mullins Lawyers. Bob is also Chairman of BUSS (Q) (The Superannuation Fund for the Queensland Building & Construction Industry), Chairman of The Private Capital Fund, a Director of Trinity Consolidated Group Limited and Trinity Funds Management Ltd, Watpac Limited and Viking Industries Limited as well as a Director with various other private companies.
The directors of QAL are committed to best practice corporate governance principles for the management and operation of the organisation.

The overall governance of the group can best be represented by the following board structure:

**Board of Directors**

The Board Charter clearly outlines the roles, composition and responsibilities of the board of QAL. It is drafted to act as a complimentary document to the Shareholder’s Agreement and outlines the key role of the board including: setting goals and the strategic direction for the group; appointing and approving the contractual terms of the Managing Director and; establishing the powers and functions of the board committees. The Board of Directors meets six times per year.

**Finance Committee**

The Finance Committee is comprised of three Directors and the Chief Financial Officer responsible for all financial matters including the review of investment proposals, treasury management, recommendations in respect of dividend policy, senior debt compliance and the review of the budget and financial performance of the group. The committee, which is appointed by and reports to the board, meets six times per year on alternate months to the board meetings.

**Risk and Audit Committee**

To assist the board with its obligations in relation to risk management, audit and compliance, the Risk and Audit Committee meets to oversee the risk management framework, the internal control framework, review the Financial Reports, liaise with external auditors, and ensure compliance with the corporate governance documents. This committee of two Directors, assisted by a Risk and Audit Coordinator, meets four times per year and reports to the board.

The directors have completed an audit of these committees, their charters and governance documents against the 10 recommended principles from the ASX. Where possible all 10 principles have been incorporated within the QAL group via obligations, policy and procedure for all officers and employees.

**Key Developments**

Deloitte Touch Tohmatsu was appointed as external and internal auditor of the QAL group in November 2004. This three-year appointment was the result of a recruitment process to enhance the internal audit and external audit processes of the group. The internal audit program, which is being developed, is a key part of the process to protect the shareholder value within the airport operations.

The 2005 year saw the completion of a detail risk register for Gold Coast Airport and the introduction of a software based tool to manage the ongoing compliance with the risk management Australian standard. The software tool fully automates the identification, assessment and monitoring components of the standard of a risk. This will be further developed and rolled out across all employees and sites in the 2006 year.
The acquisition of Townsville and Mount Isa Airports during the financial year presents an opportunity to continue to enhance shareholder value.

During the year, QAL completed the development of a long term group financing strategy which included the incorporation of a wholly owned financing company, QAL Finance Pty Ltd (QALF). QALF, which will act as borrower and internal financier for the group, has allowed the group to negotiate a competitive and flexible long term financing solution. The consolidation of all senior debt facilities was completed with a joint facility between the Commonwealth Bank of Australia and Suncorp Metway Limited. This facility will provide for the capital expenditure requirements of the group to continue developing the airports for the next five years.

The group recorded an EBITDA for the financial year of $23.8 million. This compares favourably with the 2004 financial year of $18.6 million which represents a growth in EBITDA of 28 per cent. This result is a product of continued strong growth in passenger movements on the Gold Coast, strong trading results for the Gold Coast Airport concessionaires, and the acquisition of the Townsville and Mount Isa airport operations on 15 March 2005.

The net profit for the year of $4.4 million, after interest payments to the shareholders of $3.7 million, represents an increase of 18 per cent compared with the 2004 year.

Total operating revenue for the year increased to $35.4 million, an increase of 30 per cent compared with the 2004 year. Of this increase in operating revenue, $2.9 million (35 per cent) is the result of Gold Coast Airport revenue growth, while the remaining $5.2 million (65 per cent) represents the income derived from the Townsville and Mount Isa operations since acquisition.

Total revenue growth at Gold Coast Airport was 10.5 per cent for the 2005 financial year. Compared with the growth in passenger movements at Gold Coast airport (24 per cent), aeronautical revenue grew by a smaller margin of 14 per cent. This represents the continued investment of Gold Coast airport in new airline services together with an investment in long term relationships with airline partners.

