



## Brisbane Airport Corporation

Connecting | Collaborating | Cooperating



BAC Holdings Limited  
Annual Review 2012



## VISION

Brisbane Airport Corporation's (BAC) purpose is to grow shareholder value through the efficient and sustainable operation, management and development of Brisbane Airport.

BAC's vision for Brisbane Airport is to be world-best and the preferred choice for passengers, airlines, business and the community.

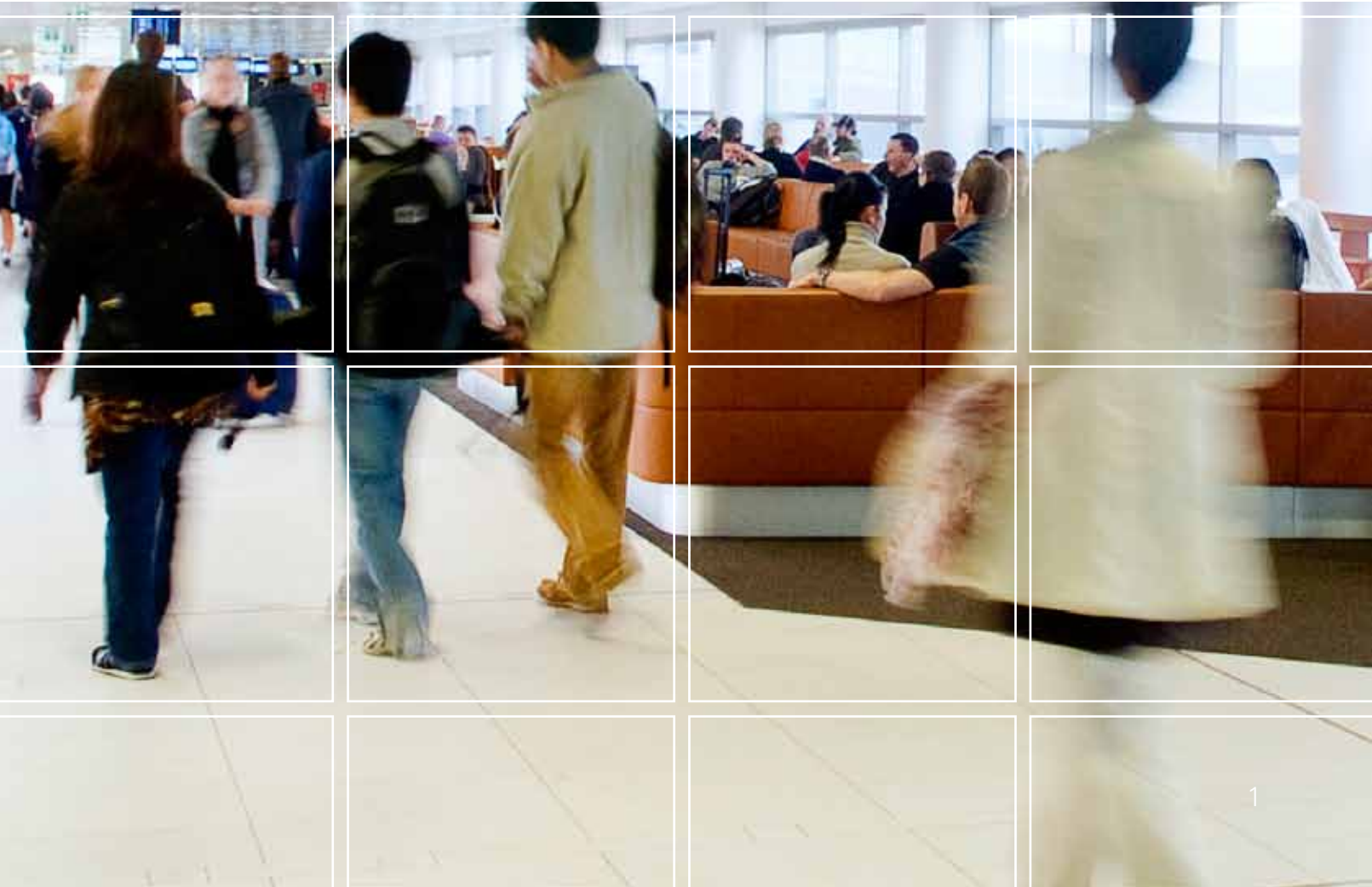
## VALUES

- Building collaborative relationships
- Being proactive and innovative
- Acting with integrity and commitment
- Providing service excellence



# CONTENTS

Chairman's Message	<b>02</b>
CEO and Managing Director's Message	<b>04</b>
Meet our Board of Directors	<b>06</b>
Meet our Senior Management Team	<b>08</b>
Our Financial Performance at a Glance	<b>10</b>
The Year in Review	<b>12</b>
Our People and Culture	<b>14</b>
Our Operations	<b>16</b>
Our Network	<b>22</b>
Connecting with Our Partners	<b>24</b>
Connecting with Our Community	<b>26</b>
Looking after Our Environment	<b>28</b>
BNE Property	<b>30</b>
Investing in the Future	<b>32</b>



# CHAIRMAN'S MESSAGE

In my message accompanying Brisbane Airport Corporation's FY11 Annual Report, I recounted our CEO and CFO's success in our first venture into the United States' private placement market, raising \$400 million in ten, 12 and 15 year fixed rate bonds. In FY12 we built on that success, securing \$500 million over four years in bank facilities at favourable margins.

The financial performance of BAC in FY12 is covered in detail in this Report but it is salient to point out that this success has been achieved during a period of considerable instability in the global economy and unpredictability in consumer confidence. In this environment BAC has remained focussed on delivering important infrastructure and services for its customers and the travelling public, as well as ensuring it retains its strong, investment grade rating so that it can continue to raise debt and fund the future development of the airport.

Later in this report our CEO and Managing Director Julieanne Alroe details some of the highlights of the year's achievements so I will make mention of two that the Board and I consider amongst the most important of the year.

In May we launched the new Property Development Master Plan which sets out a vision for the future of the land at Brisbane Airport not dedicated to our core aviation business. We are fortunate to have a site which is not only the best in the country for an airport, but also offers significant potential for property development. This Master Plan, which was developed in collaboration with some of the best minds in the planning and property industries, is a blue print for the future and positions Brisbane Airport as one of the city's most important development sites. The

collaboration which helped deliver the Property Development Master Plan speaks volumes about BAC's commitment to ensuring that it is a real partner, with all levels of government and the private sector, in helping our city meet its growth potential.

Perhaps the most significant step taken by the Board in FY12 was our decision to go ahead with the first phase of the New Parallel Runway Project. In the planning for decades, the project had been put on hold during the global financial crisis, but during 2010/11 the growth in aviation demand led us to decide in FY12 that it would be wise to give the green light to site preparation works, including vegetation clearance, drainage services and access roads for construction. That decision means that by mid-2013 the site will be ready in the event that commercial agreements have been reached with airline partners and the runway's construction can continue.

We welcomed the Productivity Commission's report in FY12 that recognised the success of the privatised airports model in delivering record investment in Australia's capital city airport infrastructure. Defending this model, which has created an environment conducive to significant private investment in vital public infrastructure without a burden on the taxpayer, is in the interests of all Australians.

The BAC Board remains hopeful that the model for funding aviation infrastructure, which has proven so successful to date, remains robust enough in the coming years so that Brisbane's New Parallel Runway Project can proceed.



**Bill Grant**  
Chairman of the Board

“Perhaps the most significant step taken by the Board in FY12 was our decision to go ahead with the first phase of the New Parallel Runway Project.”



# CEO AND MANAGING DIRECTOR'S MESSAGE

“At the heart of our business is aviation. Over the 12 months to July 2012 our passenger numbers grew 4.6 per cent to reach 21 million, a record for Brisbane.”

Brisbane Airport is Queensland's most important transport hub. In FY12 around 21 million people passed through our terminals. For many, our Domestic Terminal is their place of departure for work on mining and construction sites in regional and remote parts of our state and country. For others, our International Terminal is their first experience in a long dreamed of Australian holiday, or the point of departure for that once-in-a-lifetime overseas trip. For all these people Brisbane Airport is essential. The domestic and international connections it offers enables them to pursue their careers conveniently and efficiently, to visit their friends and relatives easily, and to expand their horizons in every possible way. For BAC, providing the facilities and the services which enable airlines, retailers and others to meet the needs of all these customers is a rewarding task.

Financial Year 2012 was one marked by the completion of major projects, the launch of exciting new phases in our development as a business, and the emergence of new opportunities and challenges.

At the heart of our business is aviation. Over the 12 months to July 2012 our passenger numbers grew 4.6 per cent to reach 21 million, a record for Brisbane. This growth has been driven by increasing domestic regional travel for business, most notably fly-in-fly-out resources business, better than expected domestic leisure travel and a high Australian dollar allowing many locals to realise their dreams of an overseas holiday. This demand saw QantasLink introduce new services and increased capacity to regional Queensland ports including Charleville, Emerald, Moranbah, Rockhampton, Gladstone and Mackay. Virgin Australia increased its services between Brisbane and Melbourne, Cairns, Proserpine, Gladstone and Rockhampton. The continued popularity of trans-Pacific travel saw Qantas lift its Brisbane to Dallas-Fort Worth services from four to six flights per week, and Hawaiian Airlines announce it would launch direct flights between Honolulu and Brisbane three times weekly from late November 2012.

Closer to home it was most pleasing to welcome China Southern Airlines' launch of new Brisbane to Beijing via Guangzhou services, bringing services to four times weekly, with news to move to daily in early 2013. The growth of aviation business both into and out of Asia provides significant opportunity for Brisbane Airport and we have enjoyed working in close collaboration with government agencies at a local, state and federal level to explore and develop new routes, encourage increased capacity on established routes, as well as bringing new carriers to Brisbane.

This increased traffic, however good for business, also brings with it pressures on our infrastructure and requires of us even more focus on the quality and efficiency of our facilities and services. During FY12 we began the process of designing a Runway Demand Management System, or 'slot system', to ease congestion during our busiest hours and minimise delays for passengers. This system will be introduced in October 2012.

During FY12 we also completed and opened to the public a new nine-storey, 5000 bay car park at the Domestic Terminal. This \$180 million development is the largest single-structure car park in the southern hemisphere and provides customers with possibly the most modern and convenient parking facilities of any major Australian airport. Brisbane Airport's parking business is notable for the quality of facilities offered at the terminals and our competitive pricing, particularly the online pre-booked product which has proven very attractive to travellers.

The year also saw us take some important steps in our plans to refresh the facilities and retail environment at the International Terminal and the central area of the Domestic Terminal. Coming years will see significant progress in this regard with a particular emphasis on making our International Terminal more distinctly the 'front door' of Queensland.



The importance of Brisbane Airport to the city and its residents, the state and the nation, is well recognised by BAC. Over recent years we have developed a far-reaching community engagement program which reflects our view that the airport is not only an important economic contributor, but must also be a good neighbour. In FY12 this program saw BAC launch the first Airport Schools Tour Program, conduct community information 'exchanges' in a number of neighbouring suburbs, reach the milestone of 10,000 visitors to our Airport Experience Centre and our Brisbane Airport Community Aviation Consultation Group released its first ever annual report. Over the same period we provided sponsorship and grants valued at over \$1 million to local charities, schools, community groups, sports clubs and the arts community.

I am proud of these achievements and our success in industry ratings and awards programs. Most notably, Brisbane was named Best Regional Airport (Australia/Pacific) in the prestigious 2012 Skytrax World Airline Awards. Brisbane also retained its first place ranking as Australia's Best Airport for Quality of Service for the eighth year running in the Australian Competition and Consumer Commission's 2010-11 Airport Monitoring Report.

We were also delighted to receive a Property Council of Australia Innovation and Excellence Award for the state-of-the-art iseek Communications Data Centre developed on site at the airport. This project sets the bar high for future commercial property development on our land and our Property Development Master Plan, launched in FY12. As Chairman Bill Grant details in his message in this report, BAC has invested considerable effort in establishing the airport precinct as an attractive and viable location for development. This Plan will see Brisbane Airport become even more truly a partner in the growth of our local, state and national economy.

I thank all our staff and partners for their efforts over 2012. In the face of sometimes unpredictable and surprising environments they have continued to deliver an airport of which we can be proud, and a business which delivers for our shareholders and our community.

A handwritten signature in black ink, appearing to read 'Julianne Alroe'.

**Julianne Alroe**  
*CEO and Managing Director*

# MEET OUR BOARD OF DIRECTORS

From Left to Right

**William (Bill) Grant** ALGA, FAICD  
Chairman

**Julianne Alroe** BEd, MAICD  
CEO & Managing Director

**David Gray** BSc, MAICD, FRAS, Hon DPhil  
Director

**Matina Papathanasiou** BCom, LLB  
Director

**Chris McArthur** BE, MBA, GAICD  
Director





Top From Left to Right

**John Allpass** FCA, FCPA, FAICD  
Alternate Director for Pieter Verboom

**Perry Clausen** BCom, CA, Mtax  
Alternate Director for Chris McArthur

**Ross Israel** BCom, LLB, F Fin  
Alternate Director for  
Matina Papathanasiou and Tom Parry



Below left to right

**Jill Rossouw** B Com, M Phil, GAICD  
Director

**John Ward** BSc, FAIM, FAICD, FAMI, FCILT  
Director

**Tom Parry** AM, B.Ec (hons), M.Ec, PhD  
Director

**Pieter Verboom** PhD  
Director



# MEET OUR SENIOR MANAGEMENT TEAM

From Left to Right

**Krishan Tangri**

General Manager Assets

**Stephen Goodwin**

General Manager Operations

**Renaye Peters**

General Manager Property

**Rachel Crowley**

Head of Corporate Relations

**Sarah Thornton**

General Counsel and Company Secretary

**Gwilym Davies**

Head of People and Culture



**Julianne Alroe**  
CEO & Managing Director

**Jenna Buckner**  
General Manager Parking and Transport Services

**Tim Rothwell**  
Chief Financial Officer

**Roel Hellemons**  
General Manager Strategic Planning and Development

**Cameron Macphee**  
General Manager Aviation Business Development

**Andrew Brodie**  
General Manager Terminal Retail and Commercial



# OUR FINANCIAL PERFORMANCE AT A GLANCE

Brisbane Airport Corporation Pty Limited (BAC), a subsidiary of BAC Holdings Limited, and operator of Brisbane Airport, has demonstrated consistent growth since the privatisation of the airport in 1997. BAC management has extensive experience in the aviation industry, in particular in the supervision and operation of airports. This expertise has helped provide BAC with a solid track record of delivering growth and out-performing budgets by recording an EBITDA CAGR of 11.1 per cent from FY07 to FY12. Since privatisation in 1997, total passengers have grown from 10 million to 21 million in FY12.

BAC has historically generated a stable and diversified revenue stream:

- Aeronautical revenue in FY12 was \$188m (excluding Government mandated security charges of \$21m) and represents 39 per cent of revenue;
- Landside and Transport services, which includes car parking and car rentals, contributes \$88m, 18 per cent;
- Retail income of \$61m represents 13 per cent of revenue;
- Investment property revenue totaling \$54m, with the majority being long term leases to quality tenants, comprises 11 per cent of total revenue;
- Terminal and other property revenue of \$39m represents 8 per cent of revenue;
- Other revenue of \$30m including recharged utilities and interest received represents 6 per cent of total revenues, (excluding unrealised revenue);
- Government mandated security charges total \$21m representing 5 per cent of revenue.

BAC has demonstrated strong operating performance as it focuses on maximising EBITDA and profitability. BAC outsources most of its non-core activities. To complement its efficient operations, BAC's partnership approach with the airlines, retailers, and commercial tenants involves performance and risk sharing incentives designed to minimise risk while ensuring steady revenue growth.

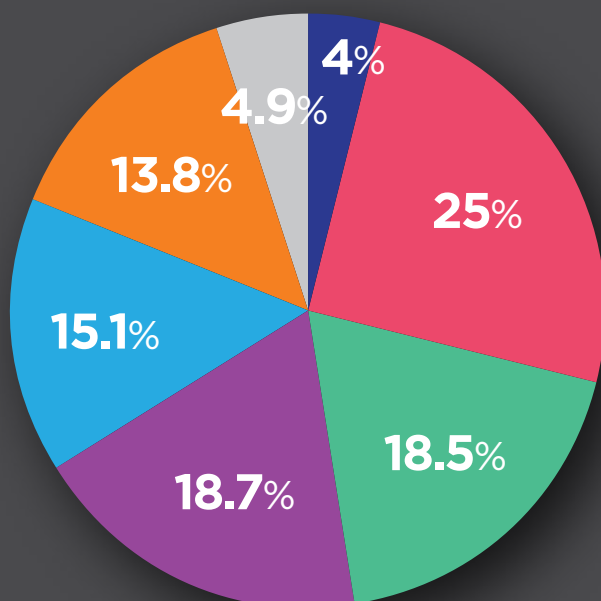
BAC maintains a solid capital structure that benefits from access to long term debt funding and a strongly committed and financially supportive shareholder group. The Company has excellent relationships with its banks, which provide \$500 million of facilities.

Equally important to its capital structure, is the blend of shareholders which combine financial strength and world-class airport expertise. 81.3 per cent of BAC shareholders are major Australian institutional investors. Other than Schiphol Australia Pty Ltd with 18.7 per cent, BAC shareholders are ultimately ordinary Australians with their savings invested in superannuation and other investment funds.

## Our results at a glance

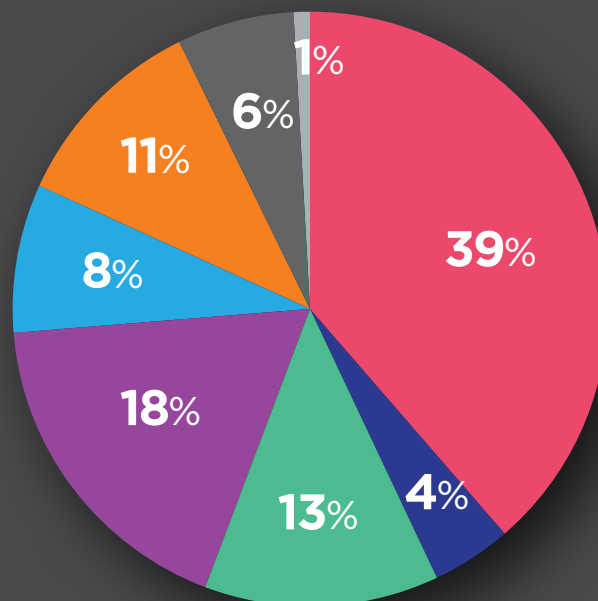
<b>Profitability</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>(in millions of AUD)</b>			
Revenue	425	457	<b>487</b>
Expenses	121	129	<b>132</b>
EBITDA and revaluation gains	304	328	<b>355</b>
Depreciation and amortisation	55	60	<b>66</b>
EBIT and revaluation gains	249	268	<b>289</b>
Finance costs	106	120	<b>120</b>
Profit/(loss) before shareholder distributions, unrealised foreign exchange gain/(losses) and non-designated derivatives tax and revaluation gains	143	148	<b>169</b>
Change in fair value of investment property	18	68	<b>85</b>
Profit before shareholder distributions and tax	161	216	<b>254</b>
Shareholder distributions	48	61	<b>50</b>
Unrealised foreign exchange gain/(losses) and non-designated derivatives	-	64	<b>(281)</b>
Income Tax Expense/(Benefit)	31	64	<b>(23)</b>
Profit/(loss) for the year	82	155	<b>(54)</b>

### BAC Holdings Limited Shareholdings



- QIC Limited
- Colonial First State Global Asset Management and related managed funds
- Amsterdam Airport Schiphol
- National Asset Management ATF the Brisbane Airport Trust
- IFM Infrastructure Funds
- Motor Trades Association of Australia
- Officers' Superannuation Fund

### FY2012 Revenue



- Aeronautical revenue
- Government mandated security revenue
- Retail revenue
- Landside transport revenue
- Operating property revenue
- Investment property revenue
- Other revenue ordinary activities
- Interest recieved from other parties

# THE YEAR IN REVIEW



**AWARD**

Brisbane Airport named Best Regional Airport (Australia/Pacific), in the prestigious 2012 Skytrax World Airline Awards - the largest and most respected independent customer survey of airport product and service quality.



**JULY 2011**

- Brisbane Airport registers a record of more than 20 million international and domestic passengers for FY11.
- Construction commences for the new Australian Federal Police building at Brisbane Airport.

**AUGUST 2011**

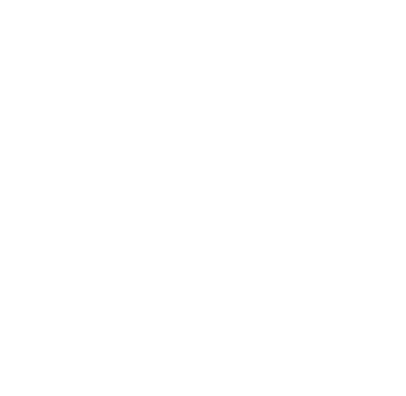
- Brisbane Airport becomes Brisbane's newest suburb with a new postcode 4008.
- Grimshaw/AECOM/PWC/Tract consortium announced as the winner of Brisbane Airport's national property design competition.
- Virgin Australia opens its newly refurbished airport lounge at the Domestic Terminal.
- TransLink introduces a new 590 high frequency, cross town bus route from Garden City to Airport Drive.

**OCTOBER 2011**

- QantasLink launches new direct flights between Brisbane-Charleville, as well as increased frequency on Emerald and Moranbah services.
- BAC hosts Community Information Exchange at Coorparoo.
- China Southern launches new Brisbane-Beijing via Guangzhou services and increases frequency to four times weekly.
- Brisbane Airport secures \$500m of new bank facilities.
- Her Majesty The Queen and HRH The Duke of Edinburgh visit Brisbane.

**AWARD**

Brisbane Airport retains its first place ranking as Australia's Best Airport for Quality of Service for the eighth consecutive year in the Australian Competition and Consumer Commission 2010-11 Airport Monitoring Report.



**SEPTEMBER 2011**

- Brisbane Airport launches Australia's First School Tours program.

**NOVEMBER 2011**

- The online interactive Brisbane Airport experience centre reaches a record of 10,000 visitors.

**DECEMBER 2011**

- BAC becomes a major sponsor of RACQ CareFlight, the not-for-profit community rescue helicopter service.
- Brisbane Airport launches the first edition of its new quarterly BNE Magazine.





## JANUARY 2012

- Brisbane Airport kicks off the year on a high recording 10.9 per cent year-on-year growth in passenger numbers, with more than 1.75 million people passing through the Domestic and International Terminals in January.
- BAC opens a \$180 million nine-storey, 5,000 space car park at the Domestic Terminal, the largest single-structure car park in the southern hemisphere.
- Qantas increases services between Brisbane and Dallas-Fort Worth from four to six flights a week.



## APRIL 2012

- Thai Airways marks the 30th anniversary of services to Brisbane.
- BAC and Queensland University of Technology announce the appointment of Associate Professor Alexander Dreiling as the Airport Chair of Innovation, focussing on the use of emerging technologies for improved airport operations.
- Biosecurity detector dog scheme celebrates 20 years at Brisbane International Terminal.
- Brisbane Airport records good international growth in April with visitor numbers from Asian markets increasing 15.4 per cent (or an additional 6,400 passengers) overall year-on-year.



## FEBRUARY 2012

- Virgin Australia increases flights between Brisbane and Melbourne, Cairns, Proserpine, Gladstone and Rockhampton.
- Aeropelican increases flights between Brisbane and Narrabri to seven times a week.
- TransLink introduces new 303 bus service between Eagle Junction and Myrtlewood via the Aerotech Park precinct at Brisbane Airport.
- BAC hosts a community information session at Carina.



## JUNE 2012

- Hawaiian Airlines announces it will launch direct non-stop flights between Brisbane and Honolulu, Hawaii three times weekly, from 28 November 2012.
- Brisbane Airport is the first Australian airport to join the world's fastest growing social network, Pinterest.
- Brisbane Airport achieves another record year, registering more than 21 million international and domestic passengers through its terminals in the July to June FY period, equating to year-on-year growth of 4.6 per cent or more than 910,000 additional passengers.

## AWARD

BAC wins the 'Best Sustainable Development - New Buildings' category at the 2012 Property Council of Australia Innovation and Excellence Awards for its state-of-the-art iseek Communications Data Centre.

## MAY 2012

- BAC unveils the BNE Property Development Master Plan revealing a 50 year vision for property development within its 2,700 hectare land holding and identifying development concentrated around five key nodes, as part of a highly connected, 24 hour aviation, trade and commerce hub.
- Brisbane Airport records good passenger growth in May, a traditionally quiet month, with 4.4 per cent growth (or an additional 57,000 passengers) at the Domestic Terminal and a 2.9 per cent increase overall, with approx. 1.69 million travellers passing through the airport in total.
- Boeing 787 Dreamliner visits Brisbane on its demonstration tour of Australia.

## MARCH 2012

- QantasLink launches new B717 services to Rockhampton, Gladstone and Mackay.
- Qantas upgrades the aircraft on its Singapore route to a B747.
- 256 solar panels installed at BAC Head Office.
- BAC welcomes the Productivity Commission Report into the Economic Regulation of Airport Services which broadly accepts that the current system of regulation for airports should be maintained.



# OUR PEOPLE AND CULTURE



BAC recorded a 74 per cent staff engagement rating in the Employee Opinion Survey placing BAC in the high performance/best category.



At BAC, we know our success begins with our people because it's our people who shape BAC's unique culture where we value building collaborative relationships, being pro-active and innovative, acting with integrity and commitment and providing service excellence.

FY12 has been a busy year with the consolidation of the organisation's new structure and the ongoing engagement of our people to deliver on our vision of being a 'world best' airport.

This has seen a focus placed on the planning, development and performance of our workforce capability to deliver on the current and future needs of the organisation.

Notable outcomes during the year include:

- undertaking an Employee Opinion Survey which garnered a 91 per cent response rate and an overall staff engagement rating of 74 per cent, placing BAC in the high performance/best employer category. This produced the development of an action list of issues to further improve the satisfaction and engagement of employees;
- undertaking a significant review of the Work Health and Safety management system to ensure BAC's compliance with the new harmonised legislation, whilst also maintaining our AS4801 (Australian Standards) accreditation with no non-conformances. At the same time BAC has led an industry benchmarking forum (National Airport Safety Forum) to deliver best practice initiatives in work health and safety for the airports group;
- the implementation of BAC's diversity program, resulting in BAC signing up to and fulfilling its commitment to the Australian Employment Covenant, the development of traineeships for women in non-traditional roles within our assets group and the hosting of 'Women on Airport' networking functions;

- the development and implementation of a new Learning and Development Strategy that provides a framework of learning opportunities to inspire our people to achieve their personal best;
- undertaking of succession planning for all management positions and key critical roles to ensure that BAC has the necessary workforce capability both now and into the future;
- the development of a 'Youth Strategy' to attract and retain young workers at BAC;
- a review and update of BAC's Management Incentive Scheme to ensure it fulfils its purpose to encourage higher levels of performance by our staff;
- updates and improvements to our Performance Agreement and Career Development Plans;
- improved internal communications with the videotaping of regular staff 'talks' sessions and the updating of the People and Culture intranet site, providing links and information on employment conditions, work health and safety, employee relations, policies and procedures and management support;
- the successful upgrading of our payroll system to improve online information access and reporting functions; and
- the development of a new 'user friendly' Code of Conduct, Managers Handbook and Employee Guide that provides an outline of expected behaviours, or how we work at BAC.





# OUR OPERATIONS

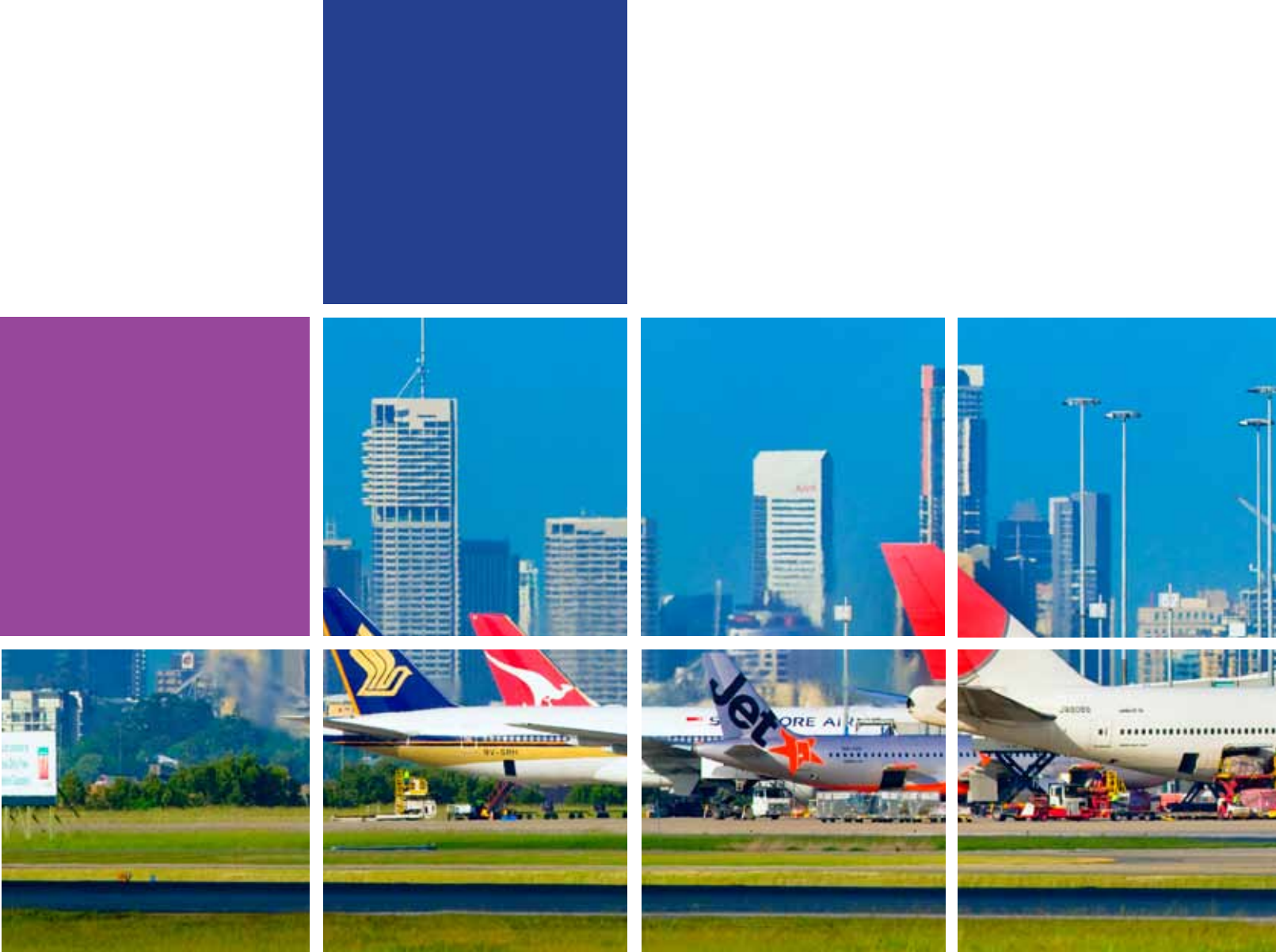


## Fast Facts

Passengers	2009/10	2010/11	2011/12
International	4,139,902	4,287,681	<b>4,483,094</b>
Growth	1.0%	3.6%	<b>4.6%</b>
Domestic	14,913,590	15,800,845	<b>16,516,320</b>
Growth	1.1%	5.9%	<b>4.5%</b>
Transits	188,004	159,248	<b>182,720</b>
Growth	-8.6%	-15.3%	<b>14.7%</b>

Air Cargo (tonnes)-calendar year	2009/10	2010/11	2011/12
<b>International</b>			
Import	35,265	42,172	<b>46,871</b>
Growth	12.7%	19.6%	<b>11.1%</b>
Export	41,654	39,506	<b>42,285</b>
Growth	2.1%	-5.2%	<b>7.0%</b>
Total International	76,919	81,678	<b>89,156</b>
Growth	6.7%	6.2%	<b>9.2%</b>

Landings	2009/10	2010/11	2011/12
Aircraft Landings	88,777	95,201	<b>102,148</b>
Growth	-1.0%	7.2%	<b>7.3%</b>
Landed Tonnes	6,789,602	7,229,745	<b>7,530,644</b>
Growth	-0.6%	6.5%	<b>4.2%</b>



### Aviation Partners

Aeroperican/Brindabella	China Southern Airlines	QantasLink
Air New Zealand	Emirates	Singapore Airlines
Air Niugini	Etihad	Skytrans
Air Pacific	EVA Airways	Solomon Airlines
Air Vanuatu	Jetstar	Thai Airways
Aircalin	Korean Air	Tiger Airways
Alliance Airlines	Malaysia Airlines	Virgin Australia
Cathay Pacific	Our Airline	Virgin Samoa
China Airlines	Qantas	

### Scheduled network

	Destinations	Frequency*
<b>Direct Destinations 2011/12</b>		
<b>International</b>		
Asia	10	78
New Zealand	6	84
Pacific	9	50
North America	2	16
Middle East	2	17
<b>Total</b>	<b>29</b>	<b>245</b>
<b>Domestic</b>		
<b>Total</b>	<b>43</b>	<b>1,540</b>

\*frequencies per week, one way

# OUR OPERATIONS continued

Brisbane Airport's 26 airline partners accommodated a record 21 million passengers in FY12.



## Aviation Industry overview

Brisbane Airport's 26 airline partners accommodated a record 21 million passengers in FY12. Domestic passenger numbers increased by 4.5 per cent year-on-year to over 16.5 million, while international passenger numbers grew by 4.6 per cent to almost 4.5 million.

Monthly passenger growth was particularly strong in early 2012, attributed to recovery from the downturn in demand following several local and overseas natural disasters in early 2011.

### Domestic passenger growth

Increased demand for intrastate services to cater to fly-in-fly-out resource industry workers meant that four out of five domestic seats added in FY12 were to Queensland destinations.

Intrastate traffic grew at 2.5 times the rate of interstate traffic, with the former now representing one third of all domestic passengers (up from 31 per cent in FY11). Interstate routes, such as Launceston and Hobart, have been pushed out of Brisbane's top 20 city pairs, making way for Queensland

destinations such as Moranbah and Roma. There are currently over 1,300 flights and almost 140,000 seats to and from intrastate destinations each week.

Constraints on domestic passenger growth were Qantas' grounding of its fleet in late October 2011 in response to industrial action, and the grounding of Tiger Airways in July 2011 by the Civil Aviation Safety Authority. Tiger Airways resumed a restricted schedule in mid-August 2011.

### International passenger growth

The basis for Brisbane's international traffic growth continued to be strong following interest by Australians in travelling overseas, with the favoured destinations including New Zealand, the USA, Fiji, Thailand and Indonesia.

Significant numbers of Australians attended Rugby World Cup matches in New Zealand in September and October 2011, and the tournament also proved a boost to certain visitor markets as supporters of other teams transited through BNE pre and/or post-event. The fastest growing visitor markets across the financial year were mainland China, New Zealand, India and the USA.



International passenger growth was constrained by the withdrawal of Royal Brunei Airlines in October 2011, the collapse of Air Australia in February 2012, and the cancellation of Jetstar services to Christchurch in March 2012.

**Changes in seat capacity**

Passenger growth in FY12 was facilitated by the addition of more than 1.3 million seats by various airlines. Several international carriers deployed larger aircraft compared with FY11, with the average number of seats per flight increasing from 230 to 239. In contrast, there was greater use of small aircraft on domestic services, with the average number of seats per flight decreasing year-on-year from 140 to 136.

Changes in international services included:

- » China Southern extending its Guangzhou service to Beijing and increasing to four times weekly frequency in November 2011;
- » Virgin Australia and Air New Zealand coordinating their trans-Tasman schedules in November 2011 and dividing BNE-NZ city pairs between them;
- » Singapore Airlines offering additional services over the Christmas and New Year peak travel period;
- » Qantas growing the frequency of its flights from Dallas-Fort Worth from four to six times weekly in January 2012; and
- » Air New Zealand taking over the Norfolk Island-BNE route in March 2012.

Changes in domestic services included:

- » Virgin Australia increasing its capacity across all routes at BNE and launching several new city pairs (Emerald, Gladstone, Port Macquarie) at the start of the 2012 calendar year. The new routes were serviced by recently acquired ATR 72-500 aircraft;
- » QantasLink significantly expanding its intrastate schedule, increasing its flight frequency by 18 per cent year-on-year and deploying larger Boeing 717 and Fokker 100 aircraft on several routes;
- » Jetstar making greater use of A321 aircraft;
- » Fly-in-fly-out specialist Alliance Airlines almost doubling its flight frequency and introducing Fokker 70 aircraft; and
- » Aeropelican and Brindabella Airlines merging in late 2011 and consolidating their operations. The carriers cancelled BNE-Moree operations but increased BNE-Narrabri frequency in early 2012.



# OUR OPERATIONS continued



## Other changes

- The Virgin Group completed the consolidation of its various brands (including V Australia and Pacific Blue) under the one brand of Virgin Australia. Polynesian Blue became Virgin Samoa.
- Additionally, the Virgin Group established alliances with Delta Airlines, Singapore Airlines and Etihad Airways, improving domestic to international and vice versa connectivity for travellers. Brisbane Airport subsequently experienced an increase in inter-terminal transfer traffic.
- Meanwhile Qantas strengthened its relationship with American Airlines, increasing connectivity between BNE-USA flights and domestic USA services.
- In April 2012, Brisbane Airport celebrated a major milestone with Thai Airways – 30 years since its first flight to BNE.
- Expectations for domestic and international passenger growth in FY13 are strong and modest respectively. A guide to passenger growth is the change in seat capacity, with several carriers announcing increases taking effect in the first half of the year:
  - » Qantas operating daily from Dallas-Fort Worth from July 2012;
  - » Hawaiian Airlines to launch three times weekly flights to Honolulu in late November 2012;
  - » China Southern increasing to daily frequency between mid-December 2012 and the end of February 2013;
  - » Virgin Australia operating five times weekly to Mount Isa from mid-August;
  - » Tiger Airways resuming operations to Sydney in August;
  - » Qantas increasing its Sydney-BNE weekly frequency by 11 at the end of August; and
  - » Jetstar growing its Cairns-BNE weekly frequency by six from mid-September

- In addition, Etihad Airways will offer daily Abu Dhabi-Singapore-BNE services from February 2013, an increase from the current three times weekly frequency.

BAC looks forward to these and other developments that will further improve the network of connections available to Australia and abroad.

## Safety, Security and Emergency Planning

BAC is committed to providing a healthy, safe and secure environment for all members of the public and workers at Brisbane Airport. This involves working in close partnership with state and federal government bodies to develop, implement and maintain best practice safety, security and emergency planning management practices. This year BAC:

- prepared for the roll out of new passenger screening equipment, technology and screening point design to improve aviation security outcomes and the passenger travel experience;
- continued to implement front of house protection measures, designed to protect airport critical infrastructure and provide a safe and secure environment for passengers and airport visitors and workers;
- continued its focus on wildlife control to manage the risk of bird/wildlife hazards both at the airport and within a 13km radius of the airfield, including habitat management to make the airfield 'less attractive' for wildlife; and
- ensured all Airside Officers and Supervisors were trained to a Certificate Three level in Aviation Ground Operations.





# OUR NETWORK





# 43 domestic and 29 international destinations



# CONNECTING WITH OUR PARTNERS

Our business is underpinned by a desire to form collaborative and mutually-beneficial relationships with our business partners. This approach allows us to work openly with industry partners to deliver a prosperous and sustainable airport business community.

This approach extends to local, national and global partners. In all cases, our aim is to build Brisbane's profile as a front door to Queensland; a burgeoning business location and a gateway to some of the world's best leisure destinations.





# CONNECTING WITH OUR COMMUNITY

Brisbane Airport is committed to building strong and active relationships with the community by undertaking a range of initiatives to engage one-on-one with community members.

This includes hosting regular Community Information Exchanges and consultative meetings, arranging public information displays, participating in local festivals and events, supporting local education programs, conducting tours and engaging with people via social media, phone and email.

The Brisbane Airport Experience Centre located at Airport Village as well as online ([bne.com.au/experience-centre](http://bne.com.au/experience-centre)), also provides interesting information about the airport.

We recognise our operations have a wide range of impacts on many people, whether from an economic and business point of view, servicing the tourism industry, facilitating safe and reliable passenger and freight air travel, or contributing to the liveability of growing communities.

The growth and future sustainability of Brisbane Airport therefore requires strong and sustainable links with the community, and a commitment to transparent and accessible information.

As such, we are dedicated to an ongoing commitment to stakeholder communication and community engagement, including boosting our online presence via platforms such as Facebook, Twitter and Pinterest to encourage one-on-one interaction with people throughout Australia and the world.

BAC also undertakes a number of initiatives to achieve effective community engagement on a range of subjects through our ***Brisbane Airport Community Engagement Program (BACEP)*** which was established to generate informed, ongoing and interactive discussion on airport development, aircraft technologies, potential amenity impacts from increased aircraft operations and airspace management processes.

The first element in the BACEP is the ***Brisbane Airport Community Forum*** which presents a unique opportunity for community members to directly interact with airport management, government, agencies and the airport community on issues including environment, traffic, noise, infrastructure and commercial development. These 'information exchanges' are held quarterly in local airport suburbs across Brisbane.

***The Brisbane Airport Community Aviation Consultation Group (BACACG)*** was also convened as an independently-chaired vehicle to promote informed and responsive community engagement between the airport and airport stakeholders, along with its surrounding communities, on issues relating to aircraft operations at Brisbane Airport, in particular on the issue of aircraft noise.

BACACG celebrated its third anniversary in May 2012 and in the past twelve months has investigated a range of noise mitigation techniques with a view to improving noise outcomes for the community.

The quarterly ***Brisbane Airport and Area Round Table***, an integrated planning forum comprising federal, state and local government planning authorities, also feeds into BACACG, providing updates on the progress of planning issues including aircraft noise, airspace management and surface transport.

Similarly, the ***Brisbane Airport Technical Noise Working Group*** supplements BACACG by providing technical, operational and other advice to assist BACACG in communicating accurate and relevant technical information and to help consider ways to improve long-term noise mitigation measures.

The ***Brisbane Airport Experience Centre*** located at Airport Village as well as online, provides interesting information about the airport's operations, multimedia presentations, interactive maps and a unique software program for residents wanting to see the anticipated future flight paths and expected changes to aircraft noise patterns over Greater Brisbane.

In FY12, BAC provided sponsorship and grants valued at over \$1 million to local charities, schools, community groups, sports clubs and the arts community.



In FY12, nearly 7000 people visited the Airport Village Experience Centre, with the Online Experience Centre attracting more than 6200 unique visitors.

### Supporting our Community

Brisbane Airport is an enthusiastic sponsor of a wide range of initiatives and events throughout the local business, arts, culture, health, sports, environment, research and emergency services fields.

We also support our local community through:

- offering a special airport 'School Tours' program;
- involvement in recreation and sports that promote healthy lifestyles and community participation;
- providing free airport precinct tours for community tour groups (approx. 50/year);
- working with education providers and fostering aviation research;
- participation in a number of community and business forums; and
- actively engaging in community festivals such as Racecourse Road Festival, Nundah Festival and Morningside Festival.

Brisbane Airport's major partnerships include:

- sponsoring a range of local educational programs, including the BAC-QUT research partnership and the pioneering Gateway Schools Project, encouraging young people to take up careers in aviation-related industries;
- sponsorship of Brisbane Roar Football Club, Queensland Theatre Company, Gallery of Modern Art, Brisbane Philharmonic Orchestra, Camerata, Brisbane Powerhouse and Brisbane Festival, totalling more than \$450,000 annually;
- sponsoring the Royal Flying Doctor Service through refunding landing fees and ASIC processing costs equating to more than \$220,000 annually;
- being a major sponsor of the RACQ CareFlight not-for-profit community rescue helicopter service through the reimbursement of all landing fees at Brisbane Airport totalling up to \$20,000 per year;
- donating \$50,000 to the City Hall Restoration project; and
- sponsoring the Queensland Police Crime Stoppers initiative with an annual donation of \$100,000.

Brisbane Airport also helps facilitate numerous aid and charitable endeavours alongside our airline partners, airport tenants and other stakeholders.



# LOOKING AFTER OUR ENVIRONMENT



BAC is committed to an active response to the long-term impacts of climate change and minimising adverse environmental impacts on aviation and property development activities

Our sustainability goals are to maximise energy, water and waste efficiencies, manage noise impacts, balance the built environment and biodiversity values and achieve best practice in urban and built design.

At BAC we have a team dedicated to the careful management of water, energy, air quality, waste, soil and cultural heritage as part of an ongoing commitment to minimising our impact on the environment. As part of this commitment a number of initiatives have been introduced including:

- establishing a 285ha Biodiversity Zone for the protection of flora and fauna;
- developing and promoting a choice of sustainable travel options such as Airtrain, new TransLink services and the rollout of cycle ways;
- implementing a water management plan; developing an airport wide energy strategy; and

- designating the International Terminal as a plastic bag free zone with public recycling facilities.

During FY12, BAC installed 256 solar panels to the BAC head office roof with more planned in FY13, and retro-fitted 300 light fittings and bulbs in the Domestic Terminal Central Area with more efficient ceramic metal halide light fittings, producing a 53 per cent energy reduction on light usage per annum, equating to 2,400,000 Kwh, or approximately \$288,000, saving each year.

Collectively, these seemingly small changes have a big impact on our operations, helping BAC learn more about the demand and consumption of these critical resources and allowing us to make strategic decisions to ensure efficient water and energy usage across the business in the future.

By gaining a better understanding of how energy is consumed at the airport and implementing initiatives that help BAC be more energy efficient, we are able to effectively grow our business without dramatically increasing our energy needs.

## Environment Program

The environment program's key focal areas include energy and water efficiency, waste management and biodiversity. Key targets and achievements for the FY12 include:

FY12 Target		2010/11 Achievement	2011/12 Achievement
<b>Energy and Emissions</b>			
Amount of electricity consumed	160 Giga watt hours total usage	161 Giga watt hours	163 Giga watt hours
Amount of renewable energy consumed	Installation of solar panels at BAC Head Office	Development stage for installation in FY12	13 400 Kwh solar generated
<b>Waste Management</b>			
Waste recycled	200 tonnes pa	231 Tonnes	292 Tonnes
<b>Water Management</b>			
Potable water consumed	500 ML total usage target	497 ML	503 ML



FY12 Target		2010/11 Achievement	2011/12 Achievement
<b>Biodiversity</b>			
Ecosystem Health Monitoring of environmentally significant areas	Four sites monitored including: <ul style="list-style-type: none"> <li>▪ Jubilee Creek</li> <li>▪ Jackson Creek</li> <li>▪ Pinkenba mangrove area</li> <li>▪ Lewin's Rail habitat</li> </ul>	All sites monitored	All sites monitored
Wildlife Hazard Management Strategy implementation	Implementation of trials and investigation projects Submission of the Biodiversity Management Strategy to the Department of Sustainability, Environment, Water, Population and Communities	Trials and studies completed	Monitoring continued

**Planned Initiatives FY13**

In support of our achievements in environmental management, we have identified additional projects to build on the successes achieved to date. The key projects identified for implementation in FY13 include -

<b>Energy and Emissions</b>	<ul style="list-style-type: none"> <li>▪ Targeting a 5 per cent reduction in electricity use on previous year's consumption</li> <li>▪ Generate 80 000 KWh of solar energy</li> <li>▪ Installation of two additional solar arrays</li> </ul>
<b>Water consumption</b>	<ul style="list-style-type: none"> <li>▪ Completion of Phase1 of the Water Strategy (improvements to metering and reporting)</li> </ul>
<b>Waste management</b>	<ul style="list-style-type: none"> <li>▪ Finalise Waste Strategy</li> <li>▪ Ongoing reporting to Packaging Stewardship Forum on recyclable material collected</li> </ul>
<b>Biodiversity</b>	<ul style="list-style-type: none"> <li>▪ Continue ecological health monitoring of environmentally significant areas</li> </ul>



# BNE PROPERTY

BNE Property has a property portfolio worth over \$800 million including commercial, industrial, retail and land developments.



FY12 saw the delivery of significant initiatives for BAC's property division.

The first was the development of the 2012 Property Development Master Plan. Launched in May 2012, the plan guides sustainable property development within Brisbane Airport's 2,700ha lease holding over the next 50 years and presents a clear vision for the airport as a self-sustaining commercial centre for business and leisure.

It builds on the vibrant mix of aviation, commercial and lifestyle offerings already available on airport and is consistent with the 2009 Airport Master Plan, which BAC updates for the Federal Government every five years under the Airports Act 1996.

The 2012 Property Development Master Plan is poised to drive and maximise the airport's development potential and support the economic and cultural growth of Brisbane and Queensland. The plan allows for staged development that responds to market.

In FY13, the division will be focused on the delivery of this plan, initially targeting resources, logistics businesses and related service industries as early partners and investors.

Major development projects in FY12 include: the Five Lobelia Circle commercial building (opened October 2012), a service centre anchored by Shell (completion due 2014), and a purpose-built facility for DHL Express (completion due 2013).

FY12 also saw BAC rename its property division as **BNE Property** and launch a property specific website ([bneproperty.com.au](http://bneproperty.com.au)) to better differentiate the Corporation's property business from its primary aviation operation. BNE Property has a property portfolio worth over \$800 million including commercial, industrial, retail and land developments and manages approximately 200 leases. Twenty-eight leases came up for renewal during FY12, of which 93 per cent were recommitted to by existing tenants.





Artist impression

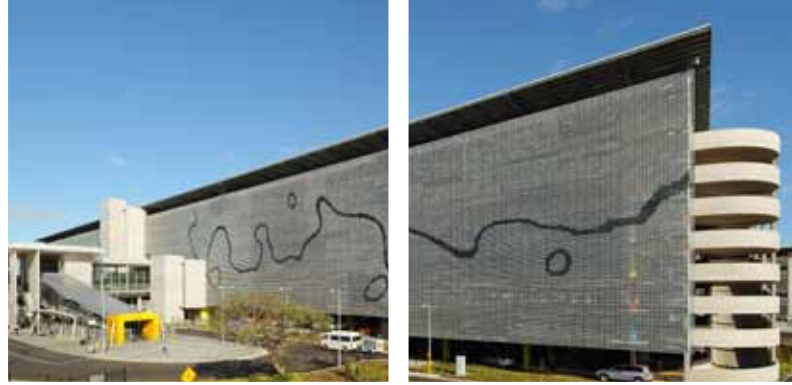
The 2012 Property Development Master Plan is poised to drive and maximise the airport's development potential and support the economic and cultural growth of Brisbane and Queensland.

During the year, BAC won the 'Best Sustainable Development – New Buildings' category at the national 2012 Property Council of Australia Innovation and Excellence Awards for its state-of-the-art iseek Communications Data Centre.

As part of BNE Property's overall place making strategy of 'Creative Precinct', BAC also hosted the inaugural **Art with Altitude**

contemporary art festival (24 August to 2 September 2012), to promote Airport Village as a destination. This free festival included interactive art installations, theatre performances by Queensland Theatre Company and Grin and Tonic, children's art workshops presented by QAGOMA as well as roving street and live music performances.

# INVESTING IN THE FUTURE



## Domestic Terminal Precinct Upgrade

This year BAC continued with its \$350 million Domestic Terminal Precinct Upgrade with the staged opening of a number of key features including:

- a nine-level, 5000 bay car park featuring smart parking technology, express entry and exit ramps and connections to the existing car park;
- a pedestrian Skywalk overpass between the car parks, roads and the terminal;
- a dedicated Public Pick-Up Waiting Area offering 20 minutes free parking;
- a new central taxi rank; and
- a spacious boulevard and re-configured road network in front of the terminal.

The new Domestic Terminal multi-level car park also features a unique 5,000 sqm kinetic public artwork façade by artist Ned Kahn.

Viewed from the exterior, the installation appears to ripple and move due to the wind passing behind 250,000 aluminium panels. Inside the car park intricate patterns of light and shadow project onto the walls and floor as sunlight passes through the kinetic façade. In addition to revealing the ever-changing patterns of the wind, the artwork also has many environmental benefits by being designed to also provide ventilation and shade for the interior of the car park.

These works complement earlier projects completed as part of the Domestic Terminal Precinct Upgrade including an expansion to the Central Area Satellite and extensions to the surrounding terminal aprons.

## Domestic Northern Apron

The Domestic Northern Apron project involves the construction of eight Code C aircraft parking bays with flexibility to accommodate two Code D aircraft as layover bays.

The project also involves the construction of a new taxiway 'W' and expansion of the apron in front of existing bays 19, 20 and 21 to allow Qantas to park larger aircraft in these bays.

Eight Code C bays are already operational, with the remaining works scheduled for completion by December 2012, further enhancing the capacity of our airline partners.

## International Apron and Taxiway Expansion Project

The Project involves the construction of two Code F parking bays with the flexibility to park four Code C aircraft and the construction of two new taxiways, C8 and B7 – B8. Both these taxiways will increase operational capacity on the International Apron and airfield.

The Project is scheduled to be completed in FY13.

## New Parallel Runway

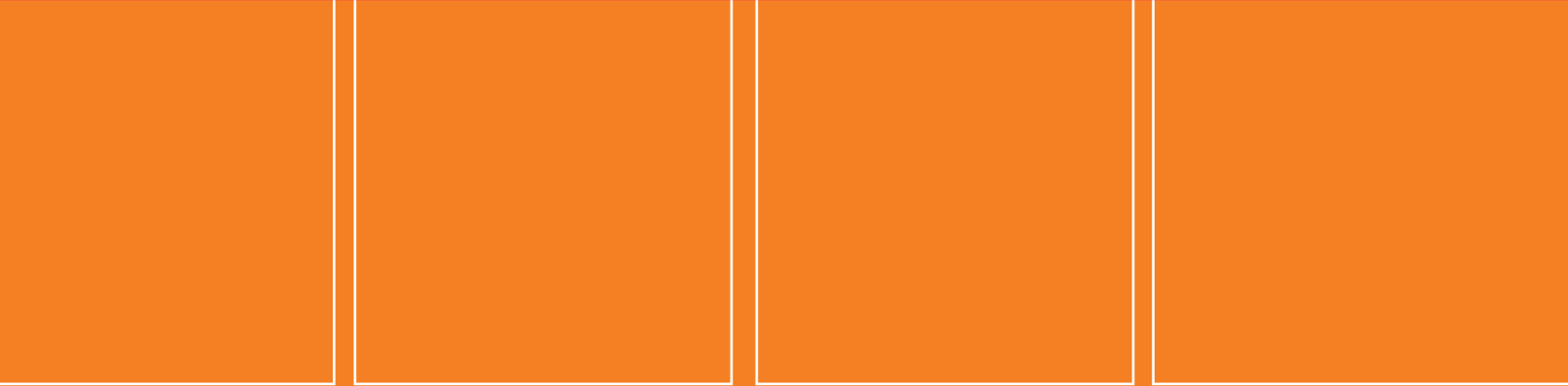
Throughout the year BAC has finalised detailed designs and geotechnical investigations for the civil and dredging works associated with Phase One of the New Parallel Runway Project.

Final tender and contract documentation was also completed which has enabled BAC to receive tender submissions from pre-qualified companies for the first phase of this critical infrastructure project for Queensland.

The award of the first of the civil contracts was made in early FY13. During the last financial year BAC has also progressed numerous environmental investigations and monitoring programmes in preparation for the commencement of construction.

The results from these monitoring programmes have established baseline conditions which will be used for monitoring and comparison purposes during the delivery of the Phase One works.





This Annual Report is printed with the environment in mind.



