

# INTERIM REPORT

**FOR THE SIX-MONTH PERIOD  
ENDED 31 DECEMBER 2023**





**QAC'S REGISTERED OFFICE**

Queenstown Airport Corporation

Sir Henry Wigley Drive

Frankton

Queenstown 9300

NEW ZEALAND

**Telephone** +64 3 450 9031

**Email** [admin@queenstownairport.co.nz](mailto:admin@queenstownairport.co.nz)

**Website** [www.queenstownairport.co.nz](http://www.queenstownairport.co.nz)

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# CHAIR AND CEO REPORT



## We are pleased to present Queenstown Airport Corporation's interim report for the six months to 31 December 2023.

The business has started the financial year well, with sustained demand for travel to and from Queenstown, especially on our trans-Tasman routes, resulting in a strong financial performance.

Domestic capacity was constrained during the reporting period, after Pratt & Whitney engine issues, which necessitated Air New Zealand revising its flight schedules.

This was balanced by growth in international passenger numbers, which underscores the enduring appeal of this region to the Australian market.

We have also made good progress on other key areas of focus, including long-term planning, our terminal upgrade programme, and projects to improve resilience, customer experience, and operational efficiency.

Our significant investment in extra self-service kiosks and automated bag drops has sped up passenger processing and dramatically reduced congestion at the check-in area during peak times. It is an excellent example of how we are using technology to make the journey through Queenstown Airport smoother.

We've also made changes behind the scenes, working with airlines to introduce slot coordination to better manage arrivals and departures, and establishing an integrated operations centre. These changes have increased operational efficiency and flexibility, which was particularly helpful during the Christmas-New Year peak.

One of the biggest projects completed during the reporting period was the refurbishment and expansion of the domestic departures area to incorporate the Airpresso cafe. This means passengers who have cleared security screening now have access to a full choice of food and beverages, as well as a much more spacious and comfortable place to wait for their boarding call.

Work has now started on the creation of an al fresco dining area in front of the terminal where travellers will be able to unwind and admire the spectacular mountains that surround Queenstown Airport.

## PASSENGER AND AIRCRAFT MOVEMENTS

For the six months to 31 December 2023, total passenger movements (arrivals and departures) were 1,264,306 – up 3.3% compared with the same period in 2022 and up 0.5% relative to pre-COVID 2019.

Of that number, 799,468 passengers travelled on domestic flights, down 5.4% on 2022 and 4.9% on 2019. The remaining 464,838 passengers travelled internationally, up 22.7% on 2022 and 11.4% on 2019.

Scheduled aircraft movements for the six months totalled 9,459 – 5.4% higher than the same period the previous year.

Domestic flights accounted for 6,002 of these movements (2.5% down on 2022), while international flights accounted for the other 3,457 movements (up 22.5% on 2022).

Non-scheduled movements of aircraft, which include helicopters and fixed-wing planes, totalled 21,488, down 7.2% on the first six months of FY23.

## FINANCIAL PERFORMANCE

The financial performance in the first six months of FY24 reflects the steady recovery of the aviation industry and a strong commercial performance.

Revenue increased 10%, rising from \$30.0 million in the first half of FY23 to \$33.0m.

Earnings before tax, depreciation and amortisation (EBITDA) rose 7% from \$22.5m to \$24.1m.

Net profit after tax was \$12.7m – 10% up on \$11.5m in the same period in FY23.

Operating expenditure totalled \$8.9m, up from \$7.5m in the corresponding period the previous year, reflecting the return to normal operations and a full contingent of staff.

Capital expenditure during the reporting period included the completion of the latest stage of the terminal upgrade project, the creation of a fourth passenger screening lane, and asphalt work to maintain the integrity of the runway and apron.

As at 31 December 2023, term debt was \$47.5m, up from \$39.5m at 30 June 2023.

## INTERIM DIVIDEND

The board of directors is pleased to confirm an interim dividend payment of \$5,313,000.

## PERFORMANCE SNAPSHOT



### TOTAL PASSENGER NUMBERS

**1,264,306**  
▲ 3.3%

### REVENUE

**\$33.0m**  
▲ 10%

### EBITDA

**\$24.1m**  
▲ 7%

### NET PROFIT AFTER TAX

**\$12.7m**  
▲ 10%

### INTERIM DIVIDEND

**\$5.3m**





## BOARD APPOINTMENTS

We welcomed Upper Clutha resident Jacqueline Cheyne to the QAC board in December, lifting the number of directors back to six. We were also pleased to have Deputy Chair Simon Flood reappointed by the Queenstown Lakes District Council for another term.

## HEALTH, SAFETY & SECURITY

The health, safety and security of our staff, airport community, contractors and customers continues to be our highest priority. We have a safety-first culture and are pleased to report there were no employee lost-time injuries during the reporting period.

Both Queenstown and Wānaka airports again took part in Airport Safety and Security Week in October, an initiative of the Australian and New Zealand Airport Associations to give airport workers a better understanding of safety and security issues and the work of border agencies.

The Aerodrome Emergency Response Committee brings together QAC staff, members of the wider airport community, and emergency responders to ensure we are well prepared for an emergency. It is now focused on a training exercise later this year.

The ZQN Safety Committee continues to meet quarterly to share information relating to aviation safety and to develop initiatives to improve safety outcomes. The committee membership includes airlines, ground handlers, and general aviation, as well as Airways and QAC.

A Wānaka Airport Safety Committee was established in 2023 and also meets quarterly.

## ZQN MASTER PLAN

A significant milestone during the reporting period was the completion of our Master Plan to deliver on the aspirations set out in our 10-year Strategic Plan last year and to guide the development of Queenstown Airport over the coming decades.

Consultation on a draft version of the plan gave us a valuable opportunity to talk to people across the Southern Lakes region about how we can develop an airport we can all be proud of and that meets the needs of the communities we serve, far into the future.

The deep interest in our work reinforced what a vital role the airport plays as a social and economic enabler. It also highlighted how important it is that we protect what makes ZQN unique, while improving our infrastructure and operational efficiency.

The final Master Plan was endorsed by our shareholders – the Queenstown Lakes District Council and Auckland International Airport – in November and approved by the Queenstown Airport board of directors on 7 December.

Thank you to all those who encouraged and supported us as we developed our long-term vision. Collaboration and close alignment with the communities we serve are essential to our success.

We are now moving into more detailed planning, procurement, and delivery. The key pieces of work under way are a Terminal Development Plan, an Airfield Development Plan and a Landside Development Plan.

## NOISE MITIGATION

Our proximity to Frankton and Queenstown has significant advantages and benefits for local residents and travellers. However, it also means we operate close to homes and we recognise aircraft noise can be annoying.

We are committed to being a good neighbour and run a Noise Mitigation Programme fully funding a range of measures to reduce the negative impacts of airport operations on residents of the 197 properties within our Inner and Mid Noise Boundaries.

To date, we have completed work on 17 properties in the Inner Noise zone and seven properties in the Mid Noise zone.

During the past year we have made a big effort to increase awareness of the programme, directly mailing the owners of properties in the Mid Noise zone and delivering information to the qualifying homes. Since then, 55 property owners have expressed interest in the programme and 29 site inspections have been performed. Construction is scheduled at five more properties, and design work and contract negotiations for others is in the pipeline.





## SUSTAINABILITY

Our Sustainability Strategy ensures we consider the social, environmental, economic and cultural wellbeing of the communities we serve, while continuing to manage a profitable and sustainable business.

The strategy is built on three pillars – people, planet and prosperity – and we have set priorities under each pillar to drive the delivery of results across the business.

It was pleasing to release our first annual Sustainability Report in October, giving a comprehensive update on our sustainability initiatives and our progress against our targets. It also included our first set of climate-related disclosures.

We're proud of the work we're doing to reduce our environmental impact, to support our community to thrive, and to enable lower-emission aviation.

We acknowledge aviation is a significant source of greenhouse gases and is one of the most challenging sectors to abate. We have started with the things we can directly control but are also turning our attention to ways we can use our influence to make a positive difference.

Last year we launched the ZQN Sustainability Pledge to recognise and support like-minded businesses and agencies operating at the airport.

Those signing the pledge make a voluntary commitment to:

- champion the Tiaki Promise
- support renewable electricity
- prioritise a resilient built environment
- commit to reducing and eliminating waste to landfill
- support a thriving community
- measure and then reduce green gas emission
- be an employer of choice
- join the Airport Champions Committee
- create a welcoming, inclusive and diverse airport experience for all.

To date, the signatories include the government agency Aviation Security, which is the biggest employer at Queenstown Airport, along with our Park & Ride shuttle contractor, most of our retailers, and several general aviation operators. We look forward to others signing up this year.

## CONCLUSION

It is pleasing to have established a cadence again after the upheaval caused by the COVID-19 pandemic. We would like to acknowledge the efforts of the QAC team and the wider airport community as operations have returned to normal.

We expect passenger numbers to remain strong over the next six months, producing steady revenue and delivering a solid full-year result.

Our focus during this period will be detailed planning for a capital works programme to deliver on our Master Plan.

**Adrienne Young-Cooper**  
Chair

**Glen Sowry**  
CEO





# DIRECTORS' RESPONSIBILITY STATEMENT

The directors of Queenstown Airport Corporation Limited are pleased to present the Interim Report and Financial Statements for Queenstown Airport Corporation Limited for the six-month period ended 31 December 2023.

The directors are responsible for presenting the financial statements in accordance with New Zealand law and generally accepted accounting practice, which give a true and fair view of the financial position of the Company as at 31 December 2023 and the results of operations and cash flows for the period ended on that date.

The directors consider the financial statements of the Company have been prepared using accounting policies that have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed, or otherwise disclosed.

The directors believe proper accounting records have been kept, which enable with reasonable accuracy the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The directors consider that they have taken adequate steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the Financial Statements.

This Interim Report is dated 20 February 2024 and is signed in accordance with a resolution of the directors.

On behalf of the board,

Chair

Director



# FINANCIAL STATEMENTS



Photo: Glacier Southern Lakes Helicopters

## INCOME STATEMENT

FOR THE SIX MONTHS ENDED  
31 DECEMBER 2023

		6 MONTHS TO 31 DEC 2023 Unaudited	6 MONTHS TO 31 DEC 2022 Unaudited	12 MONTHS TO 30 JUN 2023 Audited
	NOTE	\$ 000's	\$ 000's	\$ 000's
<b>INCOME</b>				
Revenue from contracts with customers	3	21,656	20,292	39,554
Rental and other income		11,389	9,708	20,071
<b>Total income</b>		<b>33,045</b>	<b>30,000</b>	<b>59,625</b>
<b>EXPENSES</b>				
Operating expenses		4,185	3,401	7,489
Employee remuneration and benefits		4,742	4,094	8,267
<b>Total expenses</b>		<b>8,927</b>	<b>7,495</b>	<b>15,756</b>
<b>EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)</b>		<b>24,118</b>	<b>22,505</b>	<b>43,869</b>
Depreciation and Amortisation		4,838	4,639	9,431
<b>Earnings before interest and taxation</b>		<b>19,279</b>	<b>17,866</b>	<b>34,438</b>
Finance costs		1,572	1,581	3,041
<b>Profit before tax</b>		<b>17,707</b>	<b>16,285</b>	<b>31,397</b>
Income tax expense		5,026	4,797	9,192
<b>Profit for the period</b>		<b>12,681</b>	<b>11,489</b>	<b>22,204</b>

The financial statements for the six-month period have not been audited. The full-year statements to 30 June 2023 have been audited. The accompanying notes form part of these interim financial statements.

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED  
31 DECEMBER 2023

	6 MONTHS TO 31 DEC 2023 Unaudited	6 MONTHS TO 31 DEC 2022 Unaudited	12 MONTHS TO 30 JUN 2023 Audited
	\$ 000's	\$ 000's	\$ 000's
<b>PROFIT FOR THE PERIOD</b>	<b>12,681</b>	<b>11,489</b>	<b>22,204</b>
<b>Other comprehensive income</b>			
<b>Items that may be subsequently reclassified to the income statement</b>			
Gain/(loss) on cash flow hedging taken to reserves	(311)	378	73
Income tax relating to gain/ (loss) on cash flow hedging	87	(106)	(20)
<b>Items that may not be subsequently reclassified to the income statement</b>			
Gain/(loss) on revaluation of property, plant and equipment	-	-	51,527
Income tax relating to gain/ (loss) on revaluation of PPE	-	-	(6,501)
<b>Other comprehensive income for the period, net of tax</b>	<b>(224)</b>	<b>272</b>	<b>45,078</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>12,457</b>	<b>11,761</b>	<b>67,283</b>

The financial statements for the six-month period have not been audited. The full-year financial statements to 30 June 2023 have been audited. The accompanying notes form part of these interim financial statements.



## STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	ORDINARY SHARES	ASSET REVALUATION RESERVE	CASH FLOW HEDGE RESERVE	RETAINED EARNINGS	TOTAL EQUITY
<b>For the six months ended 31 December 2023</b>	<b>\$ 000's</b>	<b>\$ 000's</b>	<b>\$ 000's</b>	<b>\$ 000's</b>	<b>\$ 000's</b>
<b>At 1 July 2023</b>	<b>37,657</b>	<b>336,253</b>	<b>702</b>	<b>70,425</b>	<b>445,037</b>
Profit for the period	-	-	-	12,681	<b>12,681</b>
Other comprehensive income	-	-	(224)	-	<b>(224)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(224)</b>	<b>12,681</b>	<b>12,457</b>
Dividends paid to shareholders	-	-	-	(9,562)	<b>(9,562)</b>
<b>At 31 December 2023</b>	<b>37,657</b>	<b>336,253</b>	<b>478</b>	<b>73,544</b>	<b>447,932</b>
<b>For the six months ended 31 December 2022</b>	<b>\$ 000's</b>	<b>\$ 000's</b>	<b>\$ 000's</b>	<b>\$ 000's</b>	<b>\$ 000's</b>
<b>At 1 July 2022</b>	<b>37,657</b>	<b>291,227</b>	<b>649</b>	<b>55,501</b>	<b>385,035</b>
Profit for the period	-	-	-	11,489	<b>11,489</b>
Other comprehensive income	-	-	272	-	<b>272</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>272</b>	<b>11,489</b>	<b>11,761</b>
Dividends paid to shareholders	-	-	-	(1,300)	<b>(1,300)</b>
<b>At 31 December 2022</b>	<b>37,657</b>	<b>291,227</b>	<b>922</b>	<b>65,690</b>	<b>395,496</b>
<b>For the 12 months ended 30 June 2023</b>	<b>\$ 000's</b>	<b>\$ 000's</b>	<b>\$ 000's</b>	<b>\$ 000's</b>	<b>\$ 000's</b>
<b>At 1 July 2022</b>	<b>37,657</b>	<b>291,227</b>	<b>649</b>	<b>55,501</b>	<b>385,035</b>
Profit for the period	-	-	-	22,204	<b>22,204</b>
Other comprehensive income	-	45,026	53	-	<b>45,078</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>45,026</b>	<b>53</b>	<b>22,204</b>	<b>67,283</b>
Dividends paid to shareholders	-	-	-	(7,281)	<b>(7,281)</b>
<b>At 30 June 2023</b>	<b>37,657</b>	<b>336,253</b>	<b>702</b>	<b>70,425</b>	<b>445,037</b>

The financial statements for the six-month period have not been audited. The full-year statements to 30 June 2023 have been audited. The accompanying notes form part of these interim financial statements.

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		AS AT 31 DEC 2023 Unaudited	AS AT 31 DEC 2022 Unaudited	AS AT 30 JUN 2023 Audited
	NOTE	\$ 000's	\$ 000's	\$ 000's
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		3,695	1,670	1,215
Trade and other receivables		5,997	6,893	4,545
Prepayments		865	791	560
Derivative financial instruments		71	225	219
<b>Total current assets</b>		<b>10,628</b>	<b>9,579</b>	<b>6,539</b>
<b>NON-CURRENT ASSETS</b>				
Trade and other receivables		144	719	290
Property, plant and equipment	4	516,030	461,921	513,467
Derivative financial instruments		710	1,245	985
Intangible assets		1,827	1,978	1,821
<b>Total non-current assets</b>		<b>518,711</b>	<b>465,862</b>	<b>516,564</b>
<b>Total assets</b>		<b>529,339</b>	<b>475,441</b>	<b>523,102</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		1,927	1,242	2,393
Employee entitlements		1,214	824	1,551
GST and Income tax payable		6,442	5,590	9,313
Derivative financial instruments		39	42	62
Term borrowings (secured)	5	10,000	15,000	26,500
<b>Total current liabilities</b>		<b>19,622</b>	<b>22,698</b>	<b>39,819</b>
<b>NON-CURRENT LIABILITIES</b>				
Derivative financial instruments		78	147	168
Deferred tax liability		24,207	19,100	25,077
Term borrowings (secured)	5	37,500	38,000	13,000
<b>Total non-current liabilities</b>		<b>61,785</b>	<b>57,247</b>	<b>38,245</b>
<b>EQUITY</b>				
Share capital		37,657	37,657	37,657
Retained earnings		73,544	65,690	70,425
Asset revaluation reserve		336,253	291,227	336,253
Cash flow hedge reserve		478	922	702
<b>Total equity</b>		<b>447,932</b>	<b>395,496</b>	<b>445,037</b>
<b>Total equity and liabilities</b>		<b>529,339</b>	<b>475,441</b>	<b>523,102</b>

The financial statements for the six-month period have not been audited. The full-year financial statements to 30 June 2023 have been audited. The accompanying notes form part of these interim financial statements.



## STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	6 MONTHS TO 31 DEC 2023	6 MONTHS TO 31 DEC 2022	12 MONTHS TO 30 JUN 2023
	Unaudited	Unaudited	Audited
	\$ 000's	\$ 000's	\$ 000's
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash was provided from:			
Receipts from customers	31,539	27,597	68,419
Interest received	63	37	114
Cash was applied to:			
Payments to suppliers and employees	(7,524)	(6,572)	(24,429)
Interest paid	(1,161)	(1,274)	(3,067)
GST and Income Tax paid	(12,324)	(3,758)	(1,566)
<b>Net cash flows from operating activities</b>	<b>10,592</b>	<b>16,030</b>	<b>39,472</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash was applied to:			
Purchases of property, plant and equipment	(6,507)	(2,825)	(7,216)
Purchases of intangible assets	(43)	(35)	(61)
<b>Net cash flows from investing activities</b>	<b>(6,550)</b>	<b>(2,860)</b>	<b>(7,276)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash was provided from:			
Increase in borrowings	8,000	-	-
Cash was provided to:			
Repayment of bank borrowings	-	(12,000)	(25,500)
Dividends paid	(9,562)	(1,300)	(7,281)
<b>Net cash flows from financing activities</b>	<b>(1,562)</b>	<b>(13,300)</b>	<b>(32,781)</b>
Net increase/(decrease) in cash and cash equivalents	2,481	(130)	(585)
Cash and cash equivalents at the beginning of the period	1,215	1,800	1,800
<b>Cash and cash equivalents at the end of the period</b>	<b>3,695</b>	<b>1,670</b>	<b>1,215</b>

The financial statements for the six month period have not been audited. The full year financial statements to 30 June 2023 have been audited. The accompanying notes form part of these interim financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

### 1. CORPORATE INFORMATION

Queenstown Airport Corporation Limited (the Company or Queenstown Airport) is a company established under the Airport Authorities Act 1966 and registered under the Companies Act 1993. The Company is a reporting entity for the purposes of the Financial Reporting Act 2013.

The Company provides airport facilities and supporting infrastructure in Queenstown, New Zealand, and aeronautical services in Queenstown, Wānaka and Glenorchy, New Zealand. The Company earns revenue from aeronautical activities, retail and rental leases, car parking facilities and other charges and rents associated with operating an airport and also earns revenue from providing management services for the operation of airports.

The registered office of the Company is Level 1, Terminal Building, Queenstown Airport, Sir Henry Wigley Drive, Queenstown 9300, New Zealand.

These financial statements for the Company were authorised for issue in accordance with a resolution of the directors on 20 February 2024.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A) BASIS OF PREPARATION

These interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) as applicable to interim financial statements and as appropriate to profit oriented entities. They comply fully with International Accounting Standard 34 'Interim Financial Reporting' and New Zealand Equivalents to International Accounting Standard 34 'Interim Financial Reporting'.

As the interim financial statements do not include all the information required for full annual financial statements they should be read in conjunction with the annual financial statements for the year ended 30 June 2023.

These interim financial statements for the Company for the six months ended 31 December 2023 have not been audited.

#### B) CHANGES IN ACCOUNTING POLICIES AND APPLICATION OF NEW ACCOUNTING POLICIES

There have been no changes in accounting policies and all accounting policies adopted are consistent with those used in the financial statements for the year ended 30 June 2023.



### 3. REVENUE FROM CONTRACTS WITH CUSTOMERS

		<b>6 MONTHS TO 31 DEC 2023</b>	<b>6 MONTHS TO 31 DEC 2022</b>	<b>12 MONTHS TO 30 JUN 2023</b>
		Unaudited	Unaudited	Audited
<b>TIMING OF RECOGNITION</b>		<b>\$ 000's</b>	<b>\$ 000's</b>	<b>\$ 000's</b>
Scheduled airlines and general aviation	At point in time	17,848	16,553	32,135
Parking	Over time	2,201	2,111	4,236
Recoveries	Over time	290	336	658
Commercial vehicle access	At point in time	1,316	1,292	2,526
<b>Total revenue from contracts with customers</b>		<b>21,656</b>	<b>20,292</b>	<b>39,554</b>

The Company derives revenue from the transfer of services over time and at a point in time through four major revenue categories.

### 4. PROPERTY, PLANT AND EQUIPMENT

	<b>AS AT 31 DEC 2023</b>	<b>AS AT 31 DEC 2022</b>	<b>AS AT 30 JUN 2023</b>
	Unaudited	Unaudited	Audited
	<b>\$ 000's</b>	<b>\$ 000's</b>	<b>\$ 000's</b>
At Fair Value	497,195	453,341	497,229
At cost	31,190	27,680	29,104
Work in progress at cost	11,790	5,050	6,490
Accumulated depreciation	(24,144)	(24,150)	(19,356)
<b>Net carrying amount</b>	<b>516,030</b>	<b>461,921</b>	<b>513,467</b>

### 5. BORROWINGS

<b>EXPIRY DATE</b>	<b>CURRENT</b>	<b>AS AT 31 DEC 2023</b>	<b>AS AT 31 DEC 2022</b>	<b>AS AT 30 JUN 2023</b>
	\$ 000's	Unaudited \$ 000's	Unaudited \$ 000's	Audited \$ 000's
<b>Counterparty drawn amounts</b>				
Bank of China	30 June 2026	20,000	16,000	13,000
ASB A	30 June 2024	10,000	6,500	7,000
ASB B	30 June 2026	10,000	5,500	-
BNZ	30 June 2024	20,000	3,500	6,500
Westpac C	30 June 2025	20,000	4,000	-
Westpac D	30 June 2026	20,000	12,000	13,000
<b>Total borrowings</b>	<b>100,000</b>	<b>47,500</b>	<b>53,000</b>	<b>39,500</b>
<b>Recognised in the statement of financial position</b>				
Current liabilities		10,000	15,000	26,500
Non-current liabilities		37,500	38,000	13,000
<b>Total borrowings</b>		<b>47,500</b>	<b>53,000</b>	<b>39,500</b>

The bank facilities are secured by a general security agreement over the Company's assets, undertakings and any uncalled capital. QAC can refinance any current debt within existing facilities.



## 6. RELATED PARTY TRANSACTIONS

Queenstown Airport is 75.01% owned by the ultimate parent entity, Queenstown Lakes District Council, and 24.99% owned by Auckland Airport Holdings (No 2) Limited.

Related parties of the Company are:

- Queenstown Lakes District Council (QLDC) - shareholder
- Wānaka Airport (WKA) and Glenorchy Airport - management contract on behalf of QLDC to provide aeronautical services at both locations
- Auckland International Airport Limited (AIAL) - shareholder
- Mark R Thomson - Chief Commercial Officer (AIAL) - director QAC

### a. Transactions with related parties

The following transactions occurred with related parties:

All transactions were provided on normal commercial terms.

	6 MONTHS TO 31 DEC 2023 Unaudited	6 MONTHS TO 31 DEC 2022 Unaudited	12 MONTHS TO 30 JUN 2023 Audited
	\$ 000's	\$ 000's	\$ 000's
<b>Queenstown Lakes District Council (QLDC)</b>			
Rates paid	202	173	347
Rental receipts	(25)	(23)	(44)
Sundry payments/(receipts)		(22)	35
Wānaka Airport - management fee	(183)	(183)	(365)
Wānaka and Glenorchy Airport - Sundry payments	39	45	181
<b>Net (receipt) / payment to QLDC</b>	<b>34</b>	<b>(9)</b>	<b>154</b>
<b>Auckland International Airport Limited (AIAL)</b>			
Director fees and expenses paid	21	20	40
Rescue fire training fees paid	22	11	13
<b>Net (receipt) / payment to AIAL</b>	<b>43</b>	<b>31</b>	<b>53</b>

### (b) Balances with related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	AS AT 31 DEC 2023 Unaudited	AS AT 31 DEC 2022 Unaudited	AS AT 30 JUN 2023 Audited
	\$ 000's	\$ 000's	\$ 000's
<b>Queenstown Lakes District Council (QLDC)</b>			
Receivables	(37)	(101)	(64)
Payables	2	19	7
<b>Net (receivable) balance (QLDC)</b>	<b>(35)</b>	<b>(81)</b>	<b>(56)</b>
<b>Auckland International Airport Limited (AIAL)</b>			
Receivables	-	-	-
Payables	30	-	-
<b>Net payable balance (AIAL)</b>	<b>30</b>	<b>-</b>	<b>-</b>

## 7. DIVIDENDS

	6 MONTHS TO 31 DEC 2023 Unaudited	6 MONTHS TO 31 DEC 2022 Unaudited	12 MONTHS TO 30 JUN 2023 Audited
	\$ 000's	\$ 000's	\$ 000's
<b>Dividends paid during the period</b>			
Final dividend - FY22	-	1,300	1,300
Interim dividend - FY23			5,981
Final dividend - FY23	9,562	-	-
<b>Total dividends paid</b>	<b>9,562</b>	<b>1,300</b>	<b>7,281</b>

## 8. CONTINGENT LIABILITIES

### (a) Noise mitigation

The Company has implemented a programme of works to assist homeowners living in the inner and mid noise boundaries to mitigate the effects of aircraft noise exposure. The Company is obligated, on an annual basis, to offer, 100% funding of noise mitigation works for Critical Listening Environments of buildings that existed on 8 May 2013 containing an Activity Sensitive to Aircraft Noise (as defined in the Queenstown Lakes District Plan) that are within the 65 dB Projected Annual Aircraft Noise Contour. The Company is offering 100% of funding of mechanical ventilation for Critical Listening Environments of buildings that existed on 8 May 2013 containing an Activity Sensitive to Aircraft Noise (as defined in the Queenstown Lakes District Plan) that are within the 60 dB Projected Annual Aircraft Noise Contour.

Offers for noise mitigation have been extended to homeowners in line with the projected annual aircraft noise contours for calendar years 2023 and 2024. Property owners have twelve months from the date of offer to determine if they wish to take the offer made by the Company for mitigation works. It is difficult to estimate the future value of the mitigation works due to the uncertainty of the level of uptake from property owners and the differing construction and acoustic treatment requirements necessary to mitigate each property.

### (b) Lot 6

During the year ending 30 June 2021 the Company made a compensation payment of \$18.34 million for land acquired under the Public Works Act 1981 (PWA) in 2019 and known as 'Lot 6'. In October 2021 the previous owner, Remarkables Park Ltd (RPL), indicated that it would seek additional compensation under the PWA. In November 2022 the directors received further independent valuation advice for Lot 6, which indicated that the \$18.34 million compensation payment was in the appropriate range. On 7 July 2023 the Company received a claim from RPL for further compensation. QAC filed this matter with the court on 24 November 2023, for referral to the Land Valuation Tribunal (LVT). The financial Statements include the original amount paid of \$18.34 million in property, plant and equipment, while this matter is considered by the LVT.

### (c) Property Covenant

In March 2023, High Court proceedings were served on the Company seeking to modify a restrictive covenant registered against land owned by RPL and two other parties, south of the main runway. The covenant restricts the range of activities that land can be used for, for the benefit of the Airport land so long as it is operated as an airport. The Company has filed a defence and the parties are currently undertaking discovery of documents, with a hearing likely to be scheduled in 2024.

## 9. SUBSEQUENT EVENTS

On 20 February 2024, the Directors declared a fully imputed interim dividend of \$5,313,000 in respect of the year ended 30 June 2024.