The key revenue growth for the 2005 year was the commercial operations at Gold Coast airport with an increase of 43 per cent compared with the prior year.

The acquisition of Townsville and Mount Isa Airports during the financial year presents an opportunity to continue to enhance shareholder value. The 2005 financial year was a strong year for the Queensland Airports Limited (QAL) group. With a record EBITDA (Earnings Before Interest Tax, Depreciation and Amortisation), the acquisition of Townsville and Mount Isa airports, and the completion of a group financing strategy, the QAL group is well positioned to continue to develop the airport sites to provide strong ongoing shareholder returns.

QAL invested approximately $77 million in March 2005 in the Townsville and Mount Isa airports. The acquisition of the securities in these trading entities was funded via the issue of additional stapled securities and new senior debt.

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Financial Performance

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The key revenue growth for the 2005 year was the commercial operations at Gold Coast Airport with an increase of 43 per cent compared with the prior year. The major contributor was the car park with an increase in revenue of 113 per cent despite maintaining car parking charges consistent with the previous year. This represents the continued investment of Gold Coast Airport in new airline services together with an investment in long term relationships with airline partners.

Total operating expenses of $11.5 million were within budget for the year. The acquisition of Townsville and Mount Isa airports presents an opportunity to extract a number of operating synergies in the 2006 financial year, particularly in the corporate and administration area.
Cash, Shareholder Securities & Yield

The cash distributions for the year included the payment of the $3.9 million 2004 year end dividend which was paid in July 2004.

Total interest payments in respect of loan notes issued to shareholders was $3.7 million, an increase on last year as a result of the issue of additional notes on 11 March 2005.

The Directors of QAL are committed to the careful management of the capital of the company. Where appropriate, this ensures capital is returned to shareholders while at the same time continuing to invest in infrastructure in order to grow the airport businesses.

As part of the capital structuring and financing strategy which was completed in the 2005 year, the Directors completed a detailed review of shareholder distributions and the optimal capital structure going forward. This included the mix of shareholder capital and senior debt.

The strong cash reserves of $22 million at year end, and the trading results, allowed the Directors to declare a year end dividend of $5.9 million (fully franked) which was paid in July 2005.

Following a detailed review of the capital and debt structure of the group, the Directors have also resolved to return $35.5 million of the capital of the company which was previously contributed by the shareholders. This return of capital approved by the shareholders on 28 June 2005, was completed via a buy-back of shares in July 2005.

The forecast continued growth of the Gold Coast and Townsville regional areas together with costs savings in the capital and corporate administration areas, all looks well for the financial performance of the QAL group in the 2006 year. The Directors are committed to further growth, of not only Gold Coast Airport, but the recently acquired airports to further grow revenue, EBITDA and shareholder yield.

### Historical Financial Performance

<table>
<thead>
<tr>
<th></th>
<th>QAL 2003 $’000</th>
<th>QAL 2004 $’000</th>
<th>QAL 2005 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>23,189</td>
<td>27,272</td>
<td>40,423</td>
</tr>
<tr>
<td>Operating Expenditure</td>
<td>10,368</td>
<td>8,620</td>
<td>11,557</td>
</tr>
<tr>
<td>EBITDA</td>
<td>12,821</td>
<td>18,662</td>
<td>23,839</td>
</tr>
<tr>
<td>Interest Revenue (External)</td>
<td>0</td>
<td>507</td>
<td>765</td>
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<tr>
<td>Interest Costs (External)</td>
<td>4,913</td>
<td>4,599</td>
<td>6,141</td>
</tr>
<tr>
<td>Depreciation &amp; Amortisation</td>
<td>3,357</td>
<td>5,012</td>
<td>6,870</td>
</tr>
<tr>
<td>Loan Note Interest</td>
<td>3,878</td>
<td>3,454</td>
<td>3,761</td>
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<tr>
<td>Income Tax Expense</td>
<td>181</td>
<td>2,313</td>
<td>3,371</td>
</tr>
<tr>
<td>Net Profit After Taxation</td>
<td>492</td>
<td>3,781</td>
<td>4,461</td>
</tr>
<tr>
<td>Dividends Declared</td>
<td>0</td>
<td>3,086</td>
<td>5,993</td>
</tr>
</tbody>
</table>
Gold Coast Airport

Gold Coast Airport achieved a record breaking year in 2004/05 welcoming 3,212,036 passengers through its gates.

The record passenger numbers in 2004/2005 resulted in a growth of 25 per cent on the previous year. The airport now has the challenge of sustaining demand and ensuring its facilities can maintain product delivery of a high quality to its customers.

Gold Coast Airport lies at the southern end of the Gold Coast at Bilinga. The catchment area for the airport extends from Logan City in the north, to Ballina in the south, and the Gold Coast Hinterland in the west. The upgrade of the Pacific Highway has significantly enhanced the appeal of the airport for travellers to and from the New South Wales Northern Rivers Region.

Gold Coast Airport achieved a record breaking year in welcoming 3,212,036 passengers through its gates in 2004/05. Gold Coast Airport Limited (GCAL) is ‘unashamedly focused on leisure’ and has positioned itself as the low cost secondary airport in South East Queensland. This strategy has paid off in recent years with the growth in this type of airline product both within Australia and internationally.
Gold Coast Airport
Aeronautical Activities

Economic
- The growth of low cost airline services by Virgin Blue and Jetstar Airways continued to include new direct services to Adelaide and Newcastle.
- Pacific Blue introduced direct services to New Zealand out of Gold Coast Airport.
- Freedom Air added a new service to Wellington to complement its existing New Zealand services.
- In November 2004, the Federal Government approved the Major Development Plan (MDP) for the proposed 458 metre extension of the main runway at Gold Coast Airport to a total of 2500 metres. This will allow for an increased payload of existing services and will facilitate direct international services from Asia which currently fly via Cairns to the Gold Coast. Project completion is forecast for March 2007.
- One hundred per cent check bag screening was introduced for all international flights on 31 December 2004.
- Closed Circuit Television (CCTV) was introduced across the key passenger areas.
- Gold Coast Airport Safety Management System was prepared and is ready for implementation.

Social
- For the third consecutive year, the airport was the naming rights sponsor of the Gold Coast Airport Marathon which attracted a record number of competitors. The marathon was also the recipient of the Queensland Tourism Award in 2004 for Major Festivals/Events. GCAL has committed to a further three-year sponsorship of the event.
- Gold Coast Airport remains the major sponsor of Wintersun, a 50’s and 60’s rock and roll nostalgia festival that is hosted in the twin cities of Coolangatta and Tweed Heads over 10 days during June each year.
- A new sponsorship for the airport commenced in 2004 when it became the naming rights sponsor of the Gold Coast airport Galaxy of stars. This is the Rotary Club of Coolangatta Tweed Heads’ major fundraiser for the year. The cabaret-style concert generated $10,000 in funding for local non-profit organisations with beneficiaries including RaCQ CareFlight, Tweed Valley Early Childhood Intervention Centre, Camp Quality and the Coolangatta Special School Farm.
- Gold Coast Airport also supported its local community throughout the past year with other sponsorships and donations including:
  - Tweed Heads Fireworks Challenge
  - Tweed Business Excellence Awards
  - Tweed River Art Gallery
  - Surf Life Saving Qld ‘Staying Alive Program’
  - Gold Coast Children’s Festival ‘Circus Circus’
  - Tugun Bowls Club
  - RaCQ CareFlight

Environmental
- The effective noise management strategies at Gold Coast Airport, including community contribution from the Airport Noise Abatement Consultative Committee, continued to assist in keeping noise complaint levels at a minimum. (Graph 7).
- In June 2005 GCAL commissioned a consultant to undertake a literature review of airport air quality issues to develop an understanding of the Gold Coast airport’s air quality situation in relation to other similar national and international facilities.
- In November 2004, GCAL became only the second airport in Australia to receive Environmental Management System ISO14001 certification. The EMS is incorporated in all business units and is focussed on continual improvement.
- A total of six fuel spills were reported for the period July 2004 – June 2005. An estimated 310 litres was spilled for the year. No environmental damage occurred. GCAL continues to educate its tenants and the airport community regarding any spills on airport so they can be maintained and immediately rectified.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. Incidents</th>
<th>Total Spilled (L)</th>
</tr>
</thead>
<tbody>
<tr>
<td>00/01</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>01/02</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>02/03</td>
<td>10</td>
<td>425</td>
</tr>
<tr>
<td>03/04</td>
<td>5</td>
<td>363</td>
</tr>
<tr>
<td>04/05</td>
<td>6</td>
<td>310</td>
</tr>
</tbody>
</table>
Gold Coast Airport
Commercial Activities

Economic
- Record growth lead the way for the construction of an additional 238 long term undercover car park spaces bringing the total to 571 for airport users.
- A ‘pay before you drive’ ticketing system was incorporated into the long term and short term car parks to allow for easier flow of traffic.
- The construction of a $5 million interim departure lounge extension provided 675 square metres of additional departure lounge space and an extra 350 seats for passengers. New toilet facilities for domestic passengers were included in the project and the Duty Free retail store was expanded for the benefit of international passengers. The extension also allowed for additional food and beverage facilities and new office accommodation for Virgin Blue.

- Velluto cafe was added to the list of concessionaires within Terminal 2 and included the construction of an express outlet in the departure lounge.

Social
- In a joint partnership with Currumbin Wildlife Sanctuary, Gold Coast Airport installed money collection boxes in the newly extended departure lounge to raise much needed funds for the sanctuary’s ‘Energex Wildlife Hospital’.
- Gold Coast Airport received an Award for Recognition for services to tourism at the 2004 Northern Rivers Region Northern Rivers Tourism Awards.
- Gold Coast Airport was presented with the Business Development Award at the 2004 Southern Gold Coast Chamber of Commerce Courtesy and Business Awards.
- Gold Coast Airport and Spotless Services joined the fight against cancer by sharing a cuppa and a muffin by hosting Australia’s Biggest Morning Tea, coordinated by The Cancer Council of Australia, to raise money for cancer research.
- In the aftermath of the Thailand tsunami tragedy in December 2004, Gold Coast Airport, and other members of the airport community, were able to raise $3140 which was donated to Oxfam Community Aid Abroad to assist in rebuilding the communities affected by this natural disaster.
- During the 2004/05 financial year, GCAL employed four Indigenous trainees in the areas of administration, maintenance and customer service, under the Structured Training Employment Project. This is a Commonwealth Government initiative administered by the Department of Employment and Workplace Relations.

Environmental
- In a joint partnership with Currumbin Wildlife Sanctuary, Gold Coast Airport installed money collection boxes in the newly extended departure lounge to raise much needed funds for the sanctuary’s ‘Energex Wildlife Hospital’.
- A formal Co-operative Agreement between GCAL and the Australian Greenhouse Office (AGO) was approved by the AGO in October 2003. For 2004 the net emission was 3364 CO2-e. Electricity represented 73 per cent of this value with waste at 22 per cent and petroleum products making up the residual value of 5 per cent. Electricity values have increased 7 per cent since 2003, however 26.5 per cent less energy has been used per 1000 passenger between 2003 and 2004.
- Furthermore, greenhouse gas emissions per 1000 passengers has decreased by 26 per cent between 2003 and 2004. The table below identifies net emissions since 2002.

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Emissions CO2-e (Tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>3364</td>
</tr>
<tr>
<td>2003</td>
<td>3580</td>
</tr>
<tr>
<td>2002</td>
<td>1800</td>
</tr>
</tbody>
</table>

- GCAL continued recycling of waste oil, batteries, office paper and ‘reusable items’ during 2004/05. Unwanted building materials were regularly stockpiled and reused on site where possible. Data collected from the Terminal 2 waste audit, demonstrated in Graph 10, will be referenced to assist with the implementation of an expanded waste recycling program.
- Gold Coast Airport joined the Gold Coast City Council ‘Butts Out’ campaign to keep the city, and ultimately its beautiful waterways and beaches, cigarette butt free. As part of the campaign GCAL environment staff handed out free, butt-shaped, fire resistant, reusable ashtrays to airport visitors, and tourism and transport operators servicing the airport.
In November 2004, the Federal Government approved the Airport Environment Strategy which is a comprehensive document that provides important planning tools for responsible environmental management of the airport site for the next five years. The new AES addresses environmental management systems, current and potential sources of environmental impact, measures GCal proposes to prevent, control or reduce such impacts, and studies, reviews and monitoring to be undertaken during the five-year life of the AES.

Extensive flora and fauna studies of future airport development sites were completed.

GCal continued the enhancement of future environmental precincts adjacent to the Cobaki Broadwater with feral animal control and restoration of vegetation.

For 2004/05 a total of 67225.58 kilolitres of water was consumed by the Gold Coast airport site. This is a significant increase on consumption for 2003/04 with a reported 51454.73 kilolitres of water consumption. However, considerable growth in the last financial year has been prevalent particularly with the number of traveling passengers. GCA experienced a 25 per cent growth in passengers, which equates to 635,096 additional people passing through Gold Coast Airport for the 2004/05 financial year. Growth in consumer usage can also be attributed to growth of on-airport outlets and a broad range of facilities. This is particularly evident with an increase in tenancies at the airport Central site to include: gymnasium; hairdresser; clothing outlets; financing companies; several food outlets; carwash; and tourism companies. Refer to Graph 12.

GCal facilitated the positioning of a unique frog-shaped collection box in Terminal 1 with all monies raised to go to amphibian research.

For the second consecutive year, GCAL was a participant in the Griffith University Industry Mentoring Program which links final year students with experienced professionals from similar career fields. Placements were accepted in the areas of environment and marketing.

In April 2004, Gold Coast Airport joined Australian Quarantine and Inspection Services, Queensland Health, Gold Coast City Council, Tweed Shire Council, and New South Wales Health to sign a Memorandum of Understanding agreeing to implement and support strategies for the surveillance, control and eradication of exotic mosquitoes on the Gold Coast.
Townsville Airport

Townsville is a major regional airport handling a record 1,185,980 passenger movements in the past financial year.

As the regional hub for North Queensland, Townsville Airport (TSV) is a key transit and destination port for the areas that stretch from Tully to the north, Charters Towers to the south west and Bowen to the south. It also services inland cities and the mining and pastoral communities of the Gulf of Carpentaria.

Domestic terminal facilities at the airport were constructed in 2003 in which $10.5 million was invested in expanding and refurbishing the domestic terminal and providing aerobridge facilities. Regular domestic services currently connect Townsville to Brisbane and Sydney. An extensive regional network also links Townsville to Cairns, Mackay and other inland, coastal and Whitsunday ports. Key airlines include Qantas and Qantas Link, Virgin Blue, Alliance and Macair.

A number of smaller charter operators also provide services to mines in the Carpentaria Minerals Province.

Aeronautical Activities

Economic

- Townsville Airport welcomed a record 1,185,980 through its gates during the 2004/05 financial year.
- Ongoing negotiations with Jetstar culminated with the announcement of new services into Townsville commencing October 2005 to include a new direct service to Melbourne three times per week.
- A new upgraded Programmable Logic Controller (PLC) was installed in the airport power house to replace the front end controller.
- Works continued as part of the TVASl (navigational aid) replacement program including system testing and flight tests which will lead to the commissioning of a new PAPI navigational aid.

Social

- Townsville Airport received no noise complaints during the 2004/05 financial year.
- The airport is a principal sponsor of Townsville Enterprises Limited (TEL), the primary development, marketing and promotional organisation for the North Queensland region. This sponsorship supports and contributes to local regional development and tourism campaigns administrated by TEL.
- Airport staff raised over $11,000 for the Leukaemia Foundation Shave for a Cure. As a result, Townsville Airport received an award from the Leukaemia Foundation for achieving 10th place in the top 30 fundraisers in Queensland.
- For the second consecutive year, Townsville Airport staff participated in the Cancer Society Relay for Life, an 18 hour relay to raise money for cancer research.
- Since 2001 Townsville Airport has been assisting children from the Garbutt State School to achieve their academic goals. A cash scholarship is awarded each year to a Year 7 student for a period of five years. The aim of the scholarship is to assist the student achieve their educational advancement by contributing to the costs of education throughout the student’s secondary school career. In 2004, the scholarship was awarded to Nazareth Pilot.
- Other community activities and non-profit organisations supported by Townsville Airport throughout the 2004/04 financial year included:
  - Queensland Police Child Safety Campaign
  - Endeavour Foundation
  - Queensland Blue Light Association
  - Queensland PCYC

Environmental

- Townsville Airport continues to raise the standard of Bird and Wildlife Management in Australia. The Townsville Airport Bird and Wildlife Management Plan incorporates:
  - industry and community involvement and ownership of the management plan;
  - comprehensive risk assessment program to allocate resources and identify emerging issues;
  - a range of tested passive and non-lethal deterrent systems;
  - comprehensive data collection and recording systems;

Graph 13: Total passenger movements for past 5 years - Townsville Airport versus Australia as a whole.
Townsville Airport

- Ongoing research into new and improved methods for detection, deterrence and harassment of birds.
- Provision of an irrigation system on Taxiway Foxtrot, and the rotary wing landing/run up area in order to maintain vegetation and reduce dust and problems associated with foreign object damage (FOD).
- In March 2005, Townsville airport staff members and airport operators participated in Clean Up Australia Day by picking up rubbish at Rowes Bay area.
- Townsville Airport recorded nine fuel/oil spills of 160 litres in total during the 2004/05 financial year. All spills were appropriately and timely cleaned up and reported. No spills entered the stormwater system.

Commercial Activities

Economic
- Due to the increase in the number of rental cars required on site it was necessary to construct an additional 109 car spaces. This also allowed for the release of more space in the short term car park for the general public. Additional car spaces are planned for construction in 2005/06.
- Provision of a new car park pay station was incorporated at the southern end of the terminal.
- Airport management also commenced the design of a new ground transport strategy. This initiative came about as a result of transport services being often inadequate during times of high activity at the airport.
- The 2003 refurbishment of the terminal has allowed for continued improvements to the retail offerings available to the travelling public.

Social
- In August 2004 Townsville Airport was awarded the Chartered Institute of Logistics and Transport North Queensland Achievement of the Year for the redevelopment of the terminal building.

Environmental
- In the coming 12 months, Townsville Airport will be working towards the implementation of recycling initiatives. This will be completed in consultation with tenants and airline partners for the future management of the reduction of waste, water and energy consumption within the airport precinct.
Townsville Airport
Property Development and Management

Economic • The Townsville Airport Master Plan was approved by the Federal Government in November 2004 in accordance with Section 8 of the Airports Act 1996. A major feature of the approved Master Plan included interest from Air Services for the construction of a Fire Station and Fire Training Ground. Initial planning for this facility has commenced.

Social • Townsville Airport continued its involvement as a partner of the ‘Creek to Coral’ initiative. ‘Creek to Coral’ is a whole-of-government, whole-of-infrastructure, community water quality improvement and awareness program, initially developed by Townsville City Council, Thuringowa City Council and the Environment Protection Authority.

Environmental • In November 2004, the Federal Government approved the Airport Environment Strategy, a comprehensive document that provides important planning tools for responsible environmental management of the airport site for the next five years.

• The airport became a member of the Protection and Restoration of Degraded Seasonal Wetland in Northern Australia Consultative Committee. This committee is comprised of organisations that are interested in the works undertaken by CSIRO and Queensland Parks and Wildlife Service (QPWS) at the Town Common and is funded by the Natural Heritage Trust through the Burdekin Dry Tropics Board.

• There was one Workplace Health and Safety incident recorded during the 2004/05 financial year, however, there was no time lost to injury.

• Townsville Airport also continued as an executive member of the North Queensland Mosquito Control Association and played an active role in the regular monitoring of mosquitoes. This assists in the detection and management of exotic, target and non-target mosquito species in the area. No exotic species were detected in the 2004/05 financial year.

• Townsville Airport has taken a holistic approach for the integration of an Environment Management System into the business and will be working towards ISO14001 accreditation in 2005/2006.

• Noxious plant control was conducted at the northern lease holding area in the 2004/05 financial year. Townsville Airport continues to implement measures to eradicate and control environmental and declared weeds under the Rural Protection Act.

Graph 17: Property Revenue - TSV

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Mount Isa Airport

Growth in passenger movements
for Mount Isa Airport in the past financial year can be related to the reinvigoration of mining investment with a record of 117,134 passengers utilising the airport’s services.

Mount Isa (ISA) is a major mining centre and regional centre servicing the Carpentaria Minerals Province. A total of 117,134 passengers passed through the airport’s gates in 2004/05 to register a record 17.2 per cent growth in traffic on the previous year. This result can be related to the reinvigoration of mining investment activity following the acquisition of Mount Isa Mines Limited by Xstrata plc.

Mount Isa relies heavily on air passenger transport due to its remoteness. Traffic tends to be driven by the fortunes of the mining industry in the city. The population of Mount Isa is on a growth pattern after a period of some decline during the 80’s and 90’s. The prosperity of the city is largely dependent on the demand and price of base metals therefore it is subject to international economic influences. Evidence suggests that several mines are moving towards a fly-in, fly-out basis and this is driving some growth in the current numbers.

Airport Activities

Economic

• In September 2004, Alliance Airlines commenced a chartered Brisbane-Mount Isa-Telfer (West Australia) return service once a week.
• In order to cater for an increase in passengers, an additional scale injector combination belt was installed in the terminal check-in counter facilities.
• Additional Terminal seating in the departure lounge was completed in May 2005.
• The supply and installation of x-ray roller beds was completed in the departure lounge in January 2005.
• An aircraft data recording system was also installed at Mount Isa Airport in March 2005.
• West Wing Aviation took over the lease of helicopter and aircraft maintenance effective December 2004.
• Extensive airside maintenance was carried out on runways, taxiways and the apron. This included the application of Coal Tar Rejuvenation to the taxiways, apron and the central 15 metres of the runway.
• Jet sealing of the RPT apron, crack sealing and the construction of Taxiway Delta, were also completed in the 2004/05 financial year.
Mount Isa Airport

Social
- Mount Isa City Council has leased Kalkadoon Park, located at Mount Isa Airport, for a minimal fee over the past 10 years. The park has been utilised for community events such as the Mount Isa Mines Rotary Rodeo, the local agricultural show and annual campdraft. It also caters for smaller clubs such as the Mount Isa Rifle Club.
- Mount Isa airport was also a significant sponsor of the 46th Mount Isa Mines Rotary Rodeo in 2005. This was the last time the event would be staged at Kalkadoon Park. Due to outdated facilities, the event will move in 2006 to a new $5.5 million multi-purpose entertainment centre at Buchanan Park, funded under the Federal Government’s Regional Partnerships Programme.
- There were no Workplace Health and Safety incidents reported at Mount Isa in the 2004/05 financial year.

Environmental
- Mount Isa Airport recorded seven fuel/oil spills of 78 litres in total during the 2004/05 financial year. All spills were appropriately and timely cleaned up and reported. No spills entered the stormwater system.
- The airport continues to develop its Bird Hazard Management Plan with continual improvements. The management plan incorporates:
  - industry and community involvement and ownership of the management plan;
  - comprehensive risk assessment program to allocate resources and identify emerging issues;
  - a range of tested passive and non lethal deterrent systems;
  - ongoing research into new and improved methods for detection, deterrence and harassment.