AUSTRALIA PACIFIC AIRPORTS CORPORATION

ANNUAL REPORT
FY 2024

MELBOURNE AIRPORT | LAUNCESTON AIRPORT

First Nations **Acknowledgement**

Australia Pacific Airports Corporation acknowledges the First Nations of the lands on which our airports operate. APAC is committed to working closely with First Nations peoples in Melbourne and Launceston to deepen our understanding about how our airports can continue to operate and develop in a way that recognises and celebrates the airports' First Nations cultural heritage.

APAC pays respect to their Elders past, present and emerging.

Contents

Chair's Report

PETER HAY

Australia Pacific Airports Corporation (APAC) has achieved a record year, with increasing international travel a significant driver of the company's strongest financial performance to date. This has allowed the company to embark on major upgrades of its airfield, terminal and ground transport infrastructure to provide our airlines with the capacity they need to deliver for travellers.

I am pleased to present APAC's 2023/24 Annual Report, in my sixth – and final – year as Chair.

Despite short term pressures from inflation and cost-of-living challenges, both Melbourne and Launceston Airports saw strong passenger performance, demonstrating the continued importance of travel and connection.

Melbourne Airport remains a critical component of Australia's transport network and the gateway to Melbourne and Victoria. Passenger volumes were up 14 per cent on the previous financial year, with more than 35 million people passing through the terminals. Melbourne Airport was the first Australian capital city airport to surpass pre-pandemic international passenger levels.

At Launceston Airport, more than 1.4 million passengers were welcomed across the year. The airport's recovery was one of the fastest in Australia and more than six months ahead of any other airport in Tasmania.

SAFETY

With increasing passenger numbers comes an increase in team members across the airport precinct. Initiatives have been successfully implemented to ensure these new team members and our existing workforce understand the high expectations we have when it comes to creating a safe environment for airport personnel and the travelling public.

It was pleasing to record another financial year with our zero-fatality record intact.

However, with the number of lost time injuries slightly increasing compared to last year, there will be additional focus on improvement in the coming year.

INVESTING TO UPGRADE OUR INFRASTRUCTURE

Melbourne Airport is catering to the needs of Victoria's growing population by upgrading its airfield, terminal and ground transport infrastructure.

The broad but measured investment has been developed in consultation with airlines and will ensure Melbourne Airport can accommodate the increasing number of passengers and aircraft movements expected over the coming years.

This is made possible because of APAC's strong balance sheet, supportive shareholders and commitment to delivering the right infrastructure, at the right time.

The balance sheet is supported by strong liquidity and a demonstrated record of accessing capital. This year APAC again accessed European funding markets, launching the company's largest bond issuance to date of more than $1 billion.

The growth in passenger numbers, in particular international travellers, along with several new property developments, contributed to APAC delivering an EBITDA of $841.2 million, up 21 per cent on the previous year.

Though the business generated $618 million in operating cashflows for the year, after cash interest expense and with the forward capital pipeline in mind, the Board declared a significantly reduced dividend of $55 million for the six months to June 2024.

As we look ahead, despite short-term global challenges posed by interest rates and cost of living pressure, passenger volumes are forecast to continue to grow as Victoria's population increases. There is a need to continue to invest, providing necessary capacity in terminals, runways and on the airfield to deliver on our vision to be Australia's favourite airport destination.

BOARD

At the end of September 2024, I will step down as Chair of the APAC Board. The past few years have been a privilege.

This has been one of the most challenging times in the history of aviation, with many ups and downs. Through it all, I have been continually impressed by the ability of everyone at Melbourne and Launceston Airports to band together in their commitment to delivering exceptional service to our customers. Our resilience as a business and as individuals has been extraordinary.

Christine O'Reilly will take on the role of Chair on 1 October 2024. She comes to the APAC Board with decades of experience, and her strategy and problem-solving skills will be put to good use as the airports continue to grow.

I want to thank Lorie and the APAC Board and leadership team for their dedication, purposeful and visionary thinking, and collaboration over the past five years.

In other changes to the Board, David Dowling resigned as Director in September 2023 with Michael Faulkner joining in November 2023.

Dan Fitzpatrick and Tim May also joined the Board in 2023 as Alternate Directors.

Peter Hay
Chair

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CEO's Report

LORIE ARGUS

The past 12 months have highlighted the importance of facilitating airline competition in both the domestic and international markets. APAC is proud of the role our airports have played in giving more choice to consumers, while our continued infrastructure investments have focused on ensuring we have the capacity needed for future growth.

CONNECTIONS THAT MATTER

Melbourne Airport was the first capital city airport in Australia to surpass pre-pandemic levels of international capacity, with growth in key markets such as India and Vietnam, and the arrival of a significant new player in Turkish Airlines.

The Turkish flag carrier chose Melbourne Airport to launch its Australian operations in March, bringing more choice to travellers and exporters with access to one of the largest networks in the world. Reflecting our partnership approach to business, Melbourne Airport worked closely with Turkish Airlines and the Victorian government to facilitate the launch of flights to Istanbul (via Singapore).

Other airlines including Vietjet, Air India, China Eastern Airlines, Beijing Capital Airlines, Qatar Airways, LATAM Airlines and Singapore Airlines increased services to and from Melbourne Airport, adding new routes and extra capacity.

Passengers also recognised the work we are doing, voting Melbourne Airport Best Airport in Australia/Pacific at the 2024 Skytrax World Airport Awards. This award – our fourth win – reflects the work of the entire team at Melbourne Airport who are always "stepping forward" to help our travellers.

Launceston Airport saw a record-breaking 12 months, becoming one of the few airports around the country to exceed pre-pandemic passenger numbers. Working with airline partners, the Tasmanian Government and Tourism Tasmania, the airport has doubled the number of direct services and added seasonal flights to connect Northern Tasmanians to all five mainland states.

GROWING WITH OUR COMMUNITIES

Melbourne Airport is Victoria's gateway to the world, and with Melbourne now Australia's largest city, we are working to meet the demand that growth places on us. We are investing in the most ambitious 10-year capital works plan of any major airport in the country, upgrading roads and terminals and planning for a third runway.

The third runway is critical to ensure there is space for our existing airlines to grow, and for other airlines to enter the market. The capacity it delivers will help secure up to $6 billion each year for the Victorian economy as well as up to 51,000 jobs.

While we await a decision from the federal government on the third runway, we progressed other airside and landside infrastructure projects that will improve the experience for passengers and provide airlines with increased efficiency.

These include the replacement of the outbound baggage system and screening facilities in the International Terminal with a new system that will ultimately pave the way for anytime check-in. Works are also underway in the Qantas and Virgin Australia domestic terminals to improve the respective departure and arrival experiences. These enhancements have been designed and implemented in consultation with our airline partners, and we continue to work with them to understand their needs for future terminal infrastructure.

Terminal 1 is undergoing a significant transformation, and I'm confident that when it is complete, it will be the best domestic terminal in Australia. Along with introducing some incredible dining and retail offerings over the past year, we are upgrading the security screening technology. When this project is complete, passengers will no longer need to remove laptops, tablets or aerosols from their carry-on luggage, in line with our other terminals.

Outside the terminals, the Naarm Way Stage 2 project will help reduce congestion by streamlining our ground transport operation. The project will ultimately separate private and commercial vehicles and provide an intersection-free trip from the freeway to new dedicated passenger pick-up and drop-off zones.

For some time now, Victorians have been waiting for a rail link to Melbourne Airport. We have consistently advocated for rail to the airport. While our preference has been for an underground station, in July 2024 we announced we would not pursue a business case for a below ground station and would continue to support the state government to deliver its preferred above-ground solution as soon as possible. Victorians want this project. We want a rail link – and need it to ensure we have it in place for the millions of additional passengers that will come through Melbourne Airport when our proposed third runway is opened later this decade.

In Tasmania, Launceston Airport is also investing to keep up with passenger needs and demand. This year, we completed the biggest infrastructure project at the airport in more than a decade, with the opening of the new check-in hall and security screening point. The check-in hall upgrade expanded the footprint of the building and introduced modern technology including self-check-in terminals and automated bag drops.

A SUSTAINABLE FUTURE

The challenge of decarbonising aviation remains significant, but APAC is committed to delivering initiatives that reduce our impact.

I am pleased to report we are on track to achieve our commitment for net-zero Scope 1 and 2 emissions by 2025. Our emissions continue to trend downwards and below our annual target emissions. With the completion of our strategy to address Scope 3 emissions, we can also focus on working with airlines, ground transport operators, government and suppliers to make progress.

We are Australia's first and only airport to become a GreenPower® approved provider. Under this initiative, we can on-sell energy we produce via our on-site solar farms to tenants at the airport, and we have been pleased with the initial uptake.

We are also working on a plan to transition to electric vehicles (EVs) across the airport, with work underway on replacing most of the Work Safety Officer car fleet. Landside, we aim to introduce EV chargers across various airport car parks.

In April 2024, our first Reconciliation Action Plan was approved by Reconciliation Australia, mapping out our vision for reconciliation as well as the actions that we have committed to take. Some of these actions are ambitious and will take time and resources, but we have a dedicated group of people leading our efforts.

OUTLOOK

We have celebrated some significant new entrants and new routes over the past year, and we expect that growth will continue over the coming 12 months. There are opportunities for domestic expansion as well as growth out of our priority North Asia markets, particularly China, Japan and Hong Kong, and my team is working hard to grow additional connections to North America.

It has been a difficult year for domestic aviation, with the collapse of Bonza in April 2024 followed by the collapse of Rex's jet operation in July 2024. Their exit from the market will be felt by consumers, but APAC remains committed to facilitating new market entrants to help maximise choice for travellers. Ongoing issues with aircraft production and delays to deliveries are limiting short-term opportunities for the larger local carriers to increase capacity, but in the longer-term APAC is well positioned for domestic growth.

BOARD

I would like to thank Peter Hay for his tireless service as Chair of APAC over the past five years. Peter led APAC through a tumultuous few years, and we have been extremely fortunate to have benefited from his leadership, wisdom and advice. I am grateful for everything he has achieved, and I wish him all the best.

In October 2024, Christine O'Reilly will replace Peter as Chair. She brings extensive experience in the financial and infrastructure sectors, which will be essential to our success as we grow Melbourne and Launceston Airports.

Lorie Argus
Chief Executive Officer

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Our Executive Leadership Team

From left to right:

Jai McDermott
Chief of Ground Transport, Property & Retail

Ruth Martin
Chief Financial Officer

Justin Portelli
Executive General Manager Strategy, Planning & Community

Lorie Argus
Chief Executive Officer

Jim Parashos
Chief of Aviation

Claire Storey
Executive General Manager People & Culture

Shane O'Hare
CEO Launceston Airport

Matthew Stirling
Executive General Manager Engineering & Asset Management

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Taylor
ROSS

Senior Airport Operations Officer,
Launceston Airport

Highlights
FY24 vs FY23

TOTAL REVENUE **+17.7%**

$1,227.3m

EBITDA **+21.2%**

$841.2m

NET PROFIT AFTER TAX **+112.5%**

$311.9m

CAPITAL EXPENDITURE **+57.3%**

$801.7m

TOTAL PASSENGERS (EX TRANSITS)
+13.9%

36.5m

INTERNATIONAL PASSENGERS
+33.3%

11.0m

MELBOURNE AIRPORT
DOMESTIC PASSENGERS **+7.1%**

24.1m

LAUNCESTON AIRPORT
DOMESTIC PASSENGERS **+10.0%**

1.4m

SCOPE 1 & 2 EMISSIONS
-67.2%

14,466 tCO2-e

COMMUNITY INVESTMENT
+18.1%

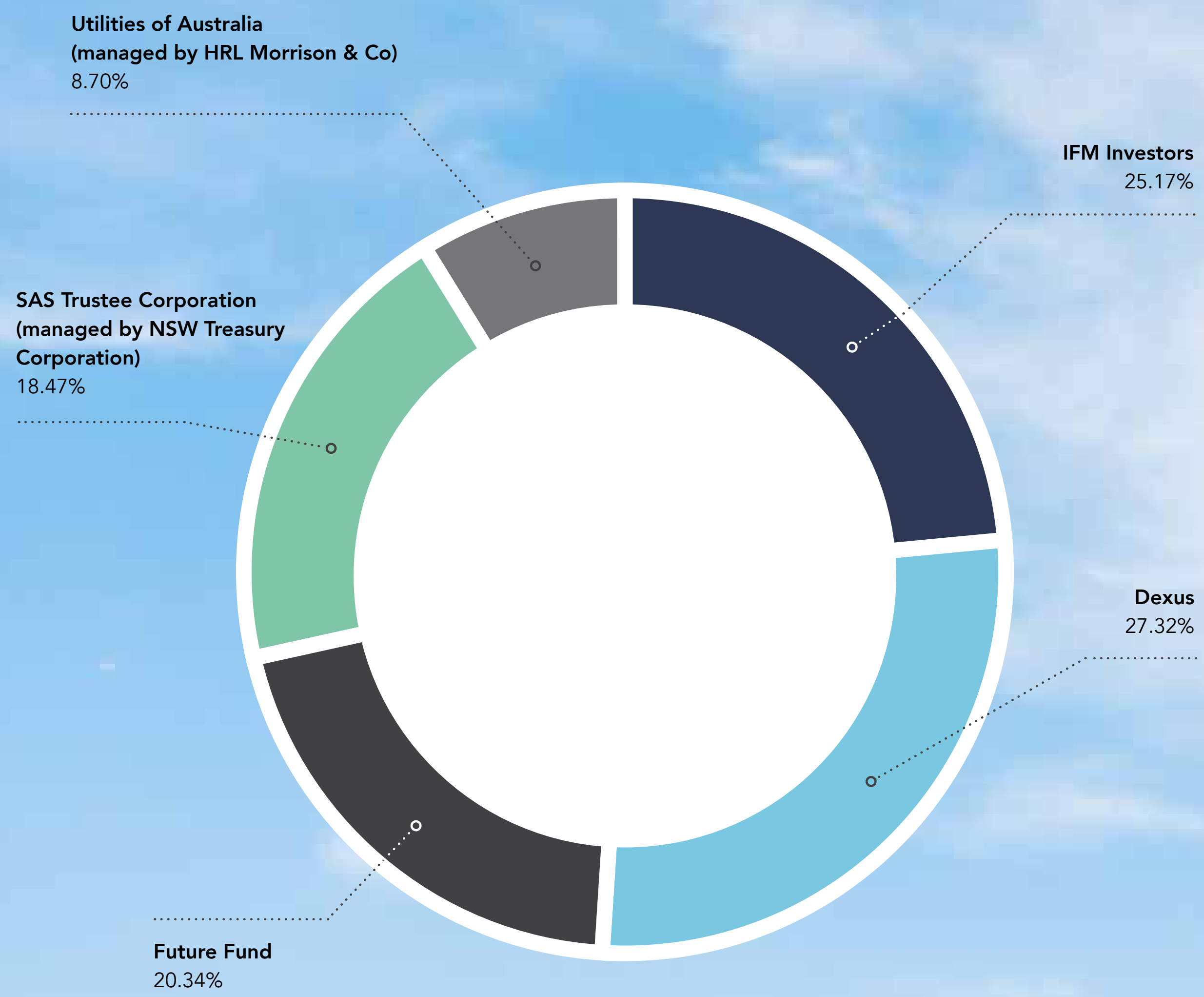
$676.5k

Australia Pacific Airports Corporation

Australia Pacific Airports Corporation Limited (APAC) is committed to delivering strong, sustainable returns for the benefit of our diverse stakeholders through the performance of two key Australian aviation assets.

APAC is a privately held corporation owned by institutional investors, predominantly superannuation/pension funds.

The funds are owned, managed, or represented by the following five entities:



APAC Behaviour Framework

OUR VALUES

Our purpose is to create connections that matter

Be You

- Self-aware
- Learn continuously
- Motivate and support high performance
- Develop others

Think Big

- Demonstrate courage
- Champion safety and wellbeing
- Focus on the customer experience
- Business savvy

Own It

- Align performance
- Prioritise the important stuff
- Make things happen
- Decision maker

Work Together

- Team player
- Connect with others
- Communicate with respect

Melbourne Airport

Our vision is to be Australia's favourite airport destination.

About
MELBOURNE AIRPORT

Melbourne Airport has been Victoria's gateway to the world since 1970, operating curfew-free, 24 hours per day, seven days a week. The airport is located 22 kilometres north-west of Melbourne's central business district and is well connected to the city's freeway and arterial road network, with plans for a rail link connecting the airport to the suburban train system via Sunshine. The airport is close to major industrial areas and serves as a hub for freight and logistics, while providing employment to thousands of residents in nearby suburban growth corridors.

The Melbourne Airport site is approximately 2,740 hectares and is predominantly surrounded by semi-rural properties to the immediate north and west, which helps protect the community and safeguards the airport from urban encroachment. There is urban development to the east and south of the airport, comprising a mix of residential and industrial properties.

The airport has two intersecting runways, which are operated in different modes in response to wind direction or to reduce aircraft noise impacts. Plans for Melbourne Airport's third runway have been submitted to the federal government for approval. The proposed new north-south runway will be located 1.3 kilometres to the west of the existing north-south runway.

The terminal complex is located on the east side of the airfield and combines international facilities (Terminal 2) with three domestic terminals (Terminals 1, 3 and 4). This integrated terminal precinct enables Melbourne Airport to provide the shortest minimum connection times between domestic and international flights of all major Australian airports.

Eighty-five aircraft parking stands serve the terminal precinct and accommodate the embarkation or disembarkation of passengers, loading or unloading of mail or freight, and fuelling, parking, and maintenance. Air traffic control, aeronautical information services, airport rescue and firefighting and navigation services are provided by Airservices Australia from facilities located in the airport midfield. Aircraft maintenance, repair and overhaul facilities are provided to the south of the airfield.

As the largest Victorian employment hub outside of the Melbourne CBD, the airport precinct supports more than 20,000 jobs. Melbourne Airport makes a significant contribution to both the state and national economies as a key driver of tourism and trade-based industries that support jobs and generate growth. It is estimated that a typical daily international flight contributes more than $154 million to the Victorian economy per annum.

WORLD AIRPORT WINNER SKYTRAX AWARDS 2024

Alex
BARTLEMAN

Senior Manager Critical Passenger Infrastructure, Engineering & Asset Management

Melbourne Airport Strategy
TO GROW, DELIGHT AND INSPIRE

GROW

Continuously pursue opportunities for sustainable and profitable growth enhancing overall business resilience.

- Grow the number and frequency of airline services and carriers
- Deliver the right infrastructure, at the right time, to accommodate growth
- Maintain a strong financial position and deliver a competitive cost structure for airlines and tenants
- Grow property developments to enhance revenue diversity and business resilience

DELIGHT

Provide our partners, travellers and team members with access to the tools, data and spaces to make engagement with us delightful.

- Relentlessly prioritise the traveller across all aspects of our business
- Continuously improve our technology and digital assets to support our people and partners
- Develop strong working relationships with our partners to set them up for success
- Keep pace with airport innovation to create experiences which are memorable and delight

INSPIRE

Through our actions we inspire our partners and communities to a greater level of social connection and environmental performance.

- The safety, security and health of travellers and team members comes first
- Inspire our partners and communities through our industry leading position on sustainability and environmental performance
- Promote the airport's economic and social value on the path to securing community, industry and government support to grow
- Develop, inspire and support our team members to lead with purpose and achieve high performance

Environment & Sustainability

FY24 APAC HIGHLIGHTS

Electricity from purchased non-renewable energy from grid†
40.52 GWh

Electricity from purchased renewable energy‡
21.70 GWh

Electricity from onsite solar
18.59 GWh

Electricity from onsite non-renewable sources
2.15 GWh

Carbon emissions (Total Scope 1 & 2)
14,466 (tCO2-e)

Carbon emissions Scope 1
6,418 (tCO2-e)

Carbon emissions Scope 2
8,047 (tCO2-e)

Carbon emissions Scope 3^
5,079,579 (tCO2-e)

Area currently managed for ecological biodiversity
513 ha

Airport land currently managed for ecological biodiversity
19%

Trees/shrubs planted
2,324

Total terminal waste to landfill
5,591 tonnes

Total terminal waste diverted from landfill
729 tonnes

Organics waste processing onsite
107 tonnes

Organics waste processing offsite
1 tonnes

Green waste processed offsite
87 tonnes

Total construction waste to landfill
799 tonnes

Total construction waste diverted from landfill
344,180 tonnes

Total construction wastewater to landfill
212 KL

Total construction waste-water diverted from landfill
18,067 KL

Total water consumption
1,314,099 KL

Recycled water used
138,642 KL

* Scope 2 greenhouse gas emissions for Melbourne Airport are calculated using a "Market-Based" approach to reflect the purchased power agreement (PPA) arrangement and onsite solar electricity generation; a "Location-based" approach remained for Launceston Airport.

^ To calculate the Scope 3 emissions in the report, the following were used as standards and guidelines: a) Emissions boundaries based on the Australian National Greenhouse Emissions Reporting protocols. b) Scope 3 categories based on the global Greenhouse Gas Protocol Scope 3 categories. c) Source / activities of emissions based on Airport Council International, Federal Airport Administration USA, European Environment Agency guidelines.

Source / activities were then assessed for inclusion based on their size, influence, risk, stakeholders and outsourcing. Note: the source / activity emissions included in future Scope 3 calculations may change subject to their future materiality.

† Launceston electricity grid consists of a blend of renewable and non-renewable energy

‡ Renewable energy purchased from January 2024

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Environment & Sustainability

Melbourne Airport is committed to best practice environmental management and sustainability and is working with governments, customers, airport partners and the community to balance the need for growth with the challenges posed by climate change.

Emissions

Aviation is a critical part of Australian society, enabling travel, social connection, economic development and trade opportunities. But the aviation industry is also a contributor of greenhouse gas emissions. While aviation accounts for just 2.5 per cent of global Co2 emissions, Melbourne Airport takes the challenges posed by climate change seriously.

In January 2022, Melbourne Airport became the first Australian capital city airport operator to commit to net-zero (Scope 1 and 2) emissions by 2025.

In June 2023, Melbourne Airport finalised its strategy for addressing Scope 3 emissions. Scope 3 emissions are those that occur upstream or downstream of the airport and which make up the bulk of greenhouse gases associated with aviation operations.

This strategy is anchored by four pillars and recognises the significant challenges in decarbonising aviation and the need for government and industry collaboration to achieve these goals. It is designed to deliver foundational action and set the stage for innovation. The airport continues to work with airlines, ground transport operators, government and suppliers to make progress.

What are Scope 1, 2 and 3 emissions?

SCOPE 1 EMISSIONS

Direct emissions from owned or controlled sources (for example, combustion of diesel in company-owned vehicles and the use of natural gas to power Melbourne Airport's tri-generation plant).

SCOPE 2 EMISSIONS

Indirect emissions from the generation of purchased energy (for example, purchased grid electricity used to power airport facilities).

SCOPE 3 EMISSIONS

All relevant indirect emissions (not included in Scope 2) that occur in the value chain of the airport, including both upstream and downstream emissions (for example, aircraft movements, waste from airport tenants, and employee and passenger journeys to and from the airport).

Our Scope 3 Plan

Our Scope 3 plan centres on four key pillars. For each pillar, an aspiration and key focus area has been set and our progress will be reported against annually.

Pillar	Our Action Plan	Our Aspiration	Addressable Emissions (CO^2-e)
Sustainable flying	• Support decarbonisation in flying • Promote the development of alternative fuels and flight technology	• Play our part by working with our Airline partners to achieve industry Net Zero by 2050 • Partner with Airlines and ground handlers to minimise on-ground emissions • Advocate for the introduction of a domestic Sustainable Aviation Fuel (SAF) supply chain	~350k tonnes (LTO cycle, APU)
Green energy precinct	• Provide Partners (such as Airlines, ground transport, retailers and other tenants) with green energy	• Make green (renewable) energy available to our embedded network customers, and our electric vehicle charging • Continue to grow our solar farm and rooftop solar network	~100k tonnes
Electrify operations	• Support the electrification of petrol / diesel transport across our precinct	• Supply EV charging to our travellers and operational partners to encourage the transition to low-emission and electric vehicles (EVs) • Use of green (renewable) energy in vehicle charging	~150k tonnes
Sustainable design, construction and procurement	• Greener buildings, infrastructure and construction • Sustainable procurement standards (services and projects)	• Consider sustainable performance across every construction project • Our major projects are a focus for sustainable innovation • Ensure procurement policies and supplier selection considers sustainable performance	~250k tonnes

*LTO = Landing and Take Off, *APU = Auxiliary Power Unit

By the end of 2025 Melbourne Airport will also purchase Australian Carbon Credit Units to offset emissions for residual emissions. While achieving net zero primarily involves reducing emissions directly, carbon offsets serve as a secondary to address residual emissions that are challenging to eliminate completely.

The reliance on carbon offsets for Scope 1 and Scope 2 emissions will be reduced over the coming years.

Melbourne Airport maintained its Level 3 Accreditation (Optimisation) in the global Airport Carbon Accreditation program. The program, which is run by Airports Council International, is a voluntary carbon management scheme and consists of seven levels that progress from mapping carbon emissions, reducing emissions and carbon neutrality, through to the highest level of maintaining a net-zero balance.

Launceston Airport is about to begin the process of applying for accreditation.

airport carbon accredited
OPTIMISATION

GreenPower®

Melbourne Airport was the first airport in Australia to offer GreenPower® to its retail tenants. More than 21 medium-to-large-size tenants have already made the switch. By offering GreenPower® to tenants, Melbourne Airport is supporting the transition of their own operations to net-zero.

Gas heating elimination plan

One of the larger sources of Scope 1 and 2 emissions at Melbourne Airport is the gas used for heating the terminals. This gas use is a legacy from when the airport was built in the 1960s and expanded in the 1990s.

The gas emissions reduction project – which commenced in November 2023 – replaces the gas-fuelled heating plant with electric heat pumps powered from the airport's solar farms. The project has a planned completion date of mid-2027 and will result in the elimination of around 98 per cent of carbon emissions derived from heating all four terminals.

Climate change

APAC recently finalised a physical climate risk assessment for both Melbourne and Launceston airports. Although the report is currently in draft form, its findings will significantly inform APAC's climate adaptation measures moving forward.

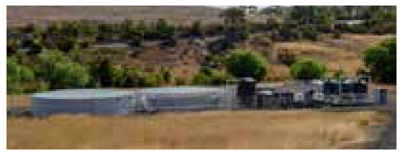
Additionally, APAC conducted a high-level risk scan specifically focused on transitional risks. These risks pertain to the pace and extent at which the organisation manages and adapts to internal and external changes, particularly in its efforts to reduce greenhouse gas emissions and transition toward renewable energy sources. This considers Australian Sustainability Reporting Standards on climate-related disclosures. These risk assessments concluded there are no physical risks from climate change or natural hazards rated as significant or high, and no impacts rated as major or catastrophic. Several risks were rated as medium and within the risk tolerance of the airport.

While the physical risks are considered manageable based on current scientific knowledge and available controls, the transition risks are potentially more challenging. These include changes to consumer behaviour due to environmental concerns and abrupt or unexpected increases in energy costs due to climate mitigation policies.

Water quality

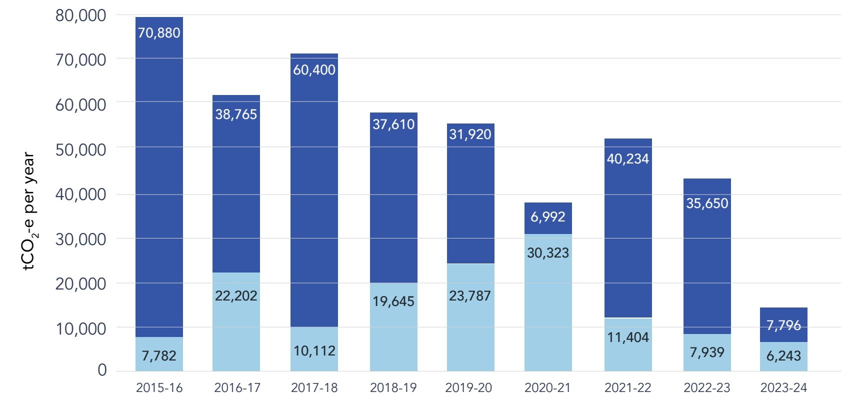
Melbourne Airport works proactively with tenants and contractors to manage water quality during construction and operations, and undertakes annual monitoring of upstream, downstream and on-airport water quality to ensure a detailed understanding of conditions on and around the estate.

The airport operates two on-site water treatment plants, including one that treats the base flow of Arundel Creek for per- and poly-fluorinated alkyl substances (PFAS) and other contaminants including metals. Treated water is also recycled for construction use.

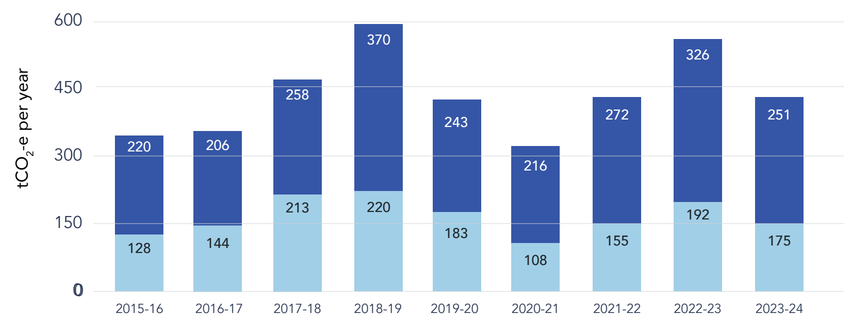


Melbourne Airport continued to work with Melbourne Water and Brimbank City Council to maintain revegetated land bordering the Maribyrnong River. The five-year project includes management of pest plants and animals along the river to help restore habitat for wildlife and improve local amenity and water quality.

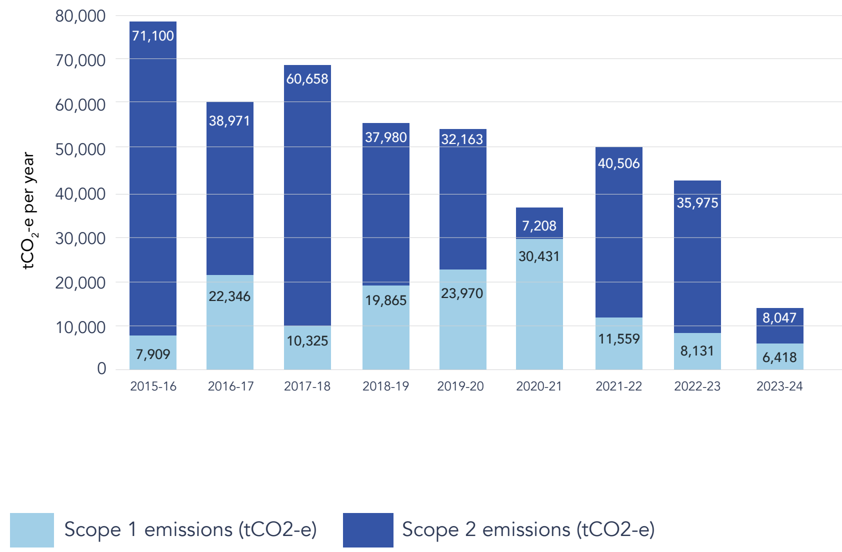
Melbourne Airport Scope 1 & 2 greenhouse gas emissions



Launceston Airport Scope 1 & 2 greenhouse gas emissions



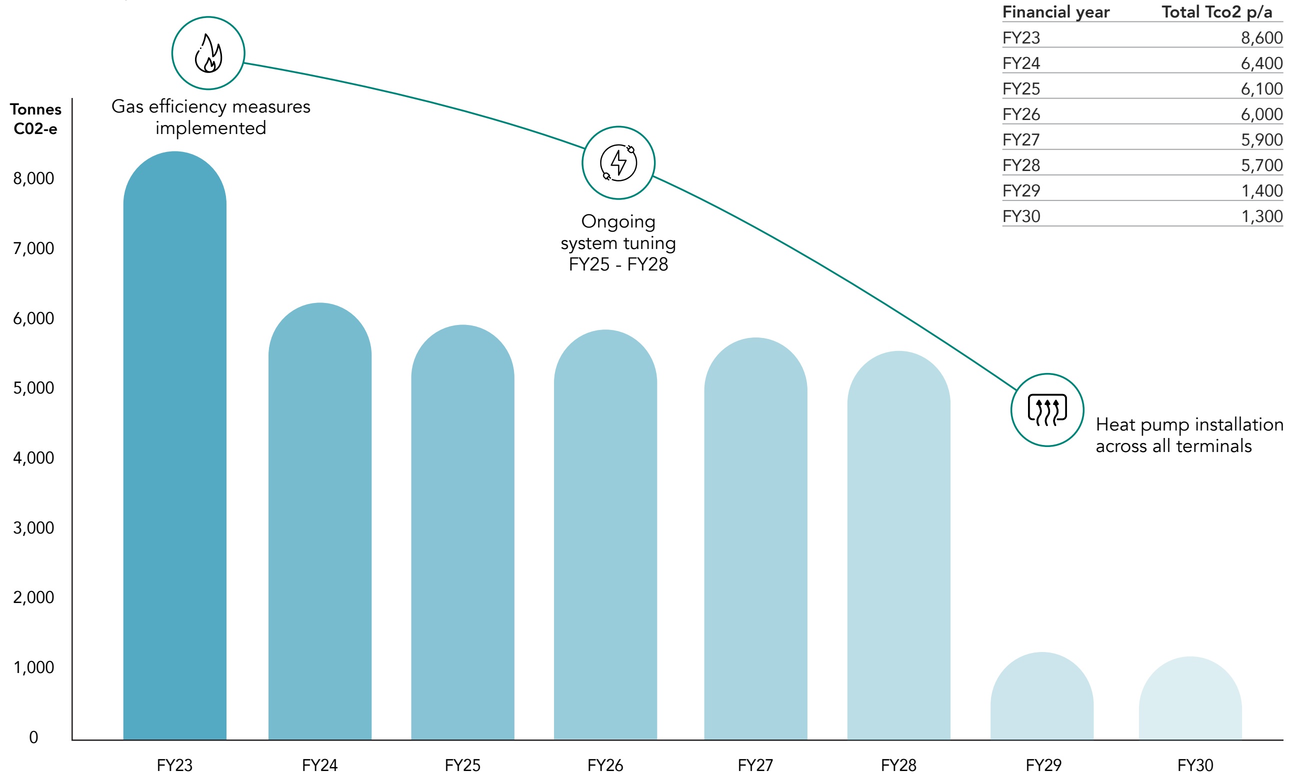
APAC Scope 1 & 2 greenhouse gas emissions



Pathway to Net Zero (Scope 1 & 2)**

APAC is committed to absolute emission reductions - not just net-zero. At Melbourne Airport, the largest remaining source of emissions after the renewable electricity agreement started on 1 January 2024, is the gas used for heating the terminals. This gas use is a legacy from when the airport was built in the 1960's and expanded in the 1990's. Our plan to eliminate these emissions* is outlined below.

Financial year	Total Tco2 p/a
FY23	8,600
FY24	6,400
FY25	6,100
FY26	6,000
FY27	5,900
FY28	5,700
FY29	1,400
FY30	1,300



* Timeframes and emission reductions subject to detailed design and regulatory approvals

Reducing waste

Reducing the waste produced at and by the airport is a pillar of APAC's ESG strategy.

Despite targets moving, Melbourne Airport remains committed to its waste diversion objective. Following an audit, a Waste Management Strategy was completed to guide the company towards an ambitious new waste reduction target. The results are being assessed and the new target will be released later in 2024.

In 2023, food waste company Goterra installed a modular, robotic, black soldier fly larvae organic waste processing system in the terminal precinct. This system converts organic waste from in-terminal retailers into protein, which is recycled into the food chain and used as a soil improver for gardens and farming.

This financial year, the program prevented more than 107,000 kilograms of organic waste from going to landfill and more than 203,300 kilograms of CO2e of greenhouse gas from entering the atmosphere. In addition, 4,280 kilograms of protein were generated for use by poultry farmers, aquaculture and pet owners. This program was awarded the 2023 Airports Going Green Award by the Chicago Department of Aviation for excellence in on-site organic waste processing.

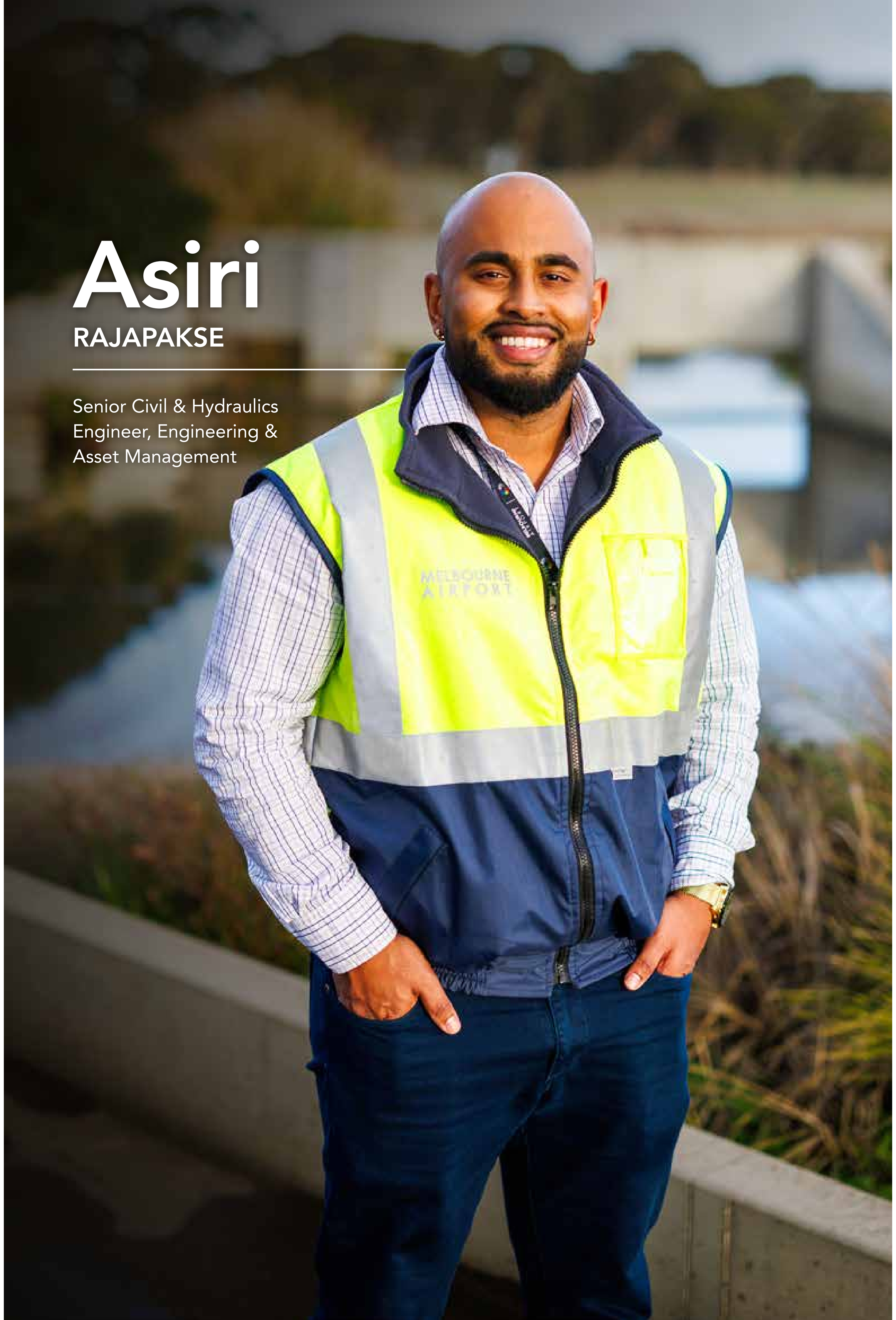
Melbourne Airport also partnered with PolyRok, a company that converts soft plastic waste into a recycled plastic aggregate that can be used in concrete and asphalt. PolyRok provided recycling bins in airport offices for staff to recycle their soft plastics, with bins also on hand for a community engagement pop-up event in Yarraville.

Construction waste is recycled or reduced by re-using soil, water, concrete and asphalt to help decrease resource use, carbon emissions and waste to landfill.

During runway and taxiway repair and upgrading, pavement is removed and reprocessed as crushed aggregate or milled asphalt to be re-used on haul roads or as aggregate for hardstand areas.

More than 24,000 tonnes of re-usable asphalt from the Runway 16/34 overlay project were stockpiled throughout the year for re-use across the estate. In just a six-month period, more than 2,200 cubic metres of topsoil was re-used around the estate.

On the Taxiway Zulu project, more than 10,000 cubic metres of new material – out of a total of 14,000 cubic metres required for the project – was saved by re-using concrete from other projects across the airport precinct. Not only did this result in cost savings, but the combination of design optimisation and material reuse resulted in 18,000 Co2-equivalent carbon emissions avoided.



Asiri
RAJAPAKSE

Senior Civil & Hydraulics Engineer, Engineering & Asset Management

Electric vehicles

An exciting project across Melbourne Airport has been the electrification of the fleet of 88 Work Safety Officer vehicles. The airport has acquired five electric vehicles (EVs) to date, with plans to purchase another 15 before the end of 2024. Fleet electrification will continue over the medium term, with the intent of transitioning the majority of the fleet to EVs.

Melbourne Airport has also installed airside infrastructure that enables ground handling agents to electrify their ground support equipment.

Landside, much work has taken place to engage with tenants that plan to install chargers for EVs, with approvals granted for charger points at the BP Truckstop on Airport Drive. An EV charging roadmap developed in FY24 assesses current and future demand for EV chargers for various modes and locations within Melbourne Airport's landside precinct. As an outcome of the roadmap, the airport is in the early stages of exploring site options for development of an EV charging "Gigahub", a centralised charging location that would service travellers, rideshare vehicles, taxis, car rental operators and members of the community.

The airport is also in the process of completing a concept for the design and installation of chargers across various Melbourne Airport car parks.

PFAS management

Per- and poly-fluorinated alkyl substances are manufactured chemicals used to make products resistant to heat, stains, grease and water. PFAS foam was widely used in airport firefighting operations for more than 50 years, and contamination is present at both Melbourne and Launceston Airports.

At Melbourne Airport, foams containing PFAS have been stored and/or used at several locations, including sites leased by Airservices Australia, Qantas and Virgin Australia. At Launceston Airport, foams containing PFAS have been stored and used primarily at locations leased by Airservices Australia.

In March 2023, the Launceston Airport Environment Officer (AEO) issued an Environmental Remediation Order to Airservices Australia in relation to PFAS contamination at the former fire training ground, setting out specific requirements and timeframes for Airservices Australia to develop and implement a remedial plan for PFAS pollution. Airservices Australia was originally required to complete its remediation by the end of December 2023, however government funding approval delayed the process and the AEO has provided an extension to March 2025.

Aircraft noise

The nature of aviation means the impact of airport operations can extend well beyond the airport boundary.

Airservices Australia, as the body responsible for the management of Australia's airspace and flight paths, undertakes noise monitoring in areas close to Melbourne Airport flight paths.

In response to community feedback received during public exhibition of the 2022 Master Plan and third runway Major Development Plan, Melbourne Airport procured three temporary, portable noise monitors to provide extra data from nearby suburbs.

These units have initially been deployed to sites in Keilor, Sunshine and Bulla to complement the existing system operated by Airservices Australia and provide more information to people living in nearby suburbs. The location of the new temporary, portable monitors will be regularly reassessed to ensure they deliver maximum community value.

Biodiversity

Around the Melbourne Airport terminal and business park precincts, 10,124 native shrubs and trees were planted in the past 12 months to provide microhabitats for small birds, reptiles and insects.

These new microhabitats are supported by the airport's estate management practices that minimise chemical use, reduce mowing areas, promote natural regeneration and create more green space by removing hardstand.

Melbourne Airport also treated more than 615 hectares of noxious weeds throughout the estate. Controlling these weeds reduces the threat to biodiversity and assists with the introduction of rehabilitation and revegetation programs.

To celebrate World Environment Day in early June, Melbourne Airport brought together more than 60 team members, service providers, tenants, contractors and business partners. Together, they planted more than 3,000 native grasses within a protected and critically endangered natural temperate grassland of the Victorian volcanic plain site located within the airport's estate.

At Launceston Airport, continued progress has been made to reduce weed cover, re-establish vegetation in the forecourt and to monitor and protect the listed silky bush-pea on the airfield.

Sharon
GODKIN

Integrated Operations Centre Specialist, Aviation

Melbourne Airport Safety

FY24 HIGHLIGHTS^

FATALITIES

0

LOST TIME INJURIES (EMPLOYEES)

4

LOST TIME INJURY FREQUENCY RATE (EMPLOYEES)

7.03 per million hours

CUSTOMER INCIDENTS

66

^ FY24 lag indicators

With tens of thousands of people working and travelling through Melbourne and Launceston Airports every day of the year, safety is a responsibility we take seriously.

Safety strategy

OUR STRATEGY IS GUIDED BY THE FOLLOWING KEY PRINCIPLES:

- All employees working at Melbourne and Launceston Airports (employees and non-employees) have the right to a healthy and safe working environment.
- Well-designed, healthy and safe work environments will allow workers at Melbourne and Launceston Airports (APAC and non-APAC) to have more productive working lives.
- All members of the public visiting or passing through Melbourne and Launceston Airports have the right to a safe airport experience.
- Safe and compliant aerodrome operations require a cooperative approach between APAC and the operators using Melbourne and Launceston Airports.

APAC Annual Report FY 2024

Aviation safety

Air travel continued to increase throughout the year. To meet demand, the number of staff across the airport precinct also grew. Collaboration across the entire airport has been important to ensure safety remains a key focus for both the existing workforce and new team members.

A new initiative called the Ramp Safety Champion Program – or "Ramp Champs" – intends to strengthen the safety culture on the airfield by recruiting airfield staff such as ground handlers to help promote safety. These staff are empowered to act as champions for the airfield, creating a more direct line of two-way communication that supports risk identification and safety improvement.

While the program is still in its infancy, there is already evidence of stronger buy-in and ownership of safety and greater engagement among frontline safety champions. The Ramp Champs team now intends to extend this safety enthusiasm across all frontline operators, enabling a strengthened safety culture on the airfield.

The removal of foreign object debris (FOD) from the airfield is another critical activity and a responsibility for everyone on the airfield. "FOD walks" are held to reinforce the importance of clearing the apron of any objects that could potentially damage an aircraft. The airport has increased these FOD walks to a monthly activity that includes staff from the airfield all the way up to the executive leadership team. This embeds ownership of FOD safety and awareness across the entire airport.

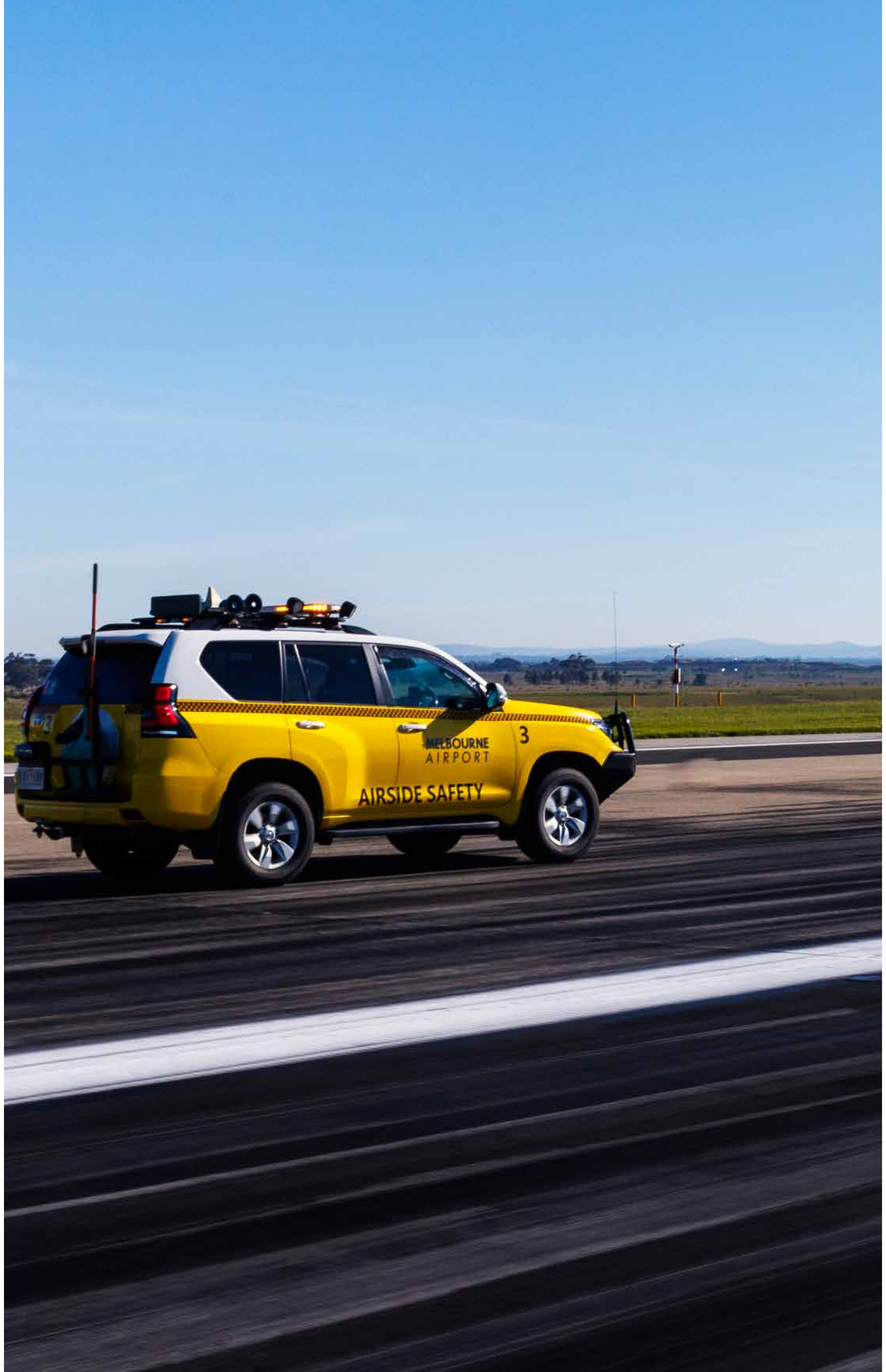
An upgrade to APAC's Safety Information Management System (SIMS) has improved safety reporting and will enable the involvement of third parties outside of the APAC team. Inspection checklists are now available on mobile devices, meaning that reporting can be done "on the go" rather than waiting until someone is at a computer.

Construction safety

FY24 saw the largest capital spend in Melbourne Airport's history and this will increase in future years. As a result, the airport is focused on ensuring that work completed within its construction sites is done safely for both construction workers and the travelling public.

Safety within and adjacent to construction sites incorporates several initiatives across the whole project lifecycle, commencing with Safety in Design and ending with Operational Readiness and Testing. Procurement and onboarding are particularly important components, as they ensure the right contractor has been selected to safely complete the work, followed by inductions to ensure the company and their subcontractors are aware of the specific risks involved in construction at an airport.

During construction, Melbourne Airport conducts regular inspections and audits, both internal and external, to ensure that conduct on site meets the APAC Safety Standard and the APAC Minimum Public Safety Requirements.



Melbourne Airport releases regular Safety Alerts and Safety Focus Areas to inform all contractors about incidents and trends across the airport and ensure lessons learned are shared widely. To reinforce this, regular Contractor Safety Forums dive further into recent trends and ensure that everyone is working collaboratively to mitigate risks.

Runway excursions

In September 2023, there were two separate runway excursion events at Melbourne Airport. Both occurred at night when Runway 34 was temporarily shortened for runway resurfacing works. At the time of each incident, runway works were halted and the Australian Transport Safety Bureau (ATSB) was immediately notified.

The ATSB delivered a preliminary report in December 2023. Initial findings from the preliminary report identified pilot error as the likely cause, with a final report expected to include findings and recommendations.

Employee health and wellbeing

The mental health and wellbeing of employees is critical to the success of the company. Mental Health and Wellbeing Ambassadors – employees who are passionate about mental health and volunteer their time – continue to promote the benefits of physical and mental wellbeing and are trained in Mental Health First Aid. This year, the ambassador group grew to 16 people, following an increase in expressions of interest to join.

Key initiatives this year included R U OK Day, where Australian psychologist and social researcher Hugh Mackay addressed staff in an inspiring and educational presentation. In collaboration with the safety team, ambassadors also rolled out the "Know Your Number" initiative, which encourages healthy conversations about how staff are feeling. How a team member may be feeling at any time of day can be easily associated with a number, similar to the physical pain scale. The program was extremely well received and continues as common language within teams.

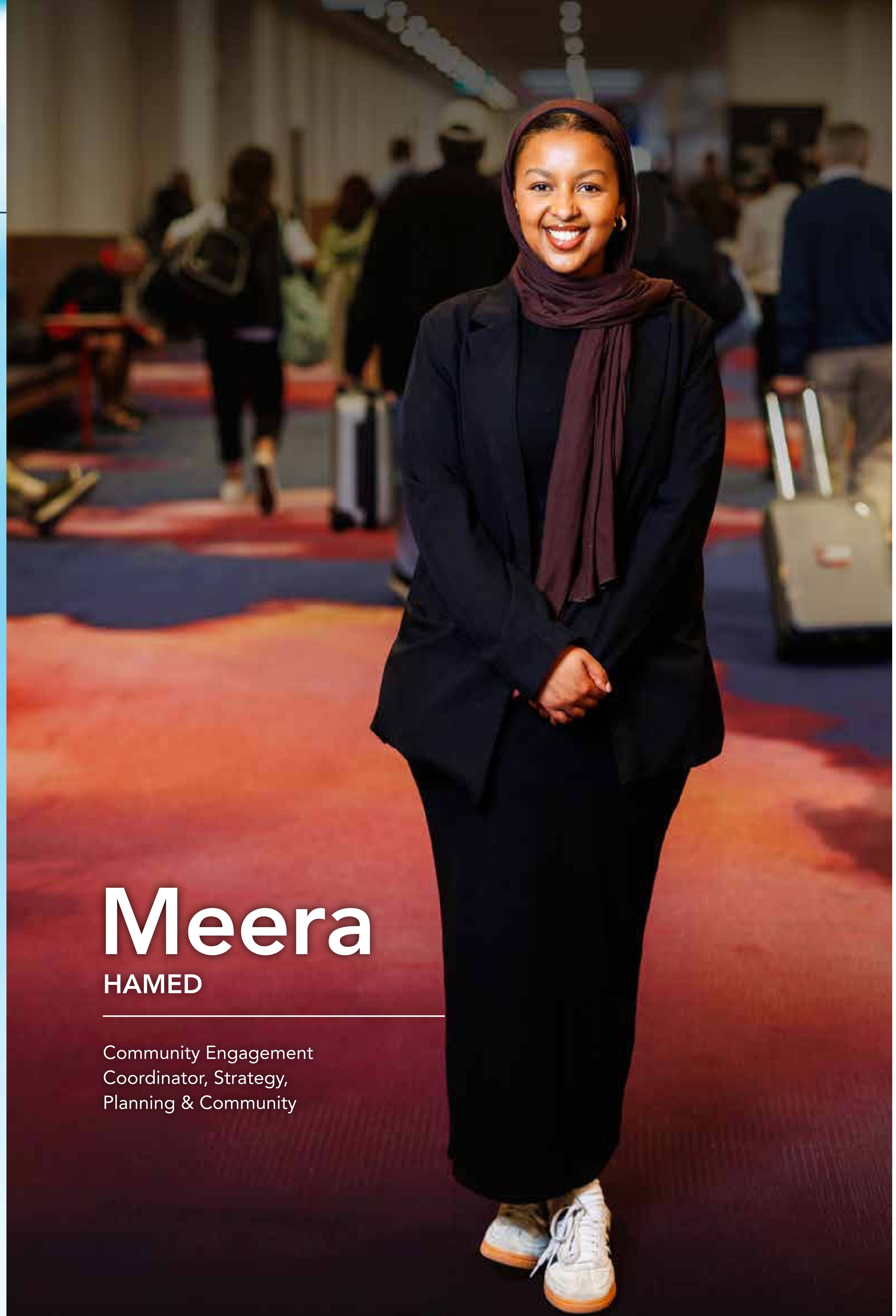
Melbourne Airport is also preparing for expected Victorian legislation that focuses on managing psychosocial risks in the workplace. SIMS has been prepared to handle reporting of both psychosocial hazards and events, and to communicate these to both the Safety and People & Culture teams. The airport has prepared a framework for identification, assessment and control of psychosocial hazards using SIMS and ATOM (APAC's risk management system) .

To help support the physical wellbeing of employees, Melbourne Airport offered staff free flu vaccinations and heart health and skin checks at various times throughout the year.

Connecting Our Communities

FY24 HIGHLIGHTS

NUMBER OF EMPLOYEES **405**	EMPLOYEE ENGAGEMENT **83%**
GENDER BALANCE (% FEMALE) **36.8%**	FEMALES IN SENIOR MANAGEMENT POSITIONS **37.5%**
COMMUNITY ENGAGEMENT ACTIVITIES **65**	PEOPLE ENGAGED THROUGH ENGAGEMENT ACTIVITIES **1.1m**
COMMUNITY INVESTMENT **$676.5k**	EMPLOYEES PARTICIPATING IN VOLUNTEER OPPORTUNITIES **76.5%**



Meera
HAMED

Community Engagement Coordinator, Strategy, Planning & Community

Connecting Our Communities

As Victoria's primary international and domestic gateway, Melbourne Airport's purpose is to create connections that matter, whether they be close to home or on the other side of the world.

Connecting with our people

APAC continues to embed its values of "Be You", "Work Together", "Own It", and "Think Big", supported by a clear call to action for what it means for team members to demonstrate these values.

This commitment was underpinned by the rollout of a Behaviours Framework (see page 13) that clarifies behavioural expectations, providing practical examples of how to demonstrate these day-to-day.

This year also marked a significant shift in how APAC assesses team member performance, with 50 per cent of the end-of-year rating reflecting behaviours. This highlights our commitment to equally value performance not just in terms of what is achieved but also how a team member conducts themselves.

These changes have been further enabled with the launch of People Central, the new People & Culture information system. The system streamlines processes, provides access to a suite of learning modules and simplifies the gathering of demographic data.

Ongoing learning has continued to be an important focus, and APAC rolled out offerings across all levels of the organisation. Having already delivered senior leadership programs, our Connect Leadership Program delivered bespoke training for mid-level leaders. LinkedIn Learning was made available to team members across the organisation, offering thousands of self-driven learning modules.

Diversity and Inclusion

APAC has embedded gender diversity targets into its business and is on track to achieve its goal of 40 per cent male, 40 per cent female and 20 per cent of any gender by 2030. Progress was made against this target in 2024 with targeted hiring practices and talent pipelining.

In February 2024, the Workplace Gender Equity Agency released its first publicly available Gender Pay Gap report. While APAC is proud to have three women on its executive team, the report highlighted the underrepresentation of women in senior roles across the business. APAC is committed to doing more to attract, promote and retain women across the entire company.

For the second year in a row, Melbourne Airport partnered with Virgin Australia, Airservices Australia and Brisbane Airport on International Women's Day for a flight from Melbourne to Brisbane that was crewed and managed end-to-end by females, highlighting the growing number of airport roles filled by women. This year's event was headlined by Deborah Lawrie AM, Australia's first female airline pilot.

APAC's Pride group also continues to foster inclusion for the LGBTQIA+ members of the business and reinforce the message that everyone is welcome at our airports. With a prominent presence at the Midsumma Festival, acknowledgement of IDAHOBIT Day and events throughout the year, APAC Pride has established itself as a strong and networked advocacy group within APAC.

First Nations

APAC acknowledges the First Nations of the lands on which its airports operate. APAC is committed to working closely with the Wurundjeri Woi-wurrung in Melbourne and First Nations people and Traditional Owners in Launceston to deepen understanding about how the airports can continue to operate and develop in a way that recognises and celebrates First Nations cultural heritage.

In April 2024, APAC's Reconciliation Action Plan (RAP) was approved by Reconciliation Australia. The plan aims to help improve employment outcomes for First Nations peoples and increase the shared understanding of our communities, passengers and staff for the culture and heritage of the lands on which they visit, live and work.

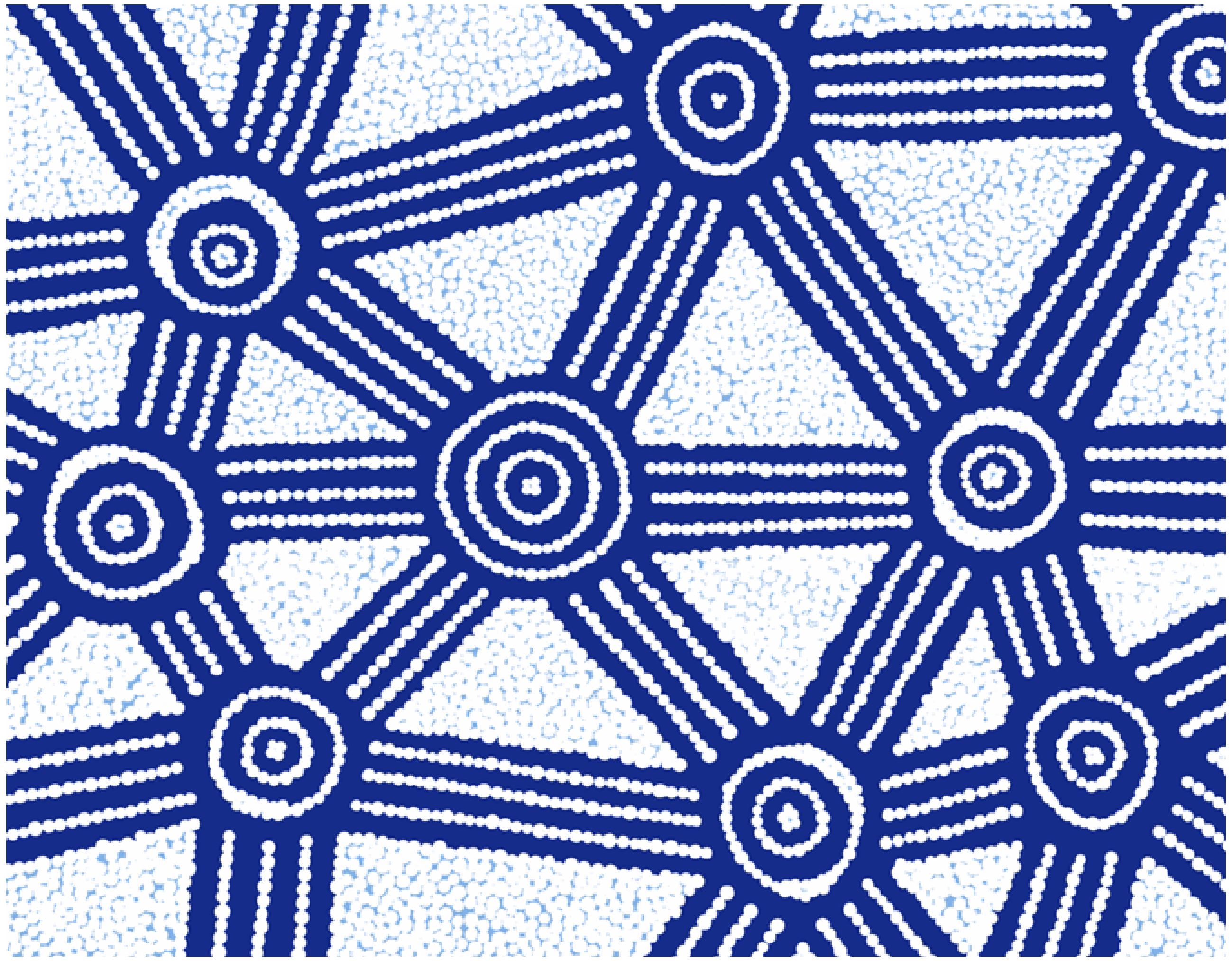
The RAP outlines a tangible framework for APAC to work towards, stewarded by a RAP Working Group with representation from across the business.

In 2024, APAC recognised Reconciliation Week by partnering with Blak Brews, a First Nations-owned tea company, to provide more than 350 free samples of the company's native Australian and herbal bush teas to passengers. Gunditjmara woman Leanne Brooke, who is General Manager of The Long Walk, also spoke with employees about the work she does to educate people about Indigenous cultures and history.

Melbourne Airport regularly invites Wurundjeri Elders to conduct cultural heritage inductions for staff and contractors to increase awareness of First Nations history and the significance of the airport's land. In addition, development and maintenance works are subject to cultural heritage management plans, and work continues on cultural heritage mapping of the entire airport estate.

Inductions are also completed for staff and contractors at Launceston Airport, which are presented by heritage consultants and an Aboriginal Heritage Officer.

In 2024, Launceston Airport conducted a test pitting program to further understand, research and investigate the extent of First Nations heritage within the north-east portion of the airport estate. Launceston Airport will continue to work with heritage consultants and an Aboriginal Heritage Officer to ensure recommendations of the program are implemented.



Investing in our community

Melbourne Airport is committed to improving the lives of people who live in surrounding communities. A newly developed investment strategy supports an expanding and evolving program of partnerships and engagement with local communities.

BANKSIA GARDENS

Supporting scholarships for grade six students transitioning to high school, the homework club and the Aiming High VCE Support Program.

CONSERVATION VOLUNTEERS AUSTRALIA

Continuing this partnership supports work to save the Eastern Barred Bandicoot, one of Australia's most endangered species which is considered extinct in the wild.

VICTORIA UNIVERSITY

A three-year Memorandum of Understanding was signed with Victoria University (VU), which enables Melbourne Airport and VU to collaborate on student placements and internships, employment opportunities and community projects and events.

FOODBANK VICTORIA

Melbourne Airport team members volunteered 934 hours throughout the year, helping to sort supplies in Foodbank Victoria's Yarraville warehouse or distributing donations to community members through mobile supermarkets.

KEILOR SPORTS CLUB

Supporting Keilor Sports Club by securing the funding required for a major upgrade of the clubhouse facilities including the kitchen, function areas and toilets.

JUNO

Goods were also donated to Juno, a local organisation that supports women and non-binary people – and their children – experiencing homelessness due to family violence.

COOINDA COMMUNITY CENTRE

Support for the Cooinda Aboriginal and Torres Strait Islander Community Centre was in the form of a donation of chairs, benches, highchairs and tables.

COMMUNITY GIVING FUND

In September 2023, Melbourne Airport launched its Community Giving Fund, providing a chance for communities to apply for funding for projects that support community needs. In FY24, almost $30,000 was provided to 15 community organisations for a variety of projects.

SCHOOL PROGRAM

Melbourne Airport has developed a school program to create greater understanding of the airport and its operations, as well as educate students about career opportunities in aviation and at Melbourne Airport. There is a particular focus on creating greater awareness of the opportunities for women in the aviation industry.

Western Chances

Melbourne Airport has been a proud partner of Western Chances for the past 15 years and continues to support the organisation as it helps young people to achieve their academic and career goals. Support last year contributed towards 112 scholarships, 43 per cent of which were for young people in the Brimbank local government area.

In April 2024, three Melbourne Airport team members participated in the inaugural Western Chances Three Peaks Trek. The team successfully hiked three Victorian Alps mountains over three days and raised more than $20,000 for the Western Chances scholarship program.

The airport also donated 220 tickets to Western Chances for blockbuster shows like the Rocky Horror Show, Moulin Rouge, Grease the Musical and the NGV Melbourne Winter Masterpieces. This in-kind support allows Western Chances alumni the chance to go to events they may not have the means to attend.

Community Grant Program Recipients for 2023/24

Melbourne Airport provided $10,000 each to ten community centres and neighbourhood houses located within 15 kilometres of Melbourne Airport. This year's recipients were:

- Banksia Gardens Community Services
- St Albans Community Youth Club
- Preston Neighbourhood House (Bridge Darebin, Preston)
- Taylors Hill Youth and Community Centre
- Brunswick Neighbourhood House Co-operative Limited
- Farnham Street Neighbourhood Learning Centre
- Kensington Neighbourhood House Inc
- Preston Neighbourhood House (Bridge Darebin, Thornbury)
- Lalor Neighbourhood House
- Dallas Neighbourhood House

Partnerships that benefit our communities

Melbourne Airport has worked with iconic Melbourne organisations to develop a range of exciting new educational programs.

These programs will be delivered throughout the upcoming financial year.

ZOOS VICTORIA

- Upgrades to the Werribee Open Range Zoo's popular Safari Tour to make it Auslan accessible
- Sponsorship of "Dream Day" for children with disabilities and their families to enjoy Melbourne Zoo in a safe and controlled setting

MELBOURNE SYMPHONY ORCHESTRA

- Students from schools in Melbourne's north and west will participate in "Jams in Schools" - in-school, fun and interactive music workshops

ROYAL BOTANIC GARDENS MELBOURNE

- Plants in Space program, which will involve students from four schools in Melbourne's north and west in a citizen science program to support the work of NASA scientists
- Nurtured by Nature program, which will engage students in nature-based excursions to Royal Botanic Gardens Melbourne led by expert educators

GUIDE DOGS VICTORIA

- Six "pup-up" cafes will appear at Melbourne Airport during peak school holiday periods, encouraging a fun space for children and others to learn about Guide Dogs Victoria and the work it does

Local employment

Melbourne Airport is one of the largest single-site employment precincts in Victoria and roughly 70% of the airport workforce lives in the seven surrounding local government areas.

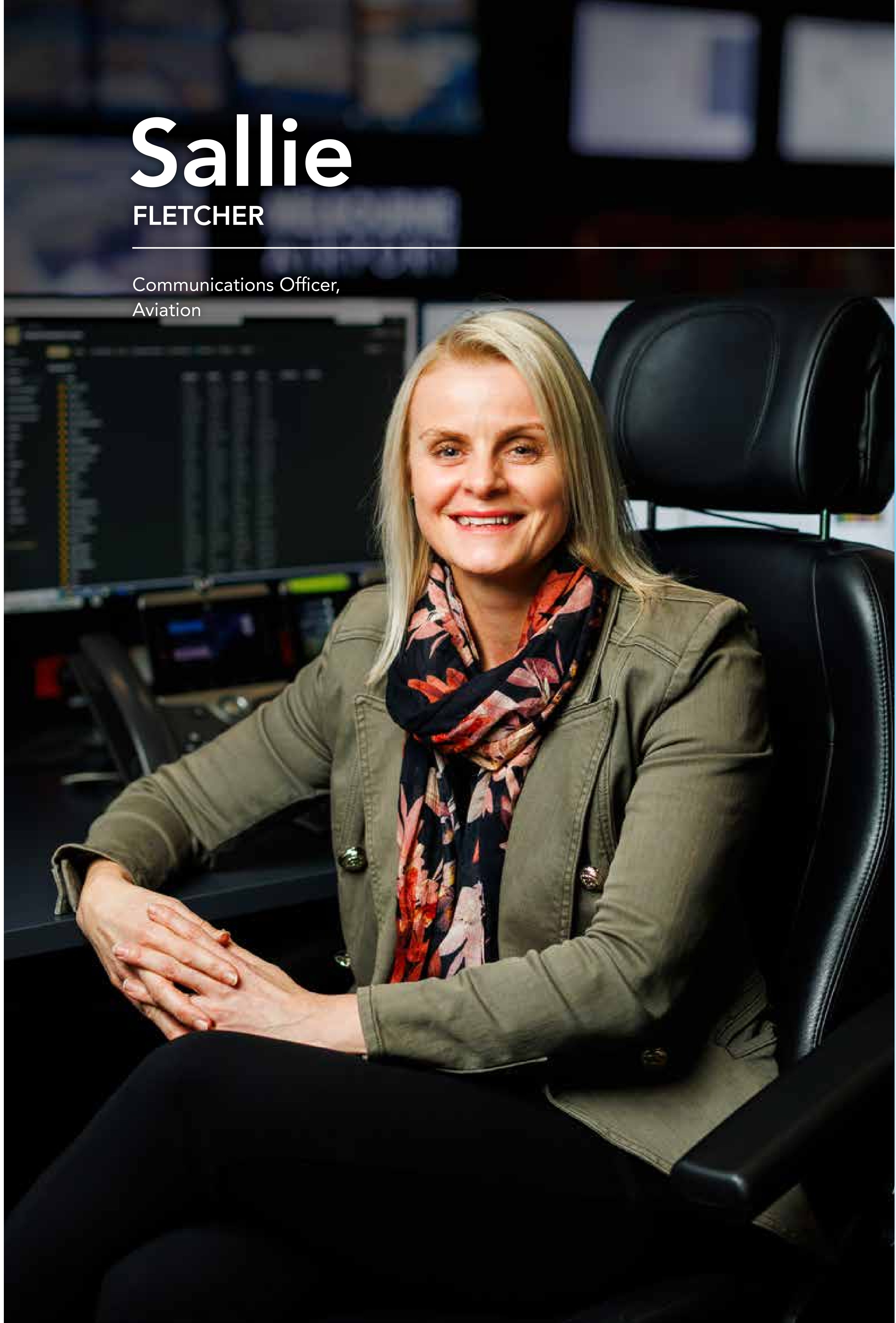
This year, APAC introduced a new requirement for all new capital projects with a construction value of more than $20 million to have a minimum local employment target of 5 per cent. All new service provider contracts with 20 or more employees will also be required to adhere to the minimum 5 per cent local employment target.

To connect local job seekers with airport employment opportunities, Melbourne Airport participated in three careers expos throughout the year, including the Brimbank Careers Exploration Day and VET Discovery Expo, both located in the local government areas of Hume and Brimbank. Melbourne Airport also joined 50 exhibitors at the inaugural Victorian Tourism Industry Council's Choose Tourism Careers Expo, which attracted more than 750 attendees interested in jobs in the tourism industry. Representatives from Rex Airlines and Swissport were also on hand to answer questions from prospective job candidates.

Engaging our community

Two-way communication between Melbourne Airport and surrounding communities is a key priority, and one of the most effective ways to do this is face-to-face. The airport team organised 12 community pop-ups at a variety of locations in northern and western suburbs. Given its popularity in previous years, Melbourne Airport re-printed the plane spotting activity booklet which has engaged people of all ages.

Other community engagement activities included four meetings with the Community Aviation Consultation Group and the production of the fourth community newsletter, which was delivered to more than 1 million mailboxes.



Sallie
FLETCHER

Communications Officer, Aviation

Melbourne Airport Aviation
FY24 vs FY23 HIGHLIGHTS

TOTAL PASSENGERS (EX TRANSITS) **+14.1%**
35.1m ↑

DOMESTIC PASSENGERS **+7.1%**
24.1m ↑

INTERNATIONAL PASSENGERS **+33.3%**
11m ↑

ON TIME PERFORMANCE **+4%**
71% ↑

ARRIVALS **+3%**
70% ↑

DEPARTURES **+6%**
72% ↑

AIRCRAFT MOVEMENTS (EXCLUDES GENERAL AVIATION) **+10.9%**
243.8k ↑

INTERNATIONAL AIRCRAFT MOVEMENTS **+34.2%**
53.1k ↑

DOMESTIC AIRCRAFT MOVEMENT **+6.6%**
178.7k ↑

INTERNATIONAL FREIGHTER MOVEMENTS **-16.3%**
2.6k ↓

DOMESTIC FREIGHTER MOVEMENTS **-0.2%**
8.0k ↓

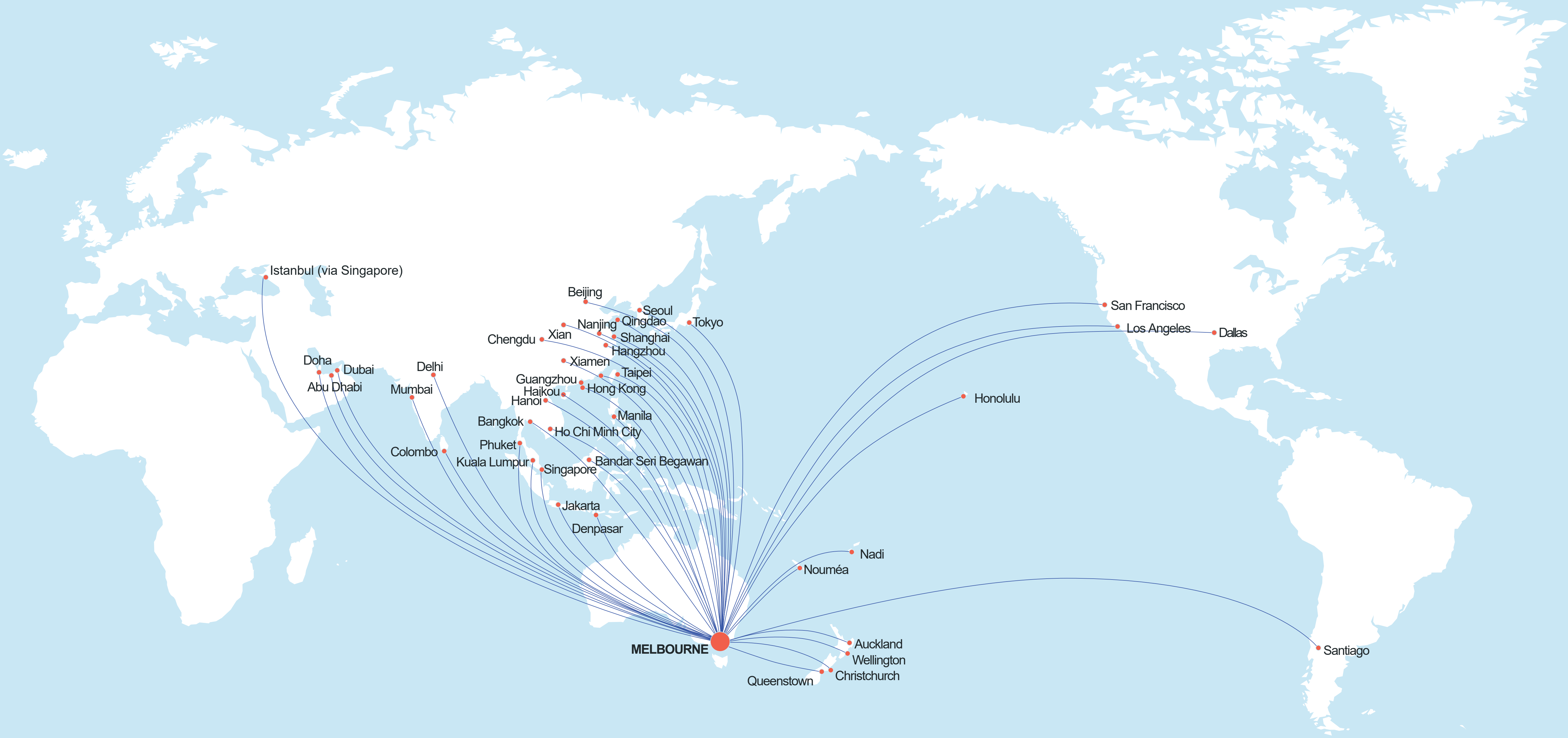
AIR FREIGHT EXPORT
147.48m
tonnes

AIR FREIGHT IMPORT
101.52m
tonnes

EXPORT MARKET SHARE **+4%**
38% ↑
from FY23

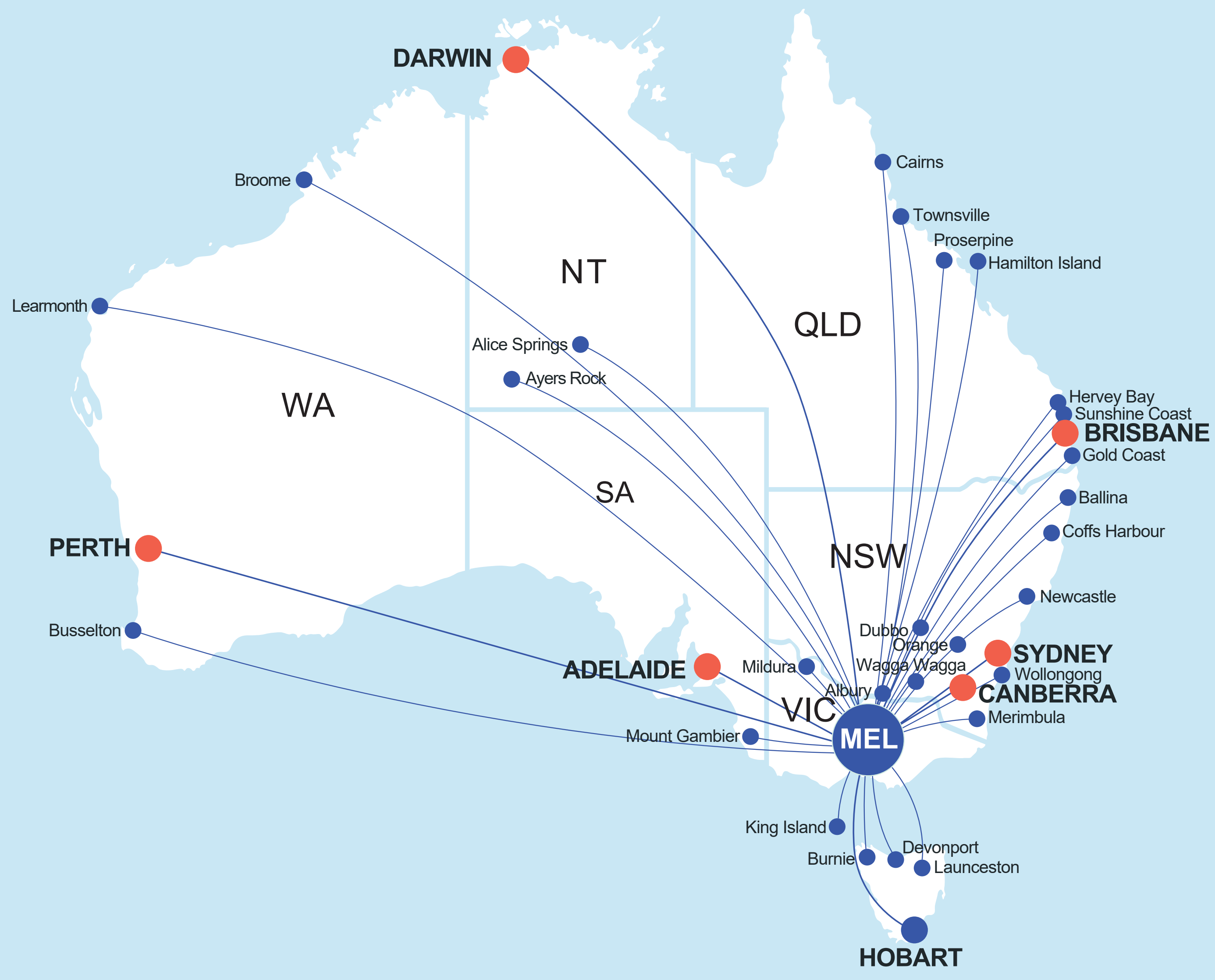
International Routes

MELBOURNE - VICTORIA'S GATEWAY TO THE WORLD



Domestic Routes

ALL DOMESTIC CARRIERS



Aviation

Melbourne Airport is Australia's biggest and busiest 24-hour airport, and in a year of continued growth was the first major Australian airport to surpass pre-pandemic levels of international capacity.

In April, Melbourne Airport was proud to be awarded Best Airport in Australia/Pacific at the global Skytrax Awards, the fourth time in five years the airport has been recognised with the award.

Growing international connections

A successful partnership with the Victorian Government delivered a combination of new airlines, new routes and increased capacity from established carriers, providing passengers and exporters with greater choice and flexibility.

Turkish Airlines chose Melbourne Airport to launch its long-awaited Australian operation, with the historic first flight from Istanbul (via Singapore) landing in Melbourne in March.

Melbourne Airport worked closely with the Victorian Government to facilitate the new entrant, with the airline boasting service to more countries than any other operator, including an extensive network through Europe, North Africa and the Middle East. The arrival of the Turkish flag carrier marked the first European-based carrier to serve Melbourne Airport in more than a decade and provides local travellers and exporters with more options for access to key markets.

Alongside new entrants, Melbourne Airport was pleased to welcome back previous operators, with South American powerhouse LATAM resuming direct flights to Santiago in September.

South Korea's Asiana Airlines launched seasonal flights between Melbourne and Seoul in December, with flights operating twice a week through to February. Seoul is the largest Southeast Asian market not currently served from Melbourne year-round. Asiana subsequently announced it would increase seasonal flying in the northern summer, with four services a week from July 2024.

Melbourne Airport also worked with existing operators to identify new opportunities, with Air India capitalising on extraordinary growth in the Indian market by launching direct flights to Mumbai in December. The three-times weekly service is on top of the carrier's daily service to Delhi, and is the only non-stop service between Australia and India's second largest city. Non-stop capacity from Melbourne to India is up 330 per cent on 2019.

Growing Vietnamese low-cost carrier Vietjet capitalised on the withdrawal of Bamboo Airways from the Australian market to expand its offering, increasing flights from Ho Chi Minh City to daily. The relaxation of the Australia-Vietnam bilateral air services agreement in December 2023 paved the way for Vietjet to launch twice weekly service to Hanoi in June 2024. Capacity to Vietnam is now more than double what it was in 2019, with low-cost carriers accounting for 38 per cent of seats in the market.

The Chinese market continues its recovery, with Beijing Capital Airlines increasing its Melbourne footprint in June, with direct service to Hangzhou complementing the airline's flights to Qingdao. China Eastern Airlines commenced flights to Victoria's sister-state Jiangsu Province at the end of June, with Nanjing becoming the ninth mainland Chinese city to be served directly from Melbourne. These new services took China capacity to more than 92 per cent of pre-pandemic levels. The slow return of Chinese group travel has impacted passenger numbers, with the number of Chinese passport holders passing through the airport just 65 per cent of what they were in 2019.

The influx of new and up-gauged services resulted in Melbourne Airport becoming the first Australian capital city airport to surpass pre-pandemic levels of seat capacity, with a new monthly record of 4,976 international flights in December 2023. The airport also set new records for international passenger numbers in February and March 2024.

A favourite domestic hub

Domestic traveller numbers continued to grow throughout the year but remained below 2019 levels. The collapse of Bonza in April 2024 followed by the collapse of Rex's domestic jet operation in July 2024 were incredibly disappointing for consumers.

Having launched its Melbourne Airport base in March 2023, Bonza added services to the Gold Coast and Alice Springs in late 2023. Of the 11 routes operated by Bonza from Melbourne Airport at the time of its collapse, nine were not being flown by other airlines.

Rex launched its Boeing 737 jet services from Melbourne Airport in March 2021 and had continued to expand its footprint with flights to Hobart starting in August 2023 and Perth services beginning in June 2024. At the time of its entry into administration, Melbourne Airport was Rex's largest jet base, with the carrier offering flights to all state capitals in addition to Canberra and the Gold Coast. The airline's Saab 340 regional flights will continue to operate, providing an important connection to regional communities.

Between them, Rex and Bonza carried a total of 1,574,067 passengers through Melbourne Airport which equated to 6.5 per cent of all domestic travellers and 4.5 per cent of total passengers for the 12-month period.

Despite the collapse of Australia's two smaller jet operators, there was cause for optimism. Melbourne's major events calendar was a key driver of interstate visitation, with a post-pandemic record of 115,099 passengers using the airport on the day of pop star Taylor Swift's first Australian concert at the MCG in February.

Early in the financial year, Virgin Australia introduced the first of its Boeing 737 MAX aircraft into service on domestic routes from Melbourne, but the airline's fleet growth has been hampered by production problems at Boeing. In June 2024, Virgin Australia launched flights from Melbourne to Uluru, with the service operating four times a week.

QantasLink took delivery of its first Airbus A220 in December, with the first ever Australian commercial service of the type taking flight from Melbourne to Canberra in March 2024. The aircraft have quieter engines and better fuel efficiency than the Boeing 717s they are replacing, while also carrying 25 per cent more passengers. Ahead of the delivery of the first Airbus A220s, Melbourne Airport worked closely with the airline to facilitate the type's entry into service, which involved line marking and bay testing. Melbourne Airport boasts the highest number of A220 stands of any Australian airport.

Qantas' low-fare offshoot Jetstar continued to take delivery of new Airbus A321neo jets, with the fuel-efficient aircraft taking over some of the airline's Bali flights and adding extra capacity to key domestic routes including the Gold Coast, Brisbane and Perth. The airline also introduced a new service from Melbourne Airport to Hervey Bay in June 2024.

In January, Melbourne Airport was pleased to welcome a new domestic airline, with Link Airways commencing operations from Terminal 4. From Melbourne, the airline operates a fleet of Saab 340 aircraft to Orange, Dubbo and Wollongong (Shellharbour), and codeshares with Virgin Australia.

Cargo

Melbourne Airport is Australia's curfew-free cargo hub, accounting for roughly 40 per cent of all Australian air-freight exports. Between January and March alone, more than $1.8 billion of local produce was flown out of Melbourne Airport to global markets. Fresh meat products represent the largest export by volume, while locally made pharmaceuticals were the highest value produce. While most export products are flown out in the cargo holds of passenger jets, the number of dedicated international freighter flights into Melbourne Airport is now more than double what it was prior to the Covid-19 pandemic.

Domestic cargo capacity has been boosted by the Qantas group, which has introduced larger Airbus A330 and Airbus A321 freighter aircraft to its fleet.

Outlook

The exit of both Bonza and Rex from the domestic market has resulted in reduced opportunities for network expansion, with production issues at both major aircraft manufacturers delaying the delivery of new airframes and hampering the ability of the two remaining airline groups to add capacity. Virgin Australia has announced it will take on the lease of three aircraft previously operated by Rex. In the longer term, Melbourne Airport is well placed to capitalise on domestic growth, as the largest base for two of Australia's three biggest airlines.

With international capacity now at pre-pandemic levels, growth is expected to moderate as airlines focus on consolidating new routes and increased services. Passenger numbers from key markets such as India and Vietnam are expected to grow, while an increase in travellers from China will be facilitated by the progressive return of group travel.

Melbourne Airport continues to advocate for a shift towards open skies policies, to give more airlines the certainty they need to establish new services.

Infrastructure

Melbourne Airport is catering to the needs of Victoria's growing population by upgrading its airfield, terminal and ground transport infrastructure.

Developed in consultation with airlines, this broad but measured investment will ensure Melbourne Airport can accommodate the increasing number of passengers and aircraft movements expected over the coming years.

Upgrading the airfield

To help support Victoria's growing demand for aviation and to improve the efficiency of the airfield, Melbourne Airport has embarked on one of the biggest infrastructure programs in its history.

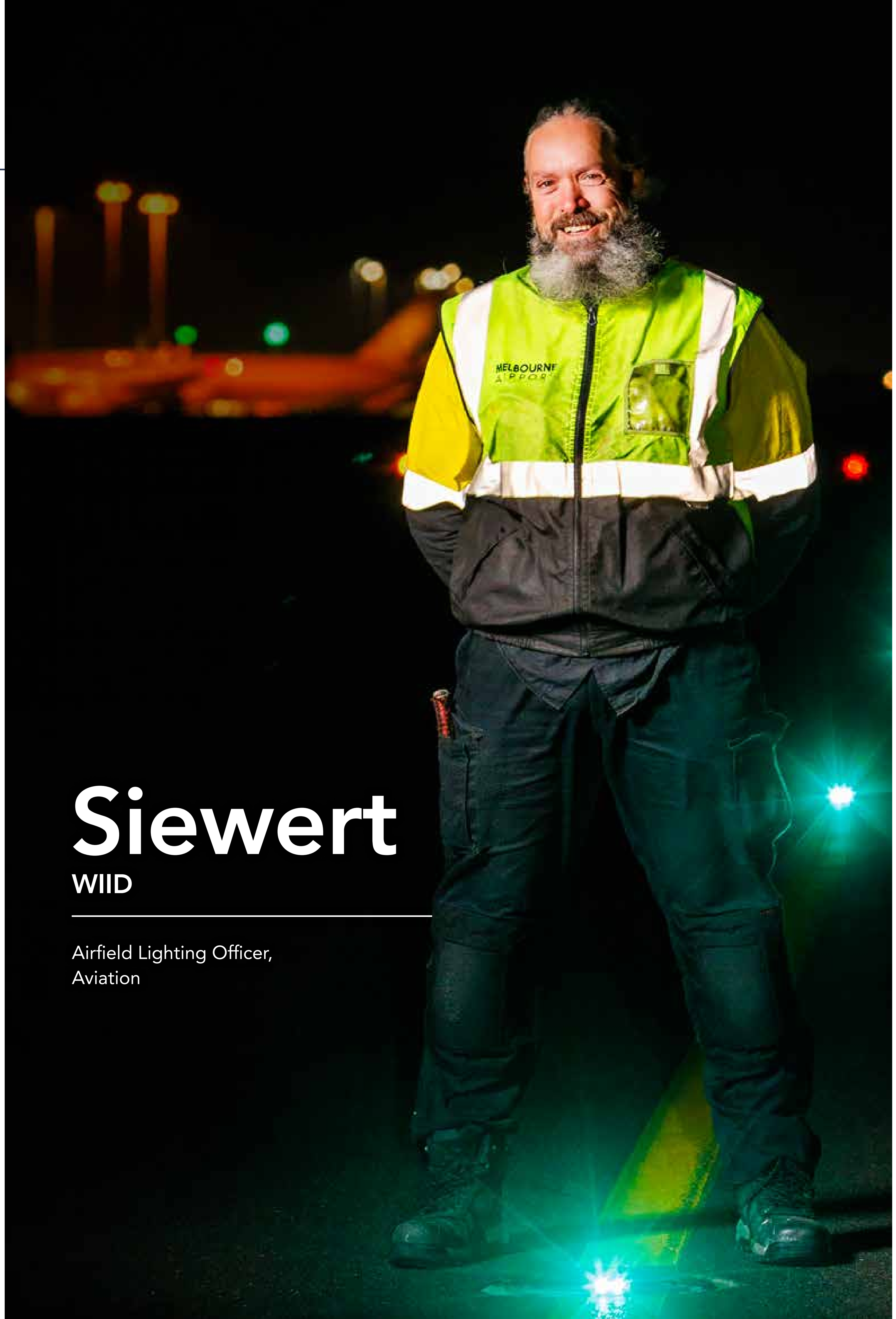
In March, Melbourne Airport completed an 18-month program of works to resurface the north-south runway and replace the entire lighting system. The project required a total of 283 runway closures, with 41,000 tonnes of asphalt laid, along with 876 new LED lights and almost 200 kilometres of new cable.

The team also installed new rapid exit taxiway indicator lights to help aircraft identify the exits and improve runway efficiency in low visibility situations. The runway's precision approach path indicator lights were also converted to LED, improving energy efficiency and reducing greenhouse gas emissions from the lighting system from 25.75 tonnes to 7.25 tonnes.

Airfield safety has been enhanced with the installation of more than 340 yellow lights at 114 intermediate holding points on the airfield, to help crews identify where they can hold clear of an intersection. Since 2018, more than 3,500 new LED lights have been installed across the airfield, along with an individual light control and monitoring system to assist the airfield team with taxiway and runway closures.

In February 2024, the APAC board approved funding to recommence works on the Taxiway Zulu project, which will reconfigure the northern precinct of the airfield with approximately 260,000 square metres of new, realigned and extended taxiway infrastructure. The development enables the eventual expansion of the international terminal by creating new taxiways to support aircraft movements.

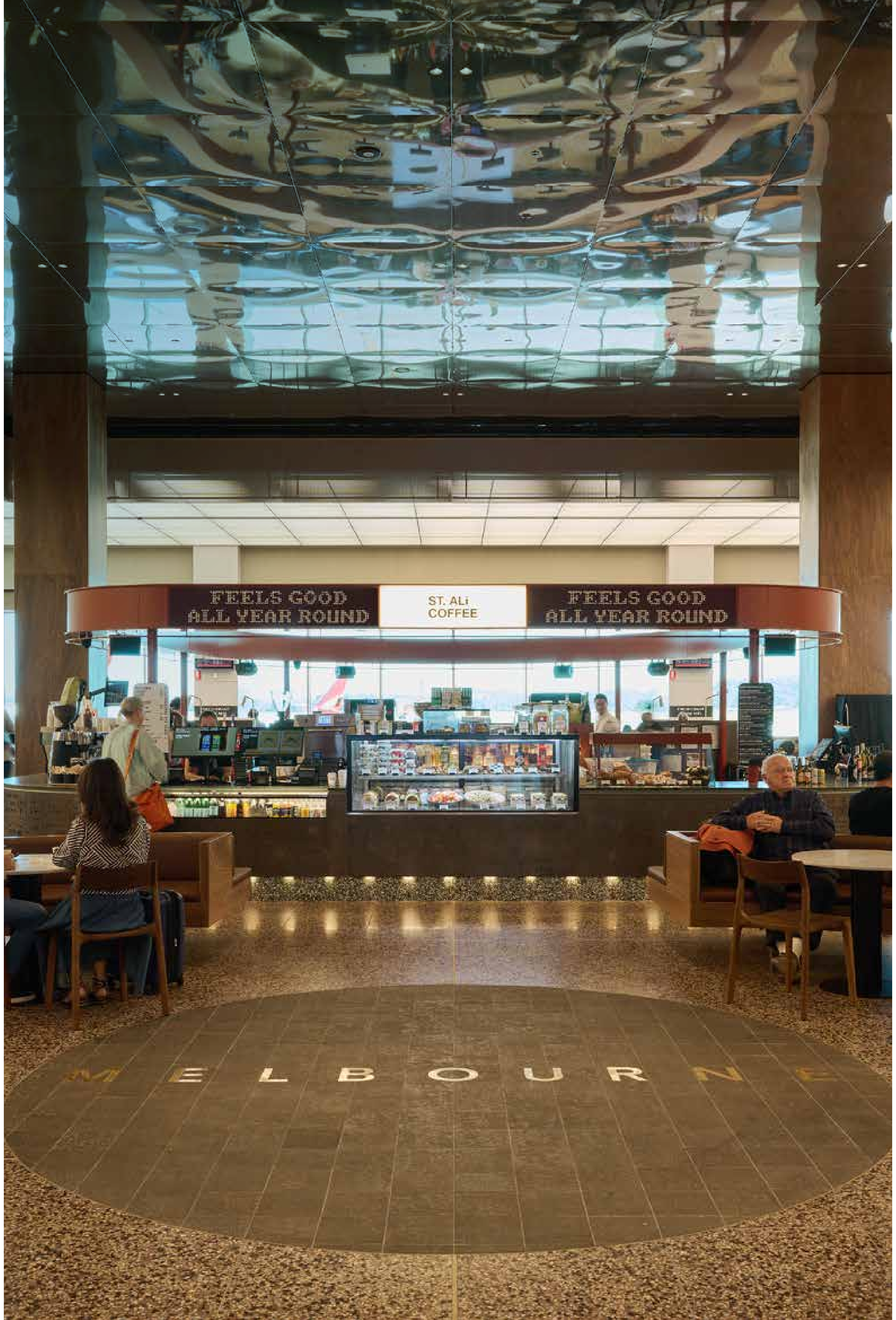
Work initially began in March 2019, but was suspended in October 2020 due to Covid-19. At the time of suspension, approximately 50 per cent of the civil works had been completed. The outstanding work includes the new Taxiway Zulu, realignment of Taxiway Echo and decommissioning of Taxiway Tango. Construction recommenced in April 2024 and will continue in stages until 2026.



Siewert

WIID

Airfield Lighting Officer,
Aviation



Upgrading terminals

Melbourne Airport is investing to increase capacity and enhance the traveller experience across its terminals.

In July 2023, Melbourne Airport commenced work on a $500 million project to upgrade the international baggage handling system. Known as T2 Next: Delivering World Class Baggage, the project will replace the existing baggage handling system with next-generation technology, enabling end-to-end tracking of passenger bags, anytime check-in and high-speed checked bag screening. The project helps deliver on a federal government requirement to strengthen aviation security.

To complete the project, one domestic bay in Terminal 1 was permanently closed to enable the terminal footprint expansion as well as the erection of Melbourne Airport's first airside tower crane. To offset the bay closure, a new domestic aerobridge was commissioned on Bravo concourse at Gate 25, providing Qantas with an extra widebody-capable stand.

To ensure a smoother, enhanced security screening experience for travellers in Terminal 1, Melbourne Airport is embarking on a major upgrade of the security screening point. In April, the process of building a new temporary screening point at the eastern end of the Qantas domestic terminal began. When the temporary screening point opens in August 2024, Qantas domestic passengers will no longer need to remove laptops, tablets or aerosols from their carry-on luggage.

The temporary screening point will facilitate the refurbishment of the existing screening point, with each of the six lanes to be rebuilt with new baggage screening and body scanning technology. This upgrade will bring the Qantas domestic terminal into line with Melbourne Airport's other domestic terminals.

To improve the passenger experience and accommodate Virgin Australia's growing Melbourne hub, works are underway on an $81 million project that will almost double the size of the Virgin Australia arrivals hall. The upgrade will deliver two new baggage carousels, a new oversized baggage collection point, and refurbishment and lengthening of the existing three carousels. New central arrival escalators and anti-passback gates will also be installed. The project will also enhance Melbourne Airport's single-roof terminal precinct by connecting all four terminals at both the arrival and departure levels.

Improving amenities across the entire airport has been a focus for the past year. After the successful upgrade of amenities in Terminals 1, 3 and 4 – with positive feedback from customers – the project was expanded to include Terminal 2 Arrivals and Departures amenities blocks. The $70 million project includes new, best-in-class female, male, accessible and all-gender toilets in Terminal 2, along with the construction of a new parents' room and pet relief facility.

Melbourne Airport's third runway

Melbourne Airport is awaiting the decision of the Federal Government on its proposed third runway. The Third Runway Major Development Plan was submitted to the government in February 2023 following a 104-day public exhibition period.

The proposed 3,000-metre-long north-south runway would be built 1.3 kilometres to the west of the existing north-south runway. It will increase Melbourne Airport's capacity and help reduce delays by enabling the introduction of independent parallel runway operations.

The new runway would enable up to an additional 136,500 aircraft movements per year and help facilitate the 76 million annual passengers expected through Melbourne Airport by 2042.

Ground Transport

The way passengers travel to and from the airport continues to evolve. As travel normalises, Melbourne Airport monitors consumer behaviour to ensure travellers have access to transport options that offer choice, convenience and value.

Parking

The post-pandemic shift towards private car use continued this financial year, driving strong revenue growth across Melbourne Airport's parking offerings.

Parking revenue grew 6 per cent compared to the previous financial year and 13.9 per cent on FY19.

The leisure market continued to lead that growth, up 4.8 per cent compared to FY23. While recovering, corporate parkers have yet to return to pre-pandemic levels.

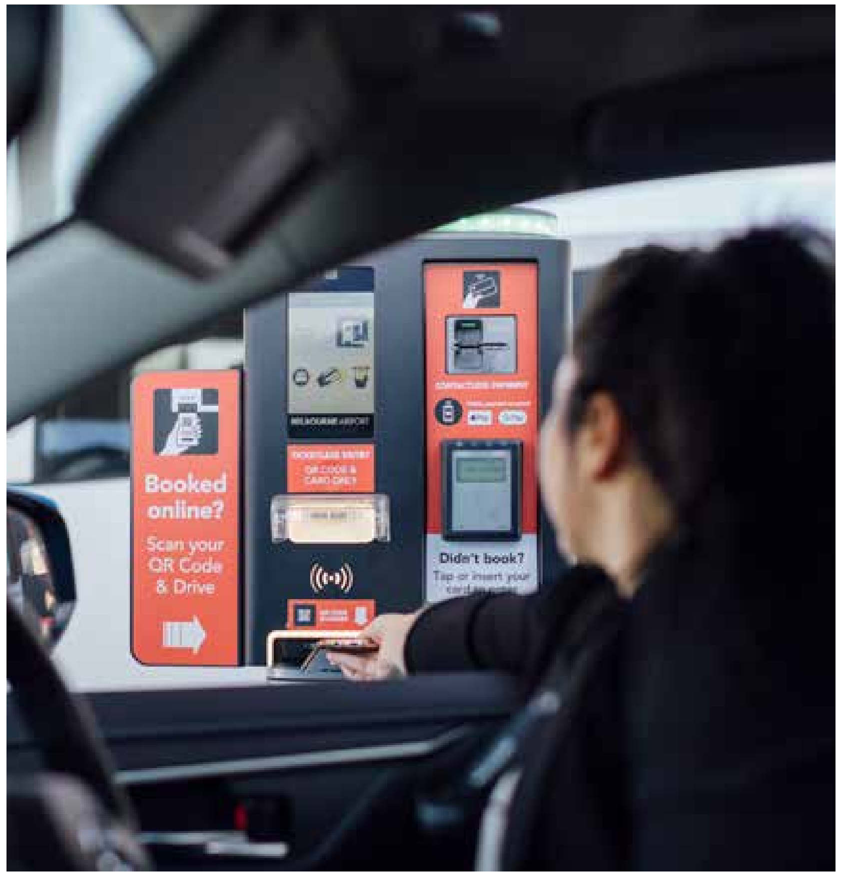
The highly competitive daily rate of $12 for long-term value parking continued to prove popular, with demand at times creating capacity constraints, particularly during peak periods such as school holidays. This prompted the extension of the Value Express service during school holidays, which provides value car park customers with a valet service for a one-off upgrade fee of $24. Due to the popularity of the product, Melbourne Airport is considering investing in making this a permanent solution.

To enhance the online booking experience and simplify the car park entry and exit process, Melbourne Airport invested in a QR code system for all online bookings, which went live in August 2023. The system was a marked change for customers, with videos and signage part of an extensive ongoing education and awareness campaign. As part of the change management process, elements of the booking system and signage have been amended over time based on customer feedback.

This, along with other automations introduced to car parking systems, has resulted in an 83 per cent decrease in refunds requiring processing, as well as a reduction in the time it takes to respond to customer enquiries.

Melbourne Airport continues to promote the benefits of booking online in advance, which helps manage capacity and operational response, particularly during peak travel periods. Online bookings currently account for roughly 60 per cent of car park bookings for longer stays of more than six hours.

To streamline parking customer service, the airport brought the Premium Valet and Ground Transport customer call centre teams in-house in March 2024. Previously operated by Wilson Parking, Melbourne Airport retained most of the staff, ensuring continued excellence in customer service.



Commercial operators

Melbourne Airport continues to work with commercial operators to deliver products that meet the needs of customers travelling to and from the airport.

SkyBus experienced strong year-on-year growth in line with the increase in travellers coming through the airport. The distinctive red buses continued to be a popular option, with an average of 8,000 passengers transported each day, a six per cent increase on the previous year.

The reorganisation of the kerbside pick-up zone at the International Terminal continues to deliver passenger benefits as traveller numbers increase, with the average customer wait time for Uber decreasing by 30 per cent to just over two minutes. In the financial year, pick-up trips grew by more than 30 per cent.

The busiest days of the year for Uber were driven by major events, including the Taylor Swift concerts, with pick-ups 50 per cent higher on 15 and 16 February than the equivalent days in 2023.

Work is underway to improve the Uber pick-up area in the Terminal 4 ground transport hub, reflecting the increased passenger demand for the product. A separate dedicated pick-up area will be constructed, separating taxis from rideshare vehicles but maintaining the two options in close proximity for passengers to easily find their choice of operator.

Melbourne Airport is working with Safe Transport Victoria to address issues with the behaviour of a small number of drivers illegally touting for business around the terminal precinct. Melbourne Airport has updated terminal announcements and signage as part of efforts to deter this activity. The airport has also recently reviewed and improved the application process for accredited vehicle hire drivers, coupled with stringent new measures to manage suspended drivers.

Melbourne Airport is also advocating for the state government to upgrade local public bus services to better serve the needs of passengers and staff. The airport is the largest employment precinct in Victoria outside of the Melbourne CBD but is served by just four bus routes, one of which does not run on weekends.

Road improvement program

To help reduce congestion and improve the flow of vehicles accessing the terminal car parks and passenger pick-up and drop-off zones, Melbourne Airport is building a network of new roads.

The first stage of the project was completed in July 2023 with the opening of the Terminal 4 Express Link, known as Naarm Way. The road streamlines the passenger journey by allowing drivers to bypass roundabouts and traffic lights when accessing the Terminal 4 car park from the Tullamarine Freeway. More than 150 jobs were created during construction of the project, which took around 18 months to deliver.

Works also commenced on Stage 2 of the project, which will connect Naarm Way to all terminals via a new road. Levels 2 and 3 of the existing T123 car park will be repurposed for passenger pick-up and drop-off. Travellers will connect to the terminals via a new pedestrian footbridge, while cars will take exit ramps from the T123 car park to join back onto the Tullamarine Freeway.

To construct the project, up to 2,000 parking spaces will be removed over the construction period, mostly from the T123 car park.

Both stages of the project are a combined investment in excess of $500 million, which is the largest ever private investment in Victorian public roads.

Jessica
MACEDONIO

Customer Experience Officer, Ground Transport, Property & Retail

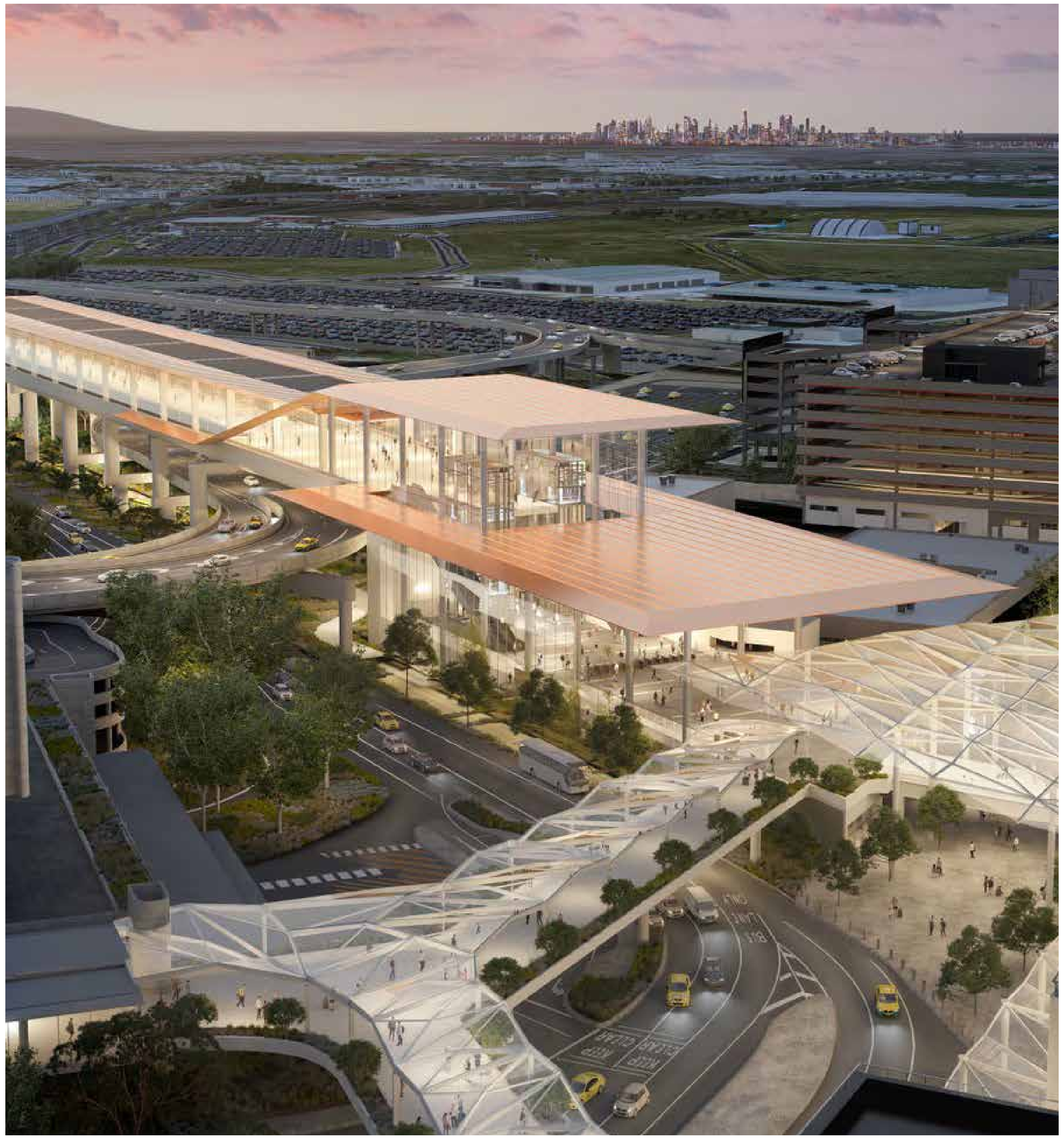
Melbourne Airport Rail

Melbourne Airport remains a strong supporter of a rail link to the city. An airport rail link will provide increased choice to passengers and staff, which is particularly important given an estimated 76 million passengers are expected to pass through the airport in 2042.

Melbourne Airport has consistently advocated for an underground station to better future proof the rail line and terminal precinct.

Following a pause on the project in 2023, the Victorian Government announced in its 2024-25 budget that it would be delayed for four years. The federal government has maintained its $5 billion commitment.

During the past year, Melbourne Airport engaged with the Commonwealth Government-appointed mediator to continue discussions to find a suitable solution. In early July, the airport announced it would not pursue a business case for a below ground station and would continue to support the state government to deliver its preferred above-ground solution as soon as possible.



Commercial Property

Melbourne Airport's commercial property portfolio provides an important stream of non-aviation revenue.

The 650-hectare Melbourne Airport Business Park is the largest in Australia. Tenants include freight and logistics companies, accommodation providers, advanced manufacturing facilities, and sport, recreation and adventure sport operators.

Novotel & ibis Styles Melbourne Airport

The Novotel & ibis Styles Melbourne Airport opened on 1 July 2024 – the first new-build hotels at Melbourne Airport in 20 years. Operated by global hospitality company Accor, the dual-branded hotels are owned by Melbourne Airport.

The 464-room hotels offer travellers all the luxuries and amenities of a city hotel within easy walking distance of Terminal 4.

Guests at the hotels have access to three dining venues as well as Higher State, Melbourne's first airport health, wellbeing and aquatic club. The hotel also provides business travellers with access to conference and events spaces including a ballroom for up to 300 guests, as well as The Aerofoil, a modern co-working space spread across two floors.

Speculative warehouse program

Melbourne's industrial market continues to experience historically low vacancy rates, including zero vacancies within the Melbourne Airport Business Park, and strong levels of occupier demand for good quality small-to-medium-sized warehouses.

Melbourne Airport has been well placed to capture opportunities through the delivery of speculative warehouses, which broaden the product offering available in the business park.

Following the successful delivery of the program's first warehouse in early FY24, construction of the next two warehouses is underway. Each warehouse is around 16,000 square metres and contains two individual tenancies.

Agreements have been entered into with potential tenants for three of the four tenancies, and both warehouses are on track for completion in FY25.

Construction

Eleven projects have been completed in the past 12 months, with a further seven projects currently underway in the Melbourne Airport Business Park.

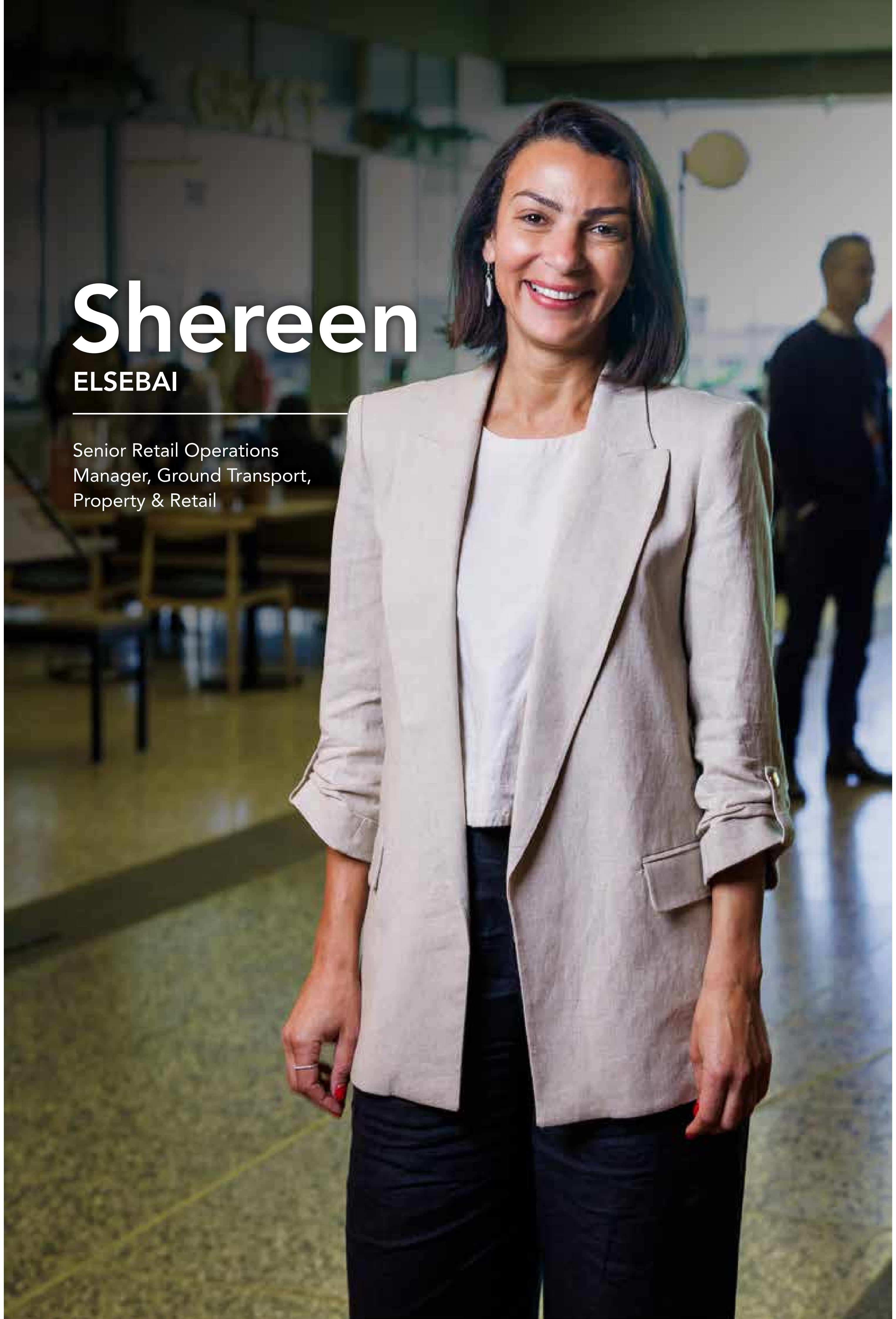
The 74,277-square-metre Techtronic Industries warehouse achieved practical handover in early 2024. It is the largest project ever undertaken in the precinct, and its location under the flight path presented several challenges. The facility was erected using innovative multi-crane lifting methods to stay under restricted airspace, as well as night shifts to take advantage of planned runway closures during the runway overlay project. The location of the site at Melbourne Airport gives the power tools company easy access to its various markets.

The world-class CSL Seqirus vaccine manufacturing hub achieved practical completion in June 2024. More than 2,500 people are involved in construction of the building, which will manufacture influenza vaccines, antivenoms and other vaccines for Australia and the world. The facility will officially open in 2026.

A new 10,000-square-metre temperature-controlled facility for Toll Healthcare was completed in mid 2024, becoming the company's largest healthcare site in Victoria. As a supply chain partner to CSL Seqirus, the facility has been custom built to support CSL Seqirus' operations.

Röhlig Logistics broke ground on a new 18,500-square-metre warehouse in the Business Park in May 2024. The project is expected to be completed by early 2025.

The Commercial Property team also completed Sky Road West, an important infrastructure project that will open up another 300,000 square metres of developable land for future property opportunities. The project included extending the existing road by an additional 500 metres.



Shereen
ELSEBAI

Senior Retail Operations Manager, Ground Transport, Property & Retail

Retail

Melbourne Airport is proud to provide passengers with a variety of high-quality product offerings, from food and beverage to fashion, electronics and toys. As Victoria's primary international and domestic gateway, the airport showcases some of Victoria's most iconic brands.

In FY24, 18 new stores, restaurants and pop-ups were opened including 12 in Terminal 1, four in Terminal 2, one in Terminal 3 and one in Terminal 4.

Across the airport precinct, more than 3,300 people are employed in retail businesses.

Terminal 1 transformation

Melbourne Airport unveiled The Square retail precinct in Terminal 1 (Qantas domestic) in December 2023, ahead of the Christmas travel peak.

The area celebrates Melbourne's food culture, with food and beverage operators carefully selected to showcase the city's finest coffee, food and bars.

Passengers now have access to some of Melbourne's most well-known coffee houses and eateries, including ST. ALi , Pope Joan, Rustica and Veneziano. Other venues in the 2,400-square-metre precinct include the Gary Mehigan-owned Mobo Moga, The Local Taphouse (run by Stomping Ground Brewing Co) and The Grace Wine Bar and Eatery.

As part of a $50 million investment to transform the retail offering in Terminal 1, the terminal's food court and central escalators were demolished, making way for a world-class dining precinct.

Work is underway on a refurbishment of Pier C, which will welcome a new Brunetti Classico restaurant, a Lotte super-site and a new WHSmith store in the coming year.

Lotte Duty Free

After taking over Melbourne Airport's duty-free operations in June 2023, Lotte continued to evolve its offering, bringing in new brands and products as well as engaging activations such as complimentary make-up tutorials and skincare consultations.

Lotte introduced an exclusive Givenchy counter featuring "La Collection Particulière", Givenchy's most premium range of fragrances, which is one of only two in Australia.

An Aperol pop-up store that coincided with the Australian Open won two awards at the 2023 SHOP Retail Marketing Awards.

Work also began on the renovation and expansion of the duty-free area. The Arrivals concourse will be the first upgraded, with the renovation of the existing space to be inspired by Melbourne's laneways and architectural style.

Pricing audit

Melbourne Airport offers choice to travellers looking for food and beverages at a range of price points.

To understand how Melbourne Airport retail prices compare to similar operations, PWC was engaged to conduct an audit of food and beverage pricing across locations in the Melbourne CBD, Chadstone, Sydney Airport, and Ampol and United petrol stations.

The audit found that many products, particularly in the bar/pub and dine-in categories, are in line with, and sometimes cheaper, than CBD venues. This included some popular bottled water brands. However, other products were more expensive, such as banana bread and extra coffee shots at some outlets.

While Melbourne Airport does not dictate the prices that franchise businesses charge, the audit provides information that will support contract discussions in future to ensure retailers continue to provide value to travellers.

Melbourne Airport has worked with its retail partners to develop "bundle deals" across the terminals. Retailers have selected some of their best products and combined them into deals that deliver even more value to travellers. The "Land a Deal" promotion was launched at the end of June, ahead of the school holidays.

Risk Management and Assurance

Rigorous risk management, governance and assurance are essential for safety, corporate stability and for sustaining long-term performance.

Risk management

APAC's risk management framework provides a sound basis for good corporate governance, supports the business in achieving its objectives and fosters a positive risk culture.

APAC's philosophy to achieving effective risk management is underpinned by three key principles:

- Culture: APAC seeks to build a strong risk management and control culture thorough awareness, ownership and proactive management of key risks.
- Structure: APAC seeks to put in place an organisational structure that promotes good corporate governance, provides for appropriate segregation of duties, defines responsibilities and authorities, and promotes awareness, ownership, and accountability for risk management.
- Process: APAC seeks to implement robust processes and systems for effective identification, analysis, evaluation, treatment and monitoring of risks. This is done in a holistic and consistent manner and emphasises the integrated nature of risk management within the APAC business. APAC seeks to improve risk management and internal control policies and procedures on an ongoing basis and ensure that they remain sound and robust.

Organisational risks are managed collaboratively, and APAC's corporate risk profile is regularly reported to the Executive Leadership Team, the Audit, Risk and Finance Committee, and the Board.

APAC's Board and Executive Leadership Team has responsibility for driving and supporting risk management across the business.

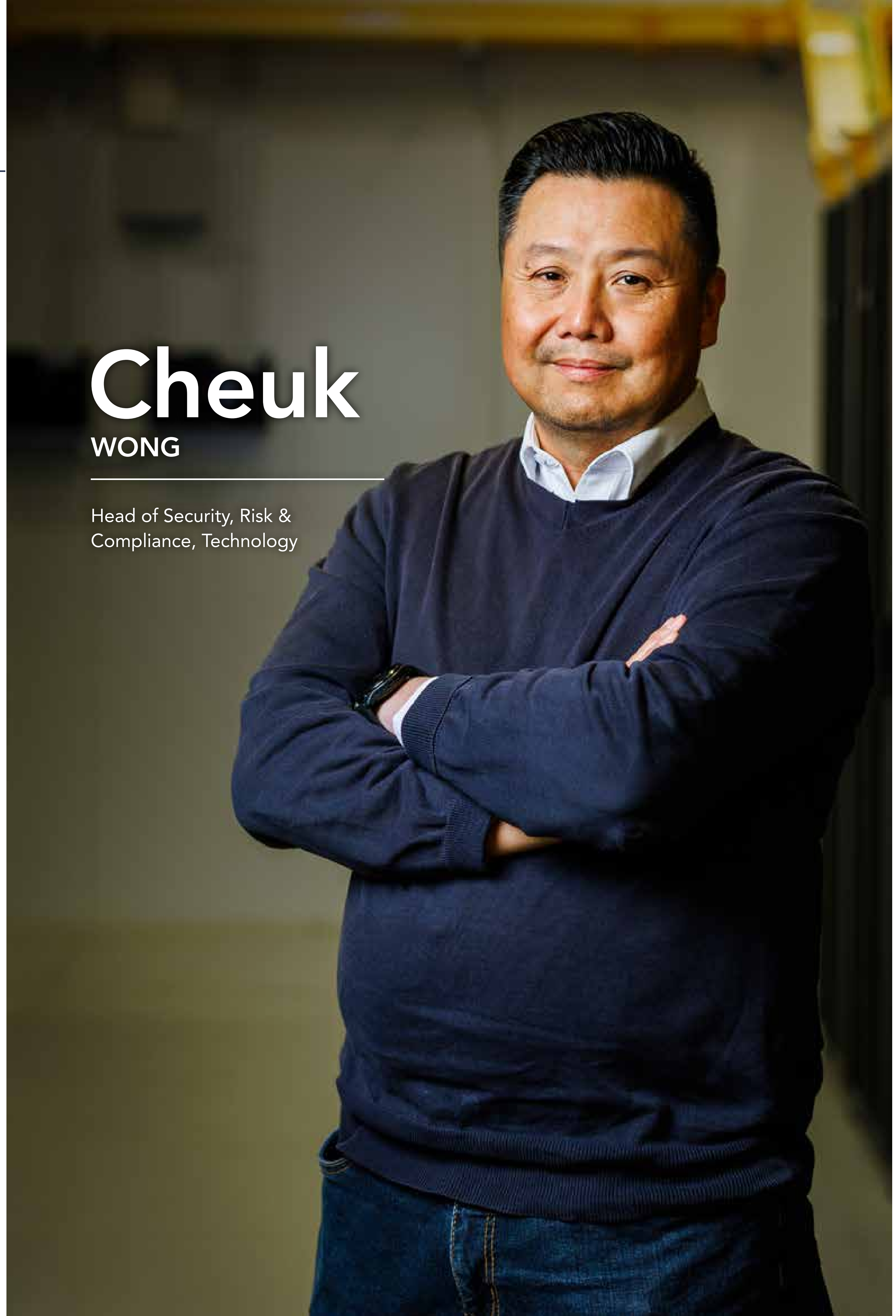
The Audit, Risk and Finance Committee has responsibility for the oversight of risk management and regularly reviews the Corporate Risk Profile, supported by "deep dives" on key risks, as part of a continuous improvement cycle to enhance overall risk maturity.

Assurance

APAC maintains an internal audit function that provides a systematic and disciplined approach to evaluating and continually improving the effectiveness of risk management and internal control processes.

The Audit, Risk and Finance Committee is responsible for approving the scope of the internal audit plan, overseeing the performance of the internal audit team and reporting to the Board on the status of the risk management system.

The combined strength of APAC's culture of accountability, risk management and assurance activities – the three lines of defence – provides the company with an effective risk management framework.



LAUNCESTON AIRPORT

Launceston Airport

Our vision is to be Australia's leading regional airport.

About
LAUNCESTON AIRPORT

Launceston Airport is a subsidiary of Australia Pacific Airports Corporation. It opened as the Western Junction Aerodrome in 1929, before being redeveloped as Launceston Airport in 1962.

Launceston Airport lies in the north of the state in a place used for gathering and transit for millennia.

Centrally located in a fertile valley, surrounded by ranges and rivers, it's a natural meeting point and transport hub. Many First Nations people travelled through the area for thousands of years, hunting and celebrating, following the seasons and their traditions.

Situated 15 kilometres south of Launceston, the airport serves as the northern gateway to Tasmania for commercial aircraft, air freight and private operators.

Most of Tasmania's key destinations are within a 2.5-hour drive from the airport, including Cradle Mountain, the Tamar Valley and The Great Lakes.

Launceston is one of only two cities in Australia to be recognised as UNESCO Cities of Gastronomy.

The airport site occupies 180 hectares, with a single north-west runway and full-length taxiway. Facilities include six domestic aircraft stands, three freight stands and 15 general aviation stands. The three-storey terminal complex includes four dedicated boarding gates. A separate terminal houses Sharp Airlines' maintenance facilities, national reservations centre and departure lounge.

The airport also provides a range of facilities and office accommodation to ancillary non-aviation businesses attracted to the benefits of operating in an environment that has excellent connectivity and logistics links.

As the main aviation hub for northern Tasmania, Launceston Airport is the second-busiest airport in the state. A key economic driver, the airport contributes $81 million annually to the Northern Tasmanian economy, with tourists arriving through the airport contributing more than a billion dollars to the state's economy. The airport has a workforce of more than 550 direct and indirect employees.

Launceston Airport

FY24 vs FY23 HIGHLIGHTS

TOTAL PASSENGERS
+10.0%
1.4m

AIRCRAFT MOVEMENTS (INC FREIGHTERS) +2.1%
10,626

NUMBER OF EMPLOYEES
45

EMPLOYEE ENGAGEMENT
75%

GENDER BALANCE (% FEMALE)
31.1%

FATALITIES
0

LOST TIME INJURIES (EMPLOYEES)
0

LOST TIME INJURY FREQUENCY RATE (EMPLOYEES)
0.00 per million hours

CUSTOMER INCIDENTS
5

Launceston Airport Strategy

BE AUTHENTIC, GROW, LEAD AND ENABLE

CUSTOMER FIRST

Create an authentic Tasmanian brand that delivers the most positive and memorable regional airport experience in Australia.

- Reimagine the Launceston Airport brand in line with the airport's vision and values
- Reimagine the customer experience at Launceston Airport

GROW OUR BUSINESS

Drive revenue diversification and profitability by growing airline services and commercial partner opportunities.

- Identify and deliver key commercial opportunities to grow profitability for Launceston Airport
- Position Launceston Airport as a key strategic partner to all levels of government

LEAD WITH INFLUENCE AND DRIVE SUSTAINABILITY

Responsibly leverage stakeholder relationships to drive social, economic, community and ESG outcomes.

- Increase focus on sustainability and heritage

ENABLE OUR PEOPLE TO DO THEIR BEST WORK

Embed a culture of safety, inclusivity, learning and excellence to attract, develop and retain the best people.

- Develop a diverse resource and capability structure aligned with business growth and strategy
- Design an employee experience roadmap

Shayne
NUNN

Senior Airport Operations Officer,
Launceston Airport

Launceston Airport

In a year marked by key infrastructure upgrades and record passenger numbers, Launceston Airport continued its remarkable post-pandemic growth, consistently outpacing capital city markets including Melbourne and Sydney.

The opening of a new cargo facility and a freight capacity uplift solidified the airport's position as the aviation gateway for Tasmanian exporters.

A leading destination

The financial year was Launceston Airport's busiest on record, with a total of 1.4 million passengers transiting through the airport, which represented a 10 per cent increase on the previous financial year.

The airport's recovery was one of the quickest in Australia.

A record August saw passenger levels surpass pre-pandemic levels for the first time. This heralded the beginning of seven record passenger months.

The airport also set a new record for the most passengers handled in one day, with 5,954 passengers touching down or taking off on 22 December 2023, which surpassed the previous best of 5,947 set on 30 December 2019.

Having doubled direct services out of the airport since the pandemic, the addition of these seasonal flights gave Northern Tasmanians direct access to the five mainland state capital city markets and provided exporters vital links to high value markets around the nation.

In October, Virgin Australia brought forward the resumption of its seasonal Perth and Adelaide services due to strong demand that saw growth across both routes throughout the year.

Low-cost start-up carrier, Bonza arrived at the airport in November 2023, marking the first new airline to the airport in more than a decade.

Bonza did things differently, unlocking new destinations and new markets for travellers. For Launceston, it meant direct access to the Southeast Queensland market and places like the Sunshine Coast for the first time in the state's history. Disappointingly, Bonza went into administration in April 2024.

In addition to strong airline partnerships, passenger growth across the year was underpinned by successive Tourism Tasmania campaigns including "The Off Season", "Come Down for Air" and "Odd Jobs",which continued to drive recognition of Tasmania as a destination of choice both nationally and abroad.

Carl
BYRNE

Project Manager Development,
Launceston Airport

A growing gateway

To ensure infrastructure kept pace with growing passenger levels, the airport embarked on a transformative set of projects across the precinct.

The largest of these works was stage one of the $14 million Check-in Hall and Security screening project, which opened in August.

Award-winning Tasmanian architectural firm Cumulus delivered the modern and expanded check-in hall, with works completed in just under twelve months.

The check-in hall upgrades expanded the building's footprint by 650 square metres and modernised the passenger journey with the introduction of self-check-in terminals and automated bag drops.

Supported by both the state and federal governments, the new facility can accommodate the 2.5 million passengers expected to make their way through the terminal each year by 2040.

Stage 2 of the transformative project was completed with the installation of a new state-of-the-art security screening point in December, just ahead of the Christmas rush.

The world-class security point boasts new screening technology along with body scanners, and brings Launceston Airport into line with the nation's leading airports.

The new screening point unlocks a faster and simpler security process for travellers, removing the need to take laptops and aerosols out of bags prior to screening.

Securing the future

The airport has embarked on 10-year $100 million infrastructure development plan to develop an intermodal hub and revitalise and expand the terminal.

Launceston Airport has a vision to transform 40 hectares of commercially viable land to the east of the precinct into a freight hub, which will link road, rail and air for the first time in Tasmania, as well as connect into northern seaports.

This facility would ensure Tasmanian exporters have direct access to high-value markets throughout Australia and abroad and would solidify Northern Tasmania as the economic capital of Tasmania.

Freight

More than $4.4 billion worth of produce is exported out of Tasmania each year and a significant portion of that originates from Northern Tasmania.

To accommodate this, Launceston Airport and Virgin Australia, undertook a $4 million upgrade of the Virgin Australia Cargo facility, which was completed in November.

The bespoke hub will transport more than 500 tonnes of products each year and provide producers with a key mode of transport from pallet to plate.

June marked another milestone for cargo at the airport, with the demand for online shopping in Launceston leading to a 70 per cent freight uplift.

Qantas replaced its 737 Australia Post dedicated freighter with a larger Airbus A321 enabling the transportation of more than 21,000 parcels on each and every flight.

The new aircraft is also a step forward in sustainability, with the Airbus being almost 40 per cent more fuel efficient than the older 737 it replaced.

Dan
APAREKKA

Finance Business Partner, Launceston Airport

Connecting community

Launceston Airport prides itself on the close relationship it enjoys with the local community and sought to further embed this relationship throughout the year.

Contributions to the Glover Arts Prize along with support for local community groups and programs underpinned the relationship between the airport and the community.

A wider corporate strategy to promote and celebrate women in aviation at Launceston Airport brought together more than 30 girls from six schools across Northern Tasmania to hear about potential employment pathways within aviation as part of their STEM learning program.

Doing things differently

Launceston Airport functions as the state's natural entry and exit point.

To embrace its sense of place in a culturally rich region of Tasmania, the airport undertook a brand refresh in FY24.

The new brand seeks to reflect the history of the land on which the airport sits along with the culture and history of Northern Tasmania, and has been woven into new infrastructure builds along with a website update.

As part of the refresh, a local artist was commissioned to create signature pieces for the airport's halls as well as digital artwork for online channels.

MELBOURNE AIRPORT | LAUNCESTON AIRPORT

Financial Statements

FY 2024

Directors' Report

FY ENDED 30 JUNE 2024

The Directors of Australia Pacific Airports Corporation Limited (the Company) and its controlled entities (the Group or APAC) present their report for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

During the financial year, the principal activity of the Group was the ownership and management of Melbourne Airport (APAM) and Launceston Airport (APAL).

REVIEW OF OPERATIONS

FY2024 has delivered a significant milestone for the Group, with 36.6 million passengers passing through Melbourne and Launceston airports, a 13.9% increase on the year ended 30 June 2023, and the full restoration of international capacity to Melbourne and Victoria.

Melbourne Airport was the first capital city airport in Australia to surpass pre-pandemic levels of international capacity, with growth in key markets such as India and Vietnam, and the arrival of a significant new player in Turkish Airlines. A total of 11.0 million international passengers travelled through Melbourne Airport, a 33.3% increase on the year ended 30 June 2023, resulting from a focus on rebuilding and growing capacity across new and existing markets.

The Group welcomed 25.5 million domestic passengers in the year ended 30 June 2024, a 7.2% increase on the prior year, with leisure routes continuing to perform strongly.

Melbourne Airport is Victoria's gateway to the world – and with Melbourne now Australia's largest city, we are working to meet the demand that growth places on us. The capital program across the precinct continues to progress to cater for passenger demand. Notable milestones during the year included:

- Novotel and ibis Styles hotel construction was completed to meet the demand of a growing passenger base;
- continued construction of the Northern Infill Security Enhancement project, which will deliver a significant upgrade in international baggage systems, including additional capacity;
- stage 1 of the Elevated Road and Forecourt development completed in July 2023, with the opening of a one-way elevated road connecting the Tullamarine Freeway, which links Melbourne CBD to the Airport, directly through to the T4 Transport Hub, reducing congestion during peak periods. Stage 2 of the program has commenced construction in April 2024 and will deliver further capacity and safety enhancements to the road network within the Airport precinct; and
- the airfield maintenance program continued with the one in ten-year replacement of pavement on runway16/34 completed.

Financial results:

The Group delivered a full recovery of financial performance, with operating profit of $841.2 million for the year ended 30 June 2024 (30 June 2019: $770.5 million, 30 June 2023: $693.8 million).

Operating Profit ($m)	Jun-24	Jun-23	Jun-19 (pre-COVID)
Operating Profit	841.2	693.8	770.5

Revenue ($m)	Jun-24	Jun-23	Jun-19 (pre-COVID)
Aeronautical	528.5	432.7	427.8
Retail	175.2	128.9	185.2
Ground Transport	243.7	228.8	214.1
Property	134.7	122.5	116.8
Outgoings/ recharges	38.0	48.9	39.4

Strong passenger performance delivered significant uplift in revenue across aeronautical, retail and ground transport with property revenue increasing in the period due to annual rent escalations and new developments. The reduction in outgoings/ recharges related to recovery of costs for the Melbourne Airport Rail project no longer operating in the period, offset by a corresponding reduction in costs.

Operating costs, excluding security passthrough costs, increased by $12.5 million. The uplift is a result of increased cleaning and operational costs aligned to the recovery of passenger volumes, maintenance to support the Melbourne Airport Business Park and an increase in the expected credit loss provision.

Borrowing costs increased by $33.5 million in FY24 as a result of increasing interest rates and additional debt, offset by an increase in interest income of $12.8 million from cash on deposit.

The Group returned a profit after tax of $311.9 million for the year (30 June 2023: $146.8 million). Carry forward tax losses from prior periods have been fully utilised in the year with the Group being in a tax payable position of $46.3 million as at 30 June 2024.

APAC's balance sheet remains strong with $2,014.2 million of liquidity at balance date including undrawn bank facilities of $1,426.2 million and cash of $588.0 million. Market readiness activities are underway to access capital markets to fund the FY25 capital program. The Group continues to be compliant with financial covenants for the year ended 30 June 2024.

Operating cash inflows for FY24 were $617.5 million on the back of strong passenger numbers and revenue performance (30 June 2023: $479.8 million and 30 June 2019: $462.6 million).

Investing cash outflows of $801.6 million for the period reflect the groups ongoing capital works, with the increase in comparison to the prior year (30 June 2023: $509.7 million) attributable to the uplift in construction activity.

Net financing cash outflows of $217.5 million include debt repayments of $976.0 million and dividend payments of $312.8 million, partially offset by $1,085.1 million drawdown of debt. Debt repayments in the period were made from funds raised under the EMTN program in FY23.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

DIVIDENDS

The Directors are proposing a final dividend for the year ended 30 June 2024 of $54,585,000 ($0.462 per share) to be paid in September 2024 (2023: $141,305,000). In March 2024, an interim dividend of $171,451,000 ($1.452 per share) was declared and paid for the year ended 30 June 2024.

EVENTS OCCURRING AFTER BALANCE SHEET DATE

In July 2024, the Rex Group, which owed the Group $6.4 million as of 30 June 2024, entered administration. In response, the Group has made a provision for the full receivable amount in its financial statements for the year ended 30 June 2024. The adjustment reflects the uncertainty surrounding the recovery of the debt, which became apparent after the year-end but prior to the financial statements being finalised.

On 8 and 15 August, APAC entered into interest rate hedging contracts commencing September 2024 and maturing in 2029 and 2031 with a total notional value of $500.0 million to manage its exposure to fluctuations in interest rates on its floating-rate borrowings.

No other matters or circumstances have arisen since 30 June 2024 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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DIRECTORS

Directors Name	Position	Period of directorship
Peter Hay	Chair	Appointed 1 June 2019
Michael Cummings	Director	Appointed 19 March 2015
Danny Elia	Director	Appointed 6 October 2015
James Fraser-Smith	Director	Appointed 15 September 2016
Raphael Arndt	Director	Appointed 29 August 2019
Talieh Williams	Director	Appointed 1 January 2022, Resigned 12 August 2024
Samantha Lewis	Director	Appointed 24 October 2022
Michael Faulkner	Director	Appointed 13 November 2023
Stewart Brentnall	Director	Appointed 12 August 2024
Timothy May	Alternate Director	Appointed 31 August 2023
Daniel Fitzpatrick	Director / Alternate Director	Appointed as Alternate Director 19 May 2023, Appointed as Director 15 September 2023, Appointed as Alternate Director 13 November 2023
David Dowling	Director	Appointed 14 June 2022, Resigned 15 September 2023

Effective 1 October 2024, Peter Hay will be retiring from his position as the Chair of APAC and Christine O'Reilly will take on the role of the Chair.

Effective 12 August 2024, Talieh Williams resigned from her position as director and was replaced by Stewart Brentnall.

Peter Hay, Chair

Mr Hay has a strong background and breadth of experience in business, corporate law, finance and investment banking advisory work, with particular expertise in relation to mergers and acquisitions. He has also had significant involvement in advising governments and government-owned enterprises. Peter's board experience spans mining and resources, manufacturing, retail, property, and financial services. He is currently Chair of Mutual Trust. He is a former Director on the boards of Vicinity Centres, GUD Holdings, Novion, Myer, ANZ Bank, Alumina and Newcrest Mining.

Samantha Lewis, Director and Chair of Audit Risk & Finance Committee

Ms Lewis is a Non-Executive Director of CSL Limited. In addition, Ms Lewis is a Non-Executive Director and Chairman of the Audit & Risk Committee of Nine Entertainment Co. Holdings Limited. Previously, Ms Lewis was an Assurance & Advisory partner from 2000 to 2014 with Deloitte Australia and a former non-executive director of Aurizon Holdings Limited and Orora Limited. Ms Lewis's expertise includes accounting, finance, auditing, risk management, corporate governance, capital markets and due diligence.

Michael Cummings, Director and Chair of Remuneration Committee

Mr Cummings is a Nominee Director on behalf of Dexus. In addition to APAC, Mr Cummings is on the board of Powerco NZ. Mr Cummings has over 34 years of international experience in the infrastructure sector – having been a director on the board of infrastructure companies in Australia, NZ, the UK and the US. He has also held senior executive positions in a number of major energy infrastructure companies. Mr Cummings is a Fellow of the Australian Institute of Company Directors, and a Chartered Member of Engineering New Zealand.

Danny Elia, Director

Mr Elia is the Global Head of Asset Management at IFM Investors where he is responsible for driving IFM Infrastructure's asset management strategy across the Australian and Global Infrastructure funds. Previous roles include CEO of South Australian Health Partnerships, Director of Public Private Partnerships for Leighton Contractors, General Manager of Transurban Victoria and Finance Director of Linfox Logistics Asia Pacific. Mr Elia is currently a Director on the board of Committee for Melbourne and a Non-Executive director of Atlas Arteria Limited.

James Fraser-Smith, Director

Mr Fraser-Smith is a senior infrastructure investment professional with over 20 years of experience. As the Head of Unlisted Infrastructure and Timberland at Future Fund, he manages a global portfolio in excess of $10b and leads the team responsible for infrastructure strategy, transactions and asset management. James represents Future Fund as a Director on the Boards of Melbourne Airport and Amplitel. James holds Civil Engineering and Commerce degrees from the University of Melbourne and has completed a Master of Applied Finance. He is also a graduate member of the Australian Institute of Company Directors.

Raphael Arndt, Director

Dr Arndt was appointed as the Chief Executive Officer of the Future Fund in 2020. Raphael served as the Chief Investment Officer of the Future Fund from 2014 to 2020. He leads a multi-disciplinary organisation, managing A$245 billion on behalf of the Commonwealth of Australia. Raphael was previously the Fund's Head of Infrastructure and Timberland where he was responsible for establishing both the Timberland and Infrastructure investment programs. Raphael is also Chairman of the Investment Committee and a Board Member of the Melbourne Lord Mayor's Charitable Foundation, Australia's largest community foundation. Raphael started his career as an Engineer working with Ove Arup & Partners in Melbourne and London. He holds Engineering and Commerce degrees and a PhD from the University of Melbourne which focused on risk allocation in Public Private Partnerships.

Talieh Williams, Director (resigned 12 August 2024)

Ms Williams is a senior sustainable investment and ESG executive, having led the investment stewardship teams at both the Victorian Funds Management Corporation and UniSuper. Ms Williams has also worked in sustainability consulting, the oil industry and commercial legal practice. Ms Williams is a Trustee Director at the Shrine of Remembrance, sits on the Climate Bonds Standards Board and has previously been a director of the Australian Council of Super Investors, the Responsible Investment Association of Australasia and the Investor Group on Climate Change. Ms Williams holds a Master of Social Science (International Development), a Bachelor of Laws (Honours) and a Bachelor of Planning and Design (Urban Design).

Michael Faulkner, Director

Mr Faulkner is Managing Director, Transport at Dexus and leads the Dexus Infrastructure Transport team. He has over 15 years' experience in infrastructure, across transport, energy and core-plus infrastructure sectors and the origination, execution and asset management lifecycle of large-scale infrastructure investments. He was previously a senior member of the investment team at HRL Morrison & Co with prior roles at KPMG, Macquarie Capital and Wood Mackenzie. He holds a Bachelor of Commerce Degree from the University of Sydney, is a Chartered Accountant, a Charterholder of the CFA Institute and a graduate of the Australian Institute of Company Directors. He is a current Non-Executive Director of Port Hedland International Airport and a former Non-Executive Director of ElectraNet, Sydney Desalination Plant, Perth Energy and Macarthur Wind Farm.

Stewart Brentnall, Director

Joining NSW Treasury Corporation (TCorp) in 2017 as the Chief Investment Officer, Stewart leads TCorp's investment management business, responsible for advice and management of $110bn of funds across the NSW Government, including pension assets, insurance reserves and a central fund to invest in long term debt retirement assets and to recycle infrastructure sales proceeds. With over 30 years' investment management industry experience in Australia and the UK, Stewart has held senior roles at ANZ's Australasian Wealth business, BT Financial Group, Queensland Investment Corporation, Goldman Sachs and Schroders. Stewart holds a BSc Economics (Honours) from Bristol University, UK. He is a Chartered Accountant, a Graduate of the Australian Institute of Company Directors and a Fellow of FINSIA.

Meeting of Directors

The number of meetings of the company's Board of Directors (Board) and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Full Board		Remuneration Committee		Audit, Risk and Finance Committee	
	Held	Attended	Held	Attended	Held	Attended
Peter Hay	8	8	4	4	4	4
Michael Cummings	8	8	4	4	-	-
Danny Elia	8	8	4	4	-	-
James Fraser-Smith	8	8	4	4	-	-
Raphael Arndt	8	7	-	-	-	-
Talieh Williams	8	8	4	4	4	4
Samantha Lewis	8	8	-	-	4	4
Michael Faulkner	6	6	-	-	3	3
Stewart Brenthall	-	-	-	-	-	-
Timothy May	-	-	-	-	-	-
Daniel Fitzpatrick	1	1	-	-	-	-
David Dowling	1	1	-	-	1	1

Those attended by the Company Secretary were:

	Held	Attended	Held	Attended	Held	Attended
Aaron Gant	8	8	4	4	4	4

FUTURE DEVELOPMENTS

The Group's future developments and operations are included within the Master Plans of Melbourne Airport (2022) and Launceston Airport (2020). The documents, published every five years, include setting the strategic direction for each airport, providing plans for development, documenting to the public the intended uses of the sites and development proposals and ensuring compliance with environmental legislation and standards.

Formal approval of APAM's 2022 Master Plan was obtained in November 2022.

ENVIRONMENTAL REGULATION

In relation to environmental matters, the Group is subject to the Airports Act 1996 (Cth) ("the Act") and the Airports (Environment Protection) Regulations 1997 ("the Regulations"). The Group is satisfied that the results of environmental monitoring conducted by internal and external specialists during the year ended 30 June 2024 demonstrate compliance with the Act and the Regulations in all material respects.

Like other airports around Australia, fire-fighting foams containing per- and poly- fluoroalkyl substances ("PFAS") have historically been used by Airservices Australia at Melbourne and Launceston Airports. Melbourne and Launceston Airports continue to investigate, manage and monitor PFAS at both airports.

INDEMNITY AND INSURANCE OF OFFICERS AND AUDITORS

Each officer (including each Director) of the Group is indemnified, to the maximum extent permitted by law, against any liabilities incurred as an officer of the Group pursuant to agreements with the Group. Each officer is also indemnified against reasonable costs (whether legal or otherwise) incurred in relation to relevant proceedings in which the officer is involved because the officer is or was an officer.

The Group has arranged to pay a premium for a Director's and officer's liability insurance policy to indemnify Directors and officers in accordance with the terms and conditions of the policy.

This policy is subject to a confidentiality clause which prohibits disclosure of the nature of the liability covered, the name of the insurer, the limit of liability and the premium paid for this policy.

The auditor of the Group is in no way indemnified out of the assets of the Group.

No application has been made and no proceedings have been brought or intervened in on behalf of APAC under section 237 of the Corporations Act.

AUDITOR'S INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 119.

ROUNDING OF AMOUNTS

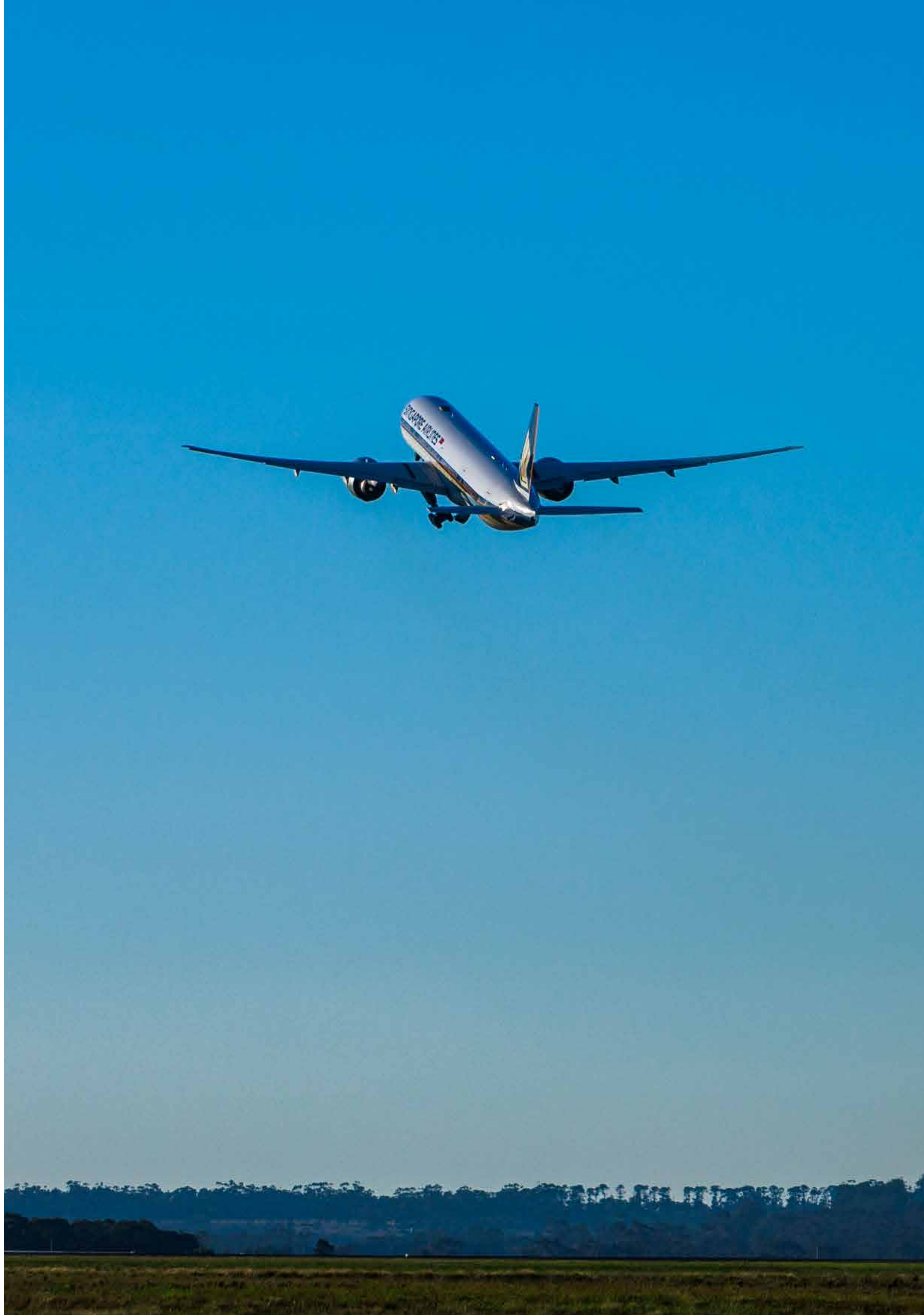
The Group is of a kind referred to in Australian Securities & Investments Commission (ASIC) Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191 dated 1 April 2016, and in accordance with that instrument all financial information has been rounded to the nearest thousand dollars, unless otherwise indicated.

This report is made in accordance with a resolution of the Directors.

On behalf of the Directors

Mr P. Hay
Chairman

29 August 2024
Melbourne



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General information

The financial statements represent Australia Pacific Airports Corporation Limited and its controlled entities as a consolidated group. The financial statements are presented in Australian dollars, which is Australia Pacific Airports Corporation Limited's functional and presentation currency.

Australia Pacific Airports Corporation Limited ACN 069 775 266 is an unlisted public company limited by shares, incorporated and domiciled in Australia.

Its registered office and principal place of business is:

Level 2, Terminal 2,
Melbourne Airport VIC 3043
(03) 9297 1600
website: www.melbourneairport.com.au
Email: reception@melair.com.au

A description of the nature of the Group's operations and its principal activities are included in the Directors' report.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 August 2024.

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Revenue			
Aeronautical		528,529	432,689
Security	5	99,796	75,276
Retail		175,191	128,879
Ground transport		243,713	228,824
Property		134,690	122,476
Outgoings/recharges		37,971	48,911
Other income		7,358	5,730
Profit on sale of property, plant and equipment		57	31
Total revenue		**1,227,305**	**1,042,816**
Expenses			
Staff costs		(77,322)	(73,038)
Security	5	(97,825)	(73,297)
Services and utilities		(127,954)	(108,243)
Maintenance costs		(32,698)	(28,964)
Administration and marketing costs		(20,217)	(18,094)
Other costs		(14,038)	(32,163)
Software as a service expense		(7,990)	(15,895)
Allowance for expected credit (losses)/reversal		(8,045)	678
Total expenses		**(386,089)**	**(349,016)**
Operating Profit		**841,216**	**693,800**
Change in fair value of investment property	11	101,900	(1,707)
Borrowing costs	4	(287,082)	(253,551)
Interest income		25,100	12,323
Depreciation, amortisation and impairment losses	4	(235,340)	(241,812)
Profit before income tax expense		**445,794**	**209,053**
Income tax expense	6	(133,874)	(62,244)
Profit after income tax expense for the year		**311,920**	**146,809**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of cash flow hedges taken to equity, net of tax		11,409	12,473
Other comprehensive income for the year, net of tax		11,409	12,473
Total comprehensive income for the year		**323,329**	**159,282**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated statement of financial position as at 30 June 2024

	Note	2024 $'000	2023 $'000
Assets			
Current assets			
Cash and cash equivalents		587,987	989,623
Trade and other receivables	7	148,967	139,757
Derivative financial instruments	15	55,451	223,146
Income tax receivable		-	21
Accrued revenue	8	42,515	41,360
Other assets	9	40,164	48,994
Total current assets		**875,084**	**1,442,901**
Non-current assets			
Property, plant and equipment	10	4,062,885	3,610,925
Investment properties	11	2,539,644	2,299,918
Intangible assets	12	674,101	675,017
Derivative financial instruments	15	145,418	210,940
Accrued revenue	8	279,756	162,893
Other assets	9	4,650	2,048
Total non-current assets		**7,706,454**	**6,961,741**
Total assets		**8,581,538**	**8,404,642**
Liabilities			
Current liabilities			
Payables	13	324,204	166,319
Borrowings	14	564,634	1,197,293
Income tax payable		46,313	-
Employee benefit provisions		26,689	23,457
Derivative financial instruments	15	-	264
Lease liabilities	17	1,287	1,287
Unearned income		8,388	11,238
Total current liabilities		**971,515**	**1,399,858**
Non-current liabilities			
Payables	13	1,202	2,452
Borrowings	14	5,427,154	4,962,225
Deferred tax liability	6	755,380	676,891
Employee benefit provisions		1,717	1,903
Derivative financial instruments	15	109,950	53,828
Lease liabilities	17	1,835	2,447
Unearned income		19,615	22,442
Total non-current liabilities		**6,316,853**	**5,722,188**
Total liabilities		**7,288,368**	**7,122,046**
Net assets		**1,293,170**	**1,282,596**
Equity			
Issued capital	19	118,100	118,100
Hedging reserves	20	(11,889)	(23,298)
Retained profits		1,186,959	1,187,794
Total equity		**1,293,170**	**1,282,596**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated statement of changes in equity for the year ended 30 June 2024

	Issued capital $'000	Hedging reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2022	118,100	(35,771)	1,040,985	1,123,314
Profit after income tax expense for the year	-	-	146,809	146,809
Other comprehensive income for the year, net of tax	-	12,473	-	12,473
Total comprehensive income for the year	-	12,473	146,809	159,282
Balance at 30 June 2023	**118,100**	**(23,298)**	**1,187,794**	**1,282,596**
Balance at 1 July 2023	**118,100**	**(23,298)**	**1,187,794**	**1,282,596**
Profit after income tax expense for the year	-	-	311,920	311,920
Other comprehensive income for the year, net of tax	-	11,409	-	11,409
Total comprehensive income for the year	**-**	**11,409**	**311,920**	**323,329**
Transactions with owners in their capacity as owners:				
Dividends paid	-	-	(312,755)	(312,755)
Balance at 30 June 2024	**118,100**	**(11,889)**	**1,186,959**	**1,293,170**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated statement of cash flows for the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		1,236,675	1,093,263
Payments to suppliers and employees		(382,111)	(419,758)
Interest received		30,670	5,573
Interest paid		(253,693)	(199,297)
Income tax paid		(13,945)	-
Net cash from operating activities	**24**	**617,596**	**479,781**
Cash flows from investing activities			
Payments for investment property		(137,826)	(102,051)
Payments for property, plant and equipment		(663,903)	(405,052)
Payments for intangibles		(16)	(2,595)
Proceeds from disposal of property, plant and equipment		57	31
Net cash used in investing activities		**(801,688)**	**(509,667)**
Cash flows from financing activities			
Proceeds from borrowings		1,085,075	1,612,799
Repayment of borrowings		(975,996)	(621,000)
Dividends paid		(312,755)	-
Repayment of lease liabilities		(612)	(680)
Payment for debt issue costs		(13,256)	(25,055)
Net cash from/(used in) financing activities		**(217,544)**	**966,064**
Net increase/(decrease) in cash and cash equivalents		(401,636)	936,178
Cash and cash equivalents at the beginning of the financial year		989,623	53,445
Cash and cash equivalents at the end of the financial year		**587,987**	**989,623**

The above consolidated statement financial position should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements 30 June 2024

1. Basis of preparation

Statement of compliance

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

The financial statements comprise the consolidated financial statements of Australia Pacific Airports Corporation Limited (the Company) and the entities it controls (together the Group). For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The presentation currency used in these financial statements is Australian dollars ($). Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

The financial statements have been prepared under the historical cost convention, except for measurement of investment properties and derivative financial instruments, which are measured at fair value through profit or loss or other comprehensive income, as described in Note 11 and Note 15.

The financial statements were authorised for issue by the Directors on 29 August 2024.

Rounding of amounts

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar, unless otherwise indicated.

Net current liability position

The Group was in a net current liability position of $96.4 million at 30 June 2024 (30 June 2023: net current asset position of $43.0 million), principally due to $564.6 million of current borrowings maturing in October 2024. In March 2024, the Group executed an EMTN of EUR 650 million ($1,085.1 million) to meet the upcoming debt maturity in October 2024 and fund future capital expenditure.

The Group's balance sheet remains strong with available liquidity as at 30 June 2024 in the form of cash and cash equivalents of $588.0 million (30 June 2023: $989.6m) and undrawn bank facilities is $1,426.2 million (30 June 2023: $1,792.3 million). The Company continues to be compliant with financial covenants for the year ended 30 June 2024.

The Group retains a total of $1.4 billion of bank debt facilities of which $1.2 billion is a syndicated facility with two equal tranches maturing in August 2026 and August 2028 and $200.0 million is a bilateral facility maturing in April 2026, both facilities are undrawn. These facilities, along with the $588.0 million of cash available, are sufficient to meet forward commitments.

The Directors continually monitor the Group's working capital position and capital commitments with reference to the Group's existing debt facilities and available liquidity and are satisfied that the Group will be able to pay its debts as and when they fall due. As a result, the financial statements have been prepared on a going concern basis.

2. Material accounting policy information

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended accounting standards and interpretations adopted

The Group has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The adoption of these Accounting Standards and interpretations did not have a material impact on the financial performance or position of the Group.

New or amended accounting standards and interpretations not yet adopted

Effective in the next financial year (FY25)

Current/non-current presentation of loan arrangements: AASB 101 Presentation of Financial Statements was amended to address the classification of liabilities as current or non-current where conditions must be met and related disclosures for liabilities subject to such conditions.

Sales leaseback transactions: AASB 16 Leases was amended in relation to the accounting for a sale leaseback transaction where the payments are variable.

Supplier finance disclosures: AASB 107 Statement of Cash Flows and AASB 7 Financial Instrument: Disclosures were amended to require new disclosures of supplier finance arrangements and the effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The Group is currently assessing the impact of these new standards and amendments but expects that their adoption will not have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions.

Effective in financial periods beyond FY25

AASB 121 The Effects of Changes in Foreign Exchange Rates was amended to address the accounting for a transaction or an operation in a foreign currency that is not exchangeable into another currency (effective for annual reporting periods beginning on or after 1 January 2025).

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace AASB 101 Presentation of Financial Statements, was released by the IASB in April 2024. It is to be effective for annual reporting periods beginning on or after 1 January 2027, once adopted into Australian Accounting Standards. Many principles in AASB 101 are retained and it will not impact recognition or measurement of items in the financial statements. However, the changes introduce a new defined structure to the profit and loss statement with the objective of achieving comparability. New disclosures will also be required for some management-defined performance measures to enhance transparency.

The Group is currently assessing the impact of these new standards and amendments but expects that their adoption will not have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions.

Sustainability related standards

In June 2023, the International Sustainability Standards Board (ISSB) published two IFRS sustainability disclosure standards in response to the demand for better information about sustainability related matters:

- IFRS S1 General Requirements of Sustainability related Financial Information, which sets out the core content for a complete set of sustainability related financial disclosures, thereby establishing a comprehensive baseline of sustainability related financial information; and
- IFRS S2 Climate-related Disclosures, which will require the Group to provide information that enables the users of its financial statements to understand the Group's governance, strategy, risk management, and metrics and targets in relation to climate-related risks and opportunities.

Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information was shared by the AASB during a consultation period between October 2023 and March 2024. Expected to be finalised in 2024, the exposure draft included proposed Australian Sustainability Reporting Standards that would apply a 'climate first' approach to adopting IFRS S1 and IFRS S2 in Australia.

Notwithstanding that the standards are not yet mandatory for adoption for the financial period ended 30 June 2024, the Group has acknowledged the demand for sustainability related disclosures and has considered the potential impacts of sustainability related matters. There are no current significant financial risks to the statement of financial position. However, the Group is continuing to assess the potential that long term risks of climate change, future climate events, legislation and reporting requirements may adversely impact the value of assets both tangible and intangible. Inability to satisfy reporting or covenant conditions may impact the availability of funding or the cost of available funding.

Management will continue to monitor requirements and implement processes to address climate and sustainability related risks.

Revenue from contracts with customers

Aeronautical revenue

Aeronautical revenue is primarily generated from contracts with airlines for the provision of access to terminals, infrastructure, apron parking, airfield and terminal facilities. Revenue is recognised as the service is provided as follows:

- Passenger charges: On a per passenger basis as they arrive or depart
- Runway charges: On a per passenger basis or on the basis of maximum take-off weight
- Aircraft parking charges: Over the duration of time the aircraft is parked and maximum take-off weight

Aeronautical revenues are billed on a monthly basis.

Incentives and discounts are recognised in line with terms of contracts with airlines and are generally based on passenger numbers, flight frequency and/or new routes. Revenues from passenger charges are therefore variable consideration and estimated monthly. Variable revenue is only recognised when it is highly probable the revenues will not reverse.

Discounts and incentives are generally paid annually based on contract commencement date and any unpaid amount is recognised as a payable.

Security recovery revenues

Revenue is a pass-through of security operating costs and a capital recovery on depreciation and is based on the recognition of actual security costs and depreciation incurred. Revenue is recognised as the expense is incurred.

Security recovery revenues are billed on a monthly basis.

Ground Transport revenues

Parking and ground transport revenue is primarily generated from passengers and staff for the provision of car parking and from taxis, ride share services, busses and private vehicles for the provision of ground access services.

Revenue is recognised for car parking on exit and ground access services over the period of time the service is provided.

Retail revenues

This comprises the lease of commercial space to tenants whose activities include duty free, food and beverage, and financial and advertising services. These contracts contain lease components with revenue recognised on a straight-line basis over the lease term.

Property revenues

This comprises the lease of terminal space, buildings and other space on Melbourne Airport. These contracts contain only lease components with revenue recognised on a straight-line basis over the lease term.

3. Critical accounting judgements, estimates and assumptions

In the preparation of the financial statements, the Directors are required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported carrying values of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Details of the critical judgements and key sources of estimation uncertainty are set out in the following notes:

Key sources of estimation uncertainty

- Allowance for expected credit losses (Note 7)
- Fair value of investment properties (Note 11)
- Impairment of goodwill (Note 12)
- Fair value of derivative financial instruments (Note 15)

4. Profit for the year

The profit before tax for the year includes the following specific items:

	2024 $'000	2023 $'000
Employee benefits expense - superannuation contributions	6,797	5,749
Depreciation, amortisation and impairment losses		
Depreciation on property plant and equipment	233,801	237,229
Amortisation on intangible assets	934	4,578
Impairment of assets under construction	605	05
	235,340	**241,812**
Borrowing costs:		
Interest:		
- Secured debt	285,836	229,375
- Interest capitalised during the period	(41,574)	(16,626)
- Amortisation of deferred borrowing costs	11,382	10,325
Hedge reserve unwind	29,483	29,266
Interest - lease liabilities	676	607
Other finance costs	1,279	604
Total borrowing costs	**287,082**	**253,551**

5. Security

	2024 $'000	2023 $'000
Security revenue	99,796	75,276
Security costs	(97,825)	(73,297)
Security depreciation and other costs	(1,971)	(1,979)
	-	-

Security revenue is a pass-through of security operating costs and a capital recovery on depreciation and is based on the recognition of actual security costs and depreciation incurred.

6. Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset. Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Australia Pacific Airports Corporation Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group. In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(A) INCOME TAX RECOGNISED IN PROFIT

	2024 $'000	2023 $'000
Income tax expense comprises of:		
Current tax expense	60,254	-
Deferred tax expense	73,584	63,466
Current tax in respect of prior years	21	(21)
Deferred tax in respect of prior years	15	(1,201)
Aggregate income tax expense	**133,874**	**62,244**

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

Profit before income tax expense	**445,794**	**209,053**
Tax at the statutory tax rate of 30% (2023: 30%)	133,738	62,716
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:	-	-
Non-deductible expenses	100	750
Deferred tax in respect of prior years	15	(1,201)
Current tax in respect of prior years	21	(21)
Income tax expense	**133,874**	**62,244**

(B) DEFERRED TAX BALANCES

2024	Consolidated			
	Opening balance 1 July 2023 $'000	**Charged to income $'000**	**Charged to equity $'000**	**Closing balance 30 June 2024 $'000**
Gross deferred tax liabilities:				
Property, plant & equipment	(161,696)	2,700	-	(158,996)
Accrued revenue	(50,925)	(9,140)	-	(60,065)
Investment property	(527,979)	(30,570)	-	(558,549)
Other assets	(1,340)	(86)	-	(1,426)
	(741,940)	**(37,096)**	**-**	**(779,036)**
Gross deferred tax assets:				
Provisions & accruals	8,172	3,325	-	11,497
Unearned income	9,542	(2,087)	-	7,455
Hedge reserve	7,143	2,416	(4,890)	4,669
Tax losses	40,156	(40,156)	-	-
Property, plant & equipment	36	(1)	-	35
	65,049	**(36,503)**	**(4,890)**	**23,656**
Net deferred tax liability	**(676,891)**	**(73,599)**	**(4,890)**	**(755,380)**

2023	Consolidated			
	Opening balance 1 July 2022 $'000	**Charged to income $'000**	**Charged to equity $'000**	**Closing balance 30 June 2023 $'000**
Gross deferred tax liabilities:				
Property, plant & equipment	(169,674)	7,978	-	(161,696)
Accrued revenue	(47,265)	(3,660)	-	(50,925)
Investment property	(521,520)	(6,459)	-	(527,979)
Other assets	(1,520)	180	-	(1,340)
	(739,979)	**(1,961)**	**-**	**(741,940)**
Gross deferred tax assets:				
Provisions & accruals	9,365	(1,193)	-	8,172
Unearned income	(5)	9,547	-	9,542
Hedge reserve	15,352	(2,864)	(5,345)	7,143
Tax losses	105,951	(65,795)	-	40,156
Other	36	-	-	36
	130,699	**(60,305)**	**(5,345)**	**65,049**
Net deferred tax liability	**(609,280)**	**(62,266)**	**(5,345)**	**(676,891)**

7. Trade and other receivables

	2024 $'000	2023 $'000
Trade and other receivables	158,420	141,223
Less: Allowance for expected credit losses	(9,453)	(1,466)
Net trade and other receivables	**148,967**	**139,757**
Total trade and other receivables	**148,967**	**139,757**

Revenue is invoiced on 30-day terms, with the exception of property and rental revenue which is invoiced in advance.

Allowance for expected credit losses

The Group recognises a loss allowance for expected credit losses (ECL) on trade receivables and accrued revenue. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the trade receivable.

The Group recognises lifetime ECL for trade receivables and accrued revenue. The expected credit losses on trade receivables and accrued revenue are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Set out below is an overview of the ageing of trade and other receivables and an overview of the associated allowance for expected credit losses held:

	Carrying amount 2024 $'000	Carrying amount 2023 $'000	Allowance for expected credit losses 2024 $'000	Allowance for expected credit losses 2023 $'000
Not overdue	131,049	116,602	3,036	-
0-30 Days	19,719	17,922	2,075	-
31-60 Days	5,098	5,136	2,395	-
61-90 Days	1,128	65	530	-
>90 Days	1,426	1,498	1,417	1,466
	158,420	**141,223**	**9,453**	**1,466**

Movements in the allowance for expected credit losses are as follows:

	2024 $'000	2023 $'000
Opening balance	1,466	2,208
Additional provisions recognised	8,049	-
Receivables written off during the year as uncollectable	(2)	(64)
Unused amounts reversed	(60)	(678)
Closing balance	**9,453**	**1,466**

8. Accrued revenue

	2024 $'000	2023 $'000
Current:		
Straight line leases	17,982	10,731
Other accrued revenue	22,533	28,629
Accrued rebates	2,000	2,000
Total current	**42,515**	**41,360**
Non-current:		
Straight line leases	279,033	160,170
Accrued rebates	**723**	**2,723**
Total non-current	**279,756**	**162,893**

Accrued revenue represents amounts the Group is entitled to receive but has not invoiced at reporting date. When the customer is invoiced, the amount is reclassified to trade receivables.

Straight line leases represent accrued revenue arising from straight line recognition of lease income and from the provision of lease incentives as part of lease contracts with customers. Lease incentives are typically provided at the commencement of a lease which effects the timing of cash flows at the start of the lease, whilst rental revenue is recognised on a straight-line basis over the lease term.

9. Other assets

	2024 $'000	2023 $'000
Current assets		
Prepayments	39,539	48,079
Term deposits	488	846
Other current assets	137	69
Total current	**40,164**	**48,994**
Non-current assets		
Other non-current assets	4,650	2,048
	44,814	**51,042**

10. Property, plant and equipment

2024	Leasehold land $'000	Buildings and services $'000	Roads, runways & infra-structure $'000	Plant and equipment $'000	Assets under construction $'000	Total $'000
Gross carrying amount						
Balance at 1 July 2023	238,843	2,302,219	1,437,069	1,390,112	680,081	6,048,324
Additions	-	-	-	-	686,366	686,366
Disposals	-	-	-	(163)	-	(163)
Impairment	-	-	-	-	(605)	(605)
Transfers to/(from) assets under construction	-	26,820	83,636	49,024	(159,480)	-
Balance at 30 June 2024	**238,843**	**2,329,039**	**1,520,705**	**1,438,973**	**1,206,362**	**6,733,922**
Accumulated depreciation						
Balance at 1 July 2023	(25,657)	(906,194)	(515,226)	(990,322)	-	(2,437,399)
Depreciation expense	(2,313)	(100,973)	(47,246)	(83,269)	-	(233,801)
Disposals	-	-	-	163	-	163
Balance at 30 June 2024	**(27,970)**	**(1,007,167)**	**(562,472)**	**(1,073,428)**	**-**	**(2,671,037)**
Net book value at 30 June 2024	**210,873**	**1,321,872**	**958,233**	**365,545**	**1,206,362**	**4,062,885**

10. Property, plant and equipment (continued)

2023	Leasehold land $'000	Buildings and services $'000	Roads, runways & infra-structure $'000	Plant and equipment $'000	Assets under construction $'000	Total $'000
Gross carrying amount						
Balance at 1 July 2022	244,800	2,501,893	1,544,188	915,444	438,491	5,644,816
Additions	-	-	-	-	403,858	403,858
Disposals	-	-	-	(345)	-	(345)
Impairment	-	-	-	-	(5)	(5)
Transfer due to change in asset groups	(5,963)	(242,817)	(160,782)	409,562	-	-
Transfers to/(from) assets under construction	06	43,143	53,663	65,451	(162,263)	-
Balance at 30 June 2023	**238,843**	**2,302,219**	**1,437,069**	**1,390,112**	**680,081**	**6,048,324**
Accumulated depreciation						
Balance at 1 July 2022	(24,891)	(976,607)	(521,427)	(677,581)	-	(2,200,506)
Depreciation expense	(2,317)	(101,539)	(46,440)	(86,933)	-	(237,229)
Transfer due to change in asset groups	1,551	171,952	52,641	(226,144)	-	-
Disposals	-	-	-	336	-	336
Balance at 30 June 2023	**(25,657)**	**(906,194)**	**(515,226)**	**(990,322)**	**-**	**(2,437,399)**
Net book value at 30 June 2023	**213,186**	**1,396,025**	**921,843**	**399,790**	**680,081**	**3,610,925**

Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life. The following estimated useful lives are used in the calculation of depreciation:

Buildings	10-40 years
Roads, runways and other infrastructure	13-80 years
Plant and equipment	3-15 years
Assets under construction	Not depreciated

Land leased as part of the airport acquisition (leasehold land) has been valued at acquisition at fair value. Leasehold land is amortised on a straight-line basis over the lease term of 99 years.

11. Investment properties

The Group classifies certain areas of the Airport precinct as investment property as they are held for rental income. These areas include Melbourne Airport Business Park, Hotels, Industrial Buildings and Vacant Land. The Group provide investment properties (along with land and buildings in Note 10) as security for loans as disclosed in Note 14.

The profit for the year includes a gain on revaluation of investment properties of $101.9 million, driven by development profits and land value increase net of infrastructure spend.

	2024 $'000	2023 $'000
Balance at beginning of the period	2,299,918	2,199,574
Additions for the period (at cost)	137,826	102,051
Net (loss)/ gain from fair value adjustments for the year	101,900	(1,707)
Balance at end of the period	**2,539,644**	**2,299,918**

The Group's investment properties represent interests in land and buildings held to derive rental income. They are initially measured at cost, including transaction costs. Subsequently, at each year end reporting date, they are carried at their fair values based on the market value determined by independent (external) valuers. Gains or losses arising from a change in the fair value of investment properties are recognised in the profit or loss for the period in which they arise.

Valuation of investment properties

Each year the Board of Directors appoint an independent professionally qualified valuer to determine the fair value of the Group's investment properties as at balance date (30 June). The external valuer appointed in the current year was Jones Lang LaSalle.

The investment properties held by the Group are held on a leasehold basis (99 year lease, with 72 years remaining as at 30 June 2024). Taking this into consideration, each investment property has been valued by the external valuer as follows:

Valuation method	Description
Capitalisation of net income	The fully leased net income for each precinct has been discounted on a leasehold basis (present value of the net income for the remaining term) from the valuation date at an appropriate capitalisation rate which reflects the nature, location, land value content condition and tenancy profile of each property when compared with current market investment criteria. The valuation does not capitalise into perpetuity as the asset is not freehold. Various adjustments are then made to the calculated result, including estimated future incentives, capital expenditure, vacancy allowances and reversions to market rent.
Discounted cash flow (DCF)	The discounted cash flow analysis allows the assessment of the long-term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon. A wide range of assumptions are made including a target internal rate of return, rental growth, occupancy, sale price of the property at the end of the investment horizon, potential capital expenditure and costs associated with its disposal at the end of the investment period.
Direct comparison approach	Development land (vacant land allotments) has been assessed on a direct comparison approach, where the value is analysed on dollar per square metre ($psm) of site area basis, as this is deemed most appropriate. The scale of available land and duration it will take to develop, and therefore the holding cost, and profit and risk expected, is also acknowledged under this approach.

The external valuer has used the midpoint of the capitalisation of net income approach and discounted cash flow approach as the basis for determining the fair value of each investment property.

Development land has been assessed on a direct comparison basis, on a rate per square metre of site area basis.

Key inputs and sensitivities

Measuring the fair value of the Group's investment properties requires estimates and assumptions which are based on historical experience and expectations of future events that are believed to be reasonable at the date of valuation. Key assumptions include market rents, market rental growth, capitalisation rates, discount rates and terminal yields. Recent and relevant sales evidence and other market data are also considered.

Inputs to investment property valuations are considered Level 3 of the fair value hierarchy as the capitalisation of income and DCF methods require assumptions to be made to determine certain inputs that are not based on observable market data. At reporting date, the key unobservable inputs used by the Group in determining fair value of its investment properties are summarised below:

- Capitalisation rates ranging from 5.13% to 7.05%
- Discount rates ranging from 7% to 8%
- Terminal yields ranging from 5.52% to 7.55% and
- Market rental growth rates ranging from 2.47% to 3.65%

All of the above assumptions have been taken from the latest external valuation report.

12. Intangible assets

2024	Goodwill $'000	Masterplan $'000	Software $'000	Total $'000
Net book value				
Balance at 1 July 2023	671,866	2,228	923	675,017
Additions	-	-	18	18
Amortisation charge	-	(498)	(436)	(934)
	671,866	**1,730**	**505**	**674,101**
Cost	671,866	2,504	33,343	707,713
Accumulated amortisation and impairment	-	(774)	(32,838)	(33,612)
Net book value at 30 June 2024	**671,866**	**1,730**	**505**	**674,101**

2023	Goodwill $'000	Masterplan $'000	Software $'000	Total $'000
Net book value				
Balance at 1 July 2022	671,866	1,539	3,596	677,001
Disposal	-	-	(4)	(4)
Additions	-	2,073	525	2,598
Amortisation charge	-	(1,384)	(3,194)	(4,578)
	671,866	**2,228**	**923**	**675,017**
Cost	671,866	2,504	33,327	707,697
Accumulated amortisation and impairment	-	(276)	(32,404)	(32,680)
Net book value at 30 June 2023	**671,866**	**2,228**	**923**	**675,017**

Critical accounting estimates and judgements - impairment of goodwill

Determining whether goodwill is impaired requires an annual estimation of the recoverable amount of the cash generating units to which goodwill has been allocated. The Group uses the fair value less cost to sell methodology to estimate the future cash flows expected to arise from the cash generating unit and applies a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating units, in order to calculate present value. These calculations require the use of assumptions and the application of sensitivity analysis where appropriate. The company considers Melbourne and Launceston Airports to be separate cash generating units.

The methodology adopted to value the Melbourne and Launceston Airports is a discounted cash flow based on the forecast dividends to equity holders (including franking credits) at a cost of equity. The valuation derived from this discounted cash flow analysis has been cross checked to a valuation based on the capitalised earnings approach by calculating the implied multiples of the valuation and comparing these with those of comparable companies and transactions to ensure the valuation is providing a reliable measure.

The cash flows used in the discounted cash flow analysis were projected based on management's 20 year financial model. Cash flows are driven by aeronautical, retail and property revenues which are heavily dependent on passenger numbers and pricing which is determined based on known contracted terms and forecast inflation. Growth in passenger numbers over the forecast period is based on internal forecasting and information provided by an independent firm.

Terminal value was calculated for the period beyond the 20-year forecast based on a sustainable level of forecast distributions and a capitalisation amount based on a constant terminal growth rate of 3%.

Post-tax cash flows are discounted to their present value using a post-tax discount rate of 10%. The discount rate used reflects current market assessment of the time value of money and the risks specific to the cash generating unit.

Both Melbourne and Launceston Airports have significant headroom between their recoverable amount and the carrying value of their cash generating unit. In the current year the valuation has seen an uplift in this headroom, which remains significantly in excess of the carrying value.

There are no reasonably possible changes in assumptions that would result in impairment.

Accounting policy for Master Plan intangible asset

Under the Airports Act 1996, Melbourne Airport are required every 5 years and Launceston Airports every 8 years to prepare Master Plans to guide the development of the airports for the next 20 years. The costs associated with the Melbourne Airport Master Plan is recognised as an intangible asset amortised over the 5 year period and Launceston Airport over an 8 year period.

Software

Software controlled by the Group is capitalised and amortised over the useful life of the software on a straight-line basis.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis.

13. Payables

	2024 $'000	2023 $'000
Current liabilities		
Trade and other payables (i)	219,324	70,888
GST payable	4,214	2,258
Accrual for assets under construction	71,240	56,271
	294,778	**129,417**
Interest payable to:		
- Secured debt - bank (ii)	29,426	36,902
	324,204	**166,319**
Non-current liabilities		
Undistributed capital note liability (iii)	1,202	1,202
Other non-current liabilities	-	1,250
	1,202	**2,452**

(i) The average credit period for purchases and services is 30 days.

(ii) Secured by a fixed and floating charge over the Group's assets. There have been no defaults on loans payable during the current or prior years.

(iii) Capital notes are entitled to 1/9th of net profit of APAL with distribution equal to 1/9th of declared dividends. Capital notes are redeemable at the end of the Launceston Airport lease.

14. Borrowings

At the reporting date the Group's debt comprises: Bank facilities (Syndicated and bilateral); term bank debt; domestic bonds (AMTN); Euro bonds (EMTN); and USD private placement notes (USPP).

The balances and other details related to the Group's interest-bearing liabilities are presented in the tables below.

	Face value			
	Drawn ($'000) 2024	**Undrawn ($'000) 2024**	**Drawn ($'000) 2023**	**Undrawn ($'000) 2023**
Drawn and undrawn				
Unsecured bank overdraft	-	22,077	-	22,066
Secured term bank debt	1,300,000	-	1,300,000	-
Secured bank facilities	38,800	1,426,200	34,800	1,770,200
	1,338,800	**1,448,277**	**1,334,800**	**1,792,266**
Secured capital markets debt	4,606,684	-	4,501,606	-
Total Borrowings	**5,945,484**	**1,448,277**	**5,836,406**	**1,792,266**

Accounting policy for borrowings

Borrowings are recorded at an amount equal to the net proceeds received (including costs attributable to transaction costs) and recorded at amortised cost using the effective interest rate method.

Foreign currency borrowings are reported at spot exchange rates. Movements in the spot rate are reflected in the Statement of Profit or Loss and Other Comprehensive Income. At 30 June 2024 and 30 June 2023, these borrowings were 100% hedged through cross currency interest rate swaps until maturity. As a result, a strengthening or weakening of the AUD will have no impact on profit or loss or equity.

Fair value

The fair values of fixed interest debt are valued using market observable inputs (Level 2) with available comparative market data utilised as inputs. There were no transfers between levels during the year and there has been no change in valuation techniques applied.

The fair value of all financial instruments is derived from quoted market interest rates which are subsequently incorporated within generally applied discounted cash flow models. The amounts carried on the Statement of Financial Position approximate the fair value with the following exceptions for interest bearing liabilities with the fair values included in the below table under the heading "Fair Value".

				Principal Drawn	Carrying Amount (ii)		Fair Value	
Type	**Maturity**	**Currency**	**Original Currency $'000**	**Face Value (AUD) (i) $'000**	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**
Capital Markets Debt								
USPP	15-Sep-23	USD	200,000	-	-	301,659	-	300,812
EMTN (iii)	26-Sep-23	EUR	550,000	-	-	901,787	-	899,920
EMTN	15-Oct-24	EUR	350,000	505,051	564,881	573,865	570,427	556,881
AMTN	11-Nov-25	AUD	120,000	120,000	120,000	120,000	118,796	117,304
USPP	15-Sep-26	USD	200,000	191,077	301,932	301,659	296,052	291,962
AMTN	4-Nov-26	AUD	200,000	200,000	200,000	200,000	192,500	187,775
USPP ($A)	15-Jan-28	AUD	50,000	50,000	50,000	50,000	50,569	50,178
EMTN	27-Sep-30	NOK	1,500,000	242,994	211,099	209,418	191,879	182,510
AMTN	25-Nov-31	AUD	700,000	700,000	700,000	700,000	613,746	575,963
USPP (iii)	4-Dec-31	USD	105,000	151,844	158,514	158,371	133,704	133,087
EMTN (iii)	24-May-33	EUR	500,000	812,799	806,972	819,807	849,719	813,267
EMTN (iii) (iv)	7-Jun-34	EUR	650,000	1,081,075	1,049,064	-	1,073,353	-
USPP	4-Dec-34	USD	105,000	151,844	158,514	158,371	125,756	127,559
USPP ($A)	4-Dec-39	AUD	150,000	150,000	150,000	150,000	117,359	110,090
USPP ($A)	4-Dec-44	AUD	250,000	250,000	250,000	250,000	189,801	173,208
Total Capital Market Debt				**4,606,684**	**4,720,976**	**4,894,937**	**4,523,661**	**4,520,516**
Bank Debt								
Cash Advance Facility (v)	30-Jul-25	AUD		38,800	38,800	34,800	38,800	34,800
Term Debt	16-Jun-26	AUD		200,000	200,000	200,000	200,616	199,284
Term Debt	13-Sep-27	AUD		292,000	292,000	292,000	302,392	297,189
Term Debt	16-Jun-29	AUD		300,000	300,000	300,000	292,335	289,172
Term Debt	13-Sep-29	AUD		508,000	508,000	508,000	511,836	501,709
Total bank debt				**1,338,800**	**1,338,800**	**1,334,800**	**1,345,979**	**1,322,154**
Total Borrowings				**5,945,484**	**6,059,776**	**6,229,737**	**5,869,640**	**5,842,670**
Fair value adjustments					(24,845)	(33,052)	-	-
Deferred upfront borrowing costs					(43,143)	(37,167)	-	-
Total Net Borrowings				**5,945,484**	**5,991,788**	**6,159,518**	**5,869,640**	**5,842,670**

	2024 $'000	2023 $'000
Current borrowings	564,634	1,197,293
Non-current borrowings	5,427,154	4,962,225
Total Net Borrowings	**5,991,788**	**6,159,518**

All the above borrowings are secured by fixed and floating charges over the Group's assets.

(i) Face values of foreign debt shown reflects the AUD value of the hedged principal amount at inception of the debt.

(ii) Carrying amounts of foreign debt reflect revalued debt in AUD at spot rates as at 30 June 2024 and 30 June 2023, as applicable.

(iii) Individual borrowing carrying amounts exclude fair value hedge accounting adjustments. EMTN maturing in May 2033 and June 2034 and USPP maturing in 2031 are subject to cross currency swaps with a floating pay leg and are the only instruments with a fair value hedge (refer additional detail regarding fair value hedges at Note 15). The cumulative amount of fair value hedge adjustments at 30 June 2024 was ($24,845,222) attributable to each borrowing as follows: EMTN maturing 2033 - $3,533,024, EMTN maturing 2034 – ($6,184,720) and USPP maturing 2031 – ($22,193,526).

(iv) A new EUR 650 million EMTN, with a hedged principal amount of $1,081 million, was issued on 7 March 2024.

(vi) Cash Advance Facility refers to the bank facility for Australia Pacific Airports (Launceston) Pty Ltd. The facility is for $65 million of which $26.2 million was undrawn at 30 June 2024.

15. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency and interest rates, including interest rate swaps, swaptions and cross currency hedges. Net derivative assets decreased by $289.1 million over the period from $380.0 million to $90.9 million, of which $223.1 million related to derivatives hedging September 2023 USPP and EMTN debt maturities.

The net derivative position (before application of hedge accounting) at reporting date is presented below:

	Current 2024 $'000	Non-current 2024 $'000	Total 2024 $'000	Current 2023 $'000	Non-current 2023 $'000	Total 2023 $'000
Assets						
Cross currency swaps	55,451	116,156	**171,607**	221,170	174,707	395,877
Interest rate swaps	-	29,262	**29,262**	1,976	30,246	32,222
Swaption	-	-	**-**	-	5,987	5,987
	55,451	**145,418**	**200,869**	**223,146**	**210,940**	**434,086**
Liabilities						
Cross currency swaps	-	(109,950)	**(109,950)**	-	(53,117)	(53,117)
Interest rate swaps	-	-	**-**	(264)	-	(264)
Swaption	-	-	**-**	-	(711)	(711)
	-	**(109,950)**	**(109,950)**	**(264)**	**(53,828)**	**(54,092)**
Net derivative position assets/(liabilities)	**55,451**	**35,468**	**90,919**	**222,882**	**157,112**	**379,994**

Accounting policy for derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. Any gains or losses arising from changes in fair value of derivatives, except those that qualify as effective hedges, are immediately recognised in profit or loss. When the Group designates certain derivatives to be part of a hedging relationship, and they meet the criteria for hedge accounting, the hedges are classified as either fair value or cash flow hedges.

Hedge accounting

The Group enters into derivatives to offset the risks arising from its long-term borrowings. To the extent permitted by AASB 9, the Group formally designates and documents these financial instruments as fair value and cash flow hedges for accounting purposes. In order to qualify for hedge accounting, the following has been assessed:

- an economic relationship exists between the hedged item and hedging instrument;
- the effect of credit risk does not dominate the value changes resulting from the economic relationship; and
- the hedge ratio is the same as that resulting from amounts of hedged items and hedging instruments for risk management.

As a result of borrowing in foreign currency, the Group is exposed to foreign exchange and foreign interest rate risk. Cross-currency swaps are used to hedge both the foreign exchange risk and foreign interest rate risk over the full term of the foreign currency borrowing. The swaps are designated as cash flow hedges of foreign currency/AUD forward foreign exchange risk of the foreign currency borrowing, fair value hedge of the foreign currency benchmark interest rate risk of the foreign currency benchmark component and cash flow hedge of foreign currency/AUD spot foreign exchange risk of the foreign currency borrowing principal.

Fair value hedges

The objective of the Group's fair value hedging is to convert fixed interest rate borrowings to floating interest rate borrowings through the use of derivatives. Initial recognition of the derivative is at fair value and subsequent changes, being hedging gains/losses, are recognised in profit or loss. The hedge adjustment is included in the carrying value of the hedged items and in the profit or loss. The derivatives are considered to be highly effective hedges as they are matched against underlying foreign currency exposures.

Cash flow hedges

The objective of the Group's cash flow hedging is to convert foreign currency debt to AUD and floating rate debt to fixed through the use of derivatives. Initial recognition of the derivative is at fair value. Subsequently, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the cash flow hedge reserve under equity. Any ineffective portion of the derivative is recognised immediately in profit or loss. The amount accumulated in the cash flow hedge reserve is reclassified to profit or loss in the same period that the hedged cash flow affects profit or loss.

Reconciliation of movement of carrying value of borrowings and derivatives to cash flows arising from financing activities:

	Borrowings 2024 $'000	Derivative assets 2024 $'000	Borrowings 2023 $'000	Derivative assets 2023 $'000
Carrying value as at 1 July 2023	6,159,518	(379,994)	5,059,448	(266,849)
Proceeds from borrowings	1,085,075	-	1,612,799	-
Repayments of borrowings	(975,996)	-	(621,000)	-
Cash inflow / outflow for swaptions	-	1,351	-	(3,200)
Debt issuance costs (cash)	(14,607)	-	(21,855)	-
	94,472	1,351	969,944	(3,200)
Non-cash movements				
Foreign exchange movement	(279,039)	279,039	140,218	(140,218)
Debt issuance costs (accrual movement)	958	-	(1,591)	-
Amortisation of deferred borrowing costs	7,672	-	9,624	-
Fair value changes (other than foreign exchange movement)	8,207	8,685	(18,125)	30,273
	(262,202)	287,724	130,126	(109,945)
Carrying value as at 30 June 2024	**5,991,788**	**(90,919)**	**6,159,518**	**(379,994)**

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16. Financial risk management

(a) Capital risk management

The Group manages its capital to ensure the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and maintaining a strong investment grade credit rating.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 14, cash and cash equivalents and equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings. In addition, the Group has implemented risk management strategies to mitigate against adverse increases to interest rates on future borrowings.

(b) Financial risk management objectives

The Group's corporate treasury function provides financing, investing and financial risk management services to the business. The strategic objectives of the corporate treasury function are to manage all material financial risks related to the Group's treasury activities including funding, liquidity, interest rate, foreign exchange, counterparty credit, operational and compliance risks. Corporate Treasury also provides support to the Group by ensuring financial metrics are maintained at levels that support a strong and stable standalone investment grade corporate credit rating.

The Group does not enter into or trade derivative financial instruments for speculative purposes.

The Group's exposures to interest rates on the financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

(c) Interest rate risk management

Under interest rate derivative contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of rising interest rates.

The following table details the notional amounts and remaining terms of interest rate derivative contracts outstanding as at the reporting date.

	Average contracted fixed interest rate		Notional principal amount		Fair value of interest rate derivatives	
	2024 %	2023 %	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Less than 1 year	-	4.2%	-	729,000	-	1,711
1 to 2 years	-	-	-	-	-	-
2 to 5 years	3.4%	3.6%	1,099,000	1,741,000	29,262	29,833
5 years +	-	3.3%	-	118,000	-	5,689
			1,099,000	**2,588,000**	**29,262**	**37,233**

As at 30 June 2024, of the total face value debt of $5,945.5 million, $4,060.0 million is fixed rate (including post hedging) and $1,885.5 million is floating rate. The $4,060.0 million of fixed rate debt comprises $1,470.0 million of Australian dollar fixed rate debt (AMTN and AUD denominated USPP), $1,099.0 million floating rate debt subject to interest rate derivates per the above table, and $1,491.0 million of foreign currency denominated debt converted to fixed rates through cross currency derivatives per the table below under "Foreign currency risk management".

The sensitivity analyses below have been determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the reporting date.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's:

- Net profit would increase / decrease by $9,427,588 (2023: increase / decrease $6,481,831) as a result of the Group's exposure to variable interest rates on certain borrowings;
- Other equity reserves would increase / decrease by $16,411,575 (2023: increase / decrease $15,724,001) mainly as a result of changes in fair value through other comprehensive income for fixed rate derivative instruments.

(d) Foreign currency risk management

Cross currency exposures for the Group predominantly arise from foreign denominated interest bearing liabilities, creating exposure to exchange rate fluctuations.

These exposures are managed within approved policy parameters utilising cross currency derivatives. The Group's policy is to hedge 100% of currency risk for both capital and interest for the life of the exposure. In both the current and prior year, these cross currency exposures were 100% hedged through cross currency swaps until maturity resulting in no other material currency risk exposure.

	Average Contracted Interest Rate	Average Exchange Rate	Notional Principal Amount		Fair Value of Cross Currency Interest Rate Derivatives	
			1 to 5 years $'000	> 5 years $'000	1 to 5 years $'000	> 5 years $'000
2024						
USPP (USD305m)	5.7%	0.8894	191,077	151,844	98,645	12,040
USPP (USD105m)	BBSW + 1.5%	0.6915	-	151,844	-	(15,507)
EMTN (EUR596m)	5.4%	0.6586	505,051	400,000	55,451	5,472
EMTN (EUR904m)	BBSW + 1.8%	0.6051	-	1,493,874	-	(58,092)
EMTN (NOK1,500m)	4.2%	6.1730	-	242,994	-	(36,451)
			696,128	**2,440,556**	**154,096**	**(92,538)**

	Average Contracted Interest Rate	Average Exchange Rate	Notional Principal Amount		Fair Value of Cross Currency Interest Rate Derivatives	
			1 to 5 years $'000	> 5 years $'000	1 to 5 years $'000	> 5 years $'000
2023						
USPP (USD505m)	6.4%	0.9457	382,153	151,844	203,677	1,357
USPP (USD105m)	BBSW + 1.5%	0.6915	-	151,844	-	-
EMTN (EUR596m)	5.4%	0.6586	505,051	400,000	51,857	10,110
EMTN (EUR804m)	BBSW + 1.9%	0.6712	784,923	412,799	112,320	-
EMTN (NOK1,500m)	4.2%	6.1730	-	242,994	-	(36,560)
			1,672,127	**1,359,481**	**367,854**	**(25,093)**

(e) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As at 30 June 2024, the Group had $2,014.2 million of available liquidity in the form of $1,426.2 million of undrawn bank facilities and $588.0 million of cash and cash equivalents. This provides sufficient liquidity to cover all financial liabilities due in the next 12 months.

The following table details the Group's exposure to liquidity risk as at 30 June 2024. All domestic bonds, US private placements and European bonds listed are fixed rate notes unless otherwise stated.

2024	1 to 3 months $'000	3 months to 1 year $'000	1 to 5 years $'000	More than 5 years $'000	Total $'000
Financial liabilities					
Trade and other payables	294,779	-	-	-	294,779
Interest payable	29,426	-	-	-	29,426
Lease liability	322	966	6,437	2,575	10,300
Non-current payables		-	-	1,202	1,202
	324,527	**966**	**6,437**	**3,777**	**335,707**
Borrowings (principal and interest):					
Term bank debt	18,889	57,760	1,022,854	515,556	1,615,059
Bank facilities	543	1,632	39,171	-	41,346
AMTN	9,814	29,359	439,278	765,908	1,244,359
USPP	8,729	34,082	483,794	966,115	1,492,720
EMTN	5,700	652,420	331,331	2,429,567	3,419,018
	43,675	**775,253**	**2,316,428**	**4,677,146**	**7,812,502**
Cross currency interest rate swaps					
- Outflow	24,335	90,378	435,361	2,385,039	2,935,113
- Inflow	(5,700)	(65,218)	(281,837)	(2,133,894)	(2,486,649)
	18,635	**25,160**	**153,524**	**251,145**	**448,464**
	386,837	**801,379**	**2,476,389**	**4,932,068**	**8,596,673**

2023	1 to 3 months $'000	3 months to 1 year $'000	1 to 5 years $'000	More than 5 years $'000	Total $'000
Financial liabilities					
Trade and other payables	129,413	-	-	-	129,413
Interest payable	36,902	-	-	-	36,902
Lease liability	322	966	6,437	3,862	11,587
Non-current payables	1,250	-	-	1,202	2,452
	167,887	**966**	**6,437**	**5,064**	**180,354**
Borrowings (principal and interest):					
Term bank debt	18,385	59,174	738,700	860,676	1,676,935
Bank facilities	462	1,386	36,966	-	38,814
AMTN	9,901	29,702	452,130	792,228	1,283,961
USPP	317,242	33,939	500,979	991,065	1,843,225
EMTN	935,622	45,941	749,963	1,225,461	2,956,987
	1,281,612	**170,142**	**2,478,738**	**3,869,430**	**7,799,922**
Cross currency interest rate swaps					
- Outflow	7,251	12,671	76,419	460,287	556,628
- Inflow	(5,654)	(5,242)	(43,652)	(410,010)	(464,558)
Interest rate swaps	**5,714**	**-**	**-**	**-**	5,714
	7,311	**7,429**	**32,767**	**50,277**	**97,784**
	1,456,810	**178,537**	**2,517,942**	**3,924,771**	**8,078,060**

(f) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Significant classes of financial assets of the Group may include trade and other receivables and derivative financial instruments.

The carrying amount of each class of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security. As the Group does not have enforceable offsetting arrangements for its financial instruments, gross amounts have been recognised in the Statement of Financial Position.

For derivative financial instruments, treasury counterparties may include banks and other financial institutions with which the Group may engage for banking, lending, derivatives and other treasury activities. The Group require these counterparties to meet minimum ratings thresholds and concentration limits in line with policies, as a means of mitigating the risk of financial loss from defaults.

The Group measures credit risk on a fair value basis.

For trade receivables, the Group adopts a policy of dealing with customers with appropriate credit quality and obtaining collateral support where appropriate for risk mitigation. The Group continues to monitor its trade receivables ageing and engages in follow up activity, which may include enforcement where receivables are overdue. A write off is recognised when there is no reasonable expectation of recovery. Refer to Note 7 for details on Expected Credit Losses.

Hedge Accounting Relationship	Fair Value Hedge		Cash Flow Hedge				
Hedging Instrument Hedged Item Notional Amount Hedge Ratio Denomination	USD - CCIRS USD Fixed Debt USD 105,000,000 1:1 A$'000's	EUR - CCIRS EUR Fixed Debt EUR 903,936,718 1:1 A$'000's	USD - CCIRS USD Fixed Debt USD 410,000,000 1:1 A$'000's	EUR - CCIRS EUR Fixed Debt EUR 1,500,000,000 1:1 A$'000's	NOK - CCIRS NOK Fixed Debt NOK 1,500,000,000 1:1 A$'000's	AUD - IRS + Swaptions AUD Floating Debt AUD 1,099,000,000 1:1 A$'000's	Total A$'000's
At 30 June 2024							
Carrying amount of hedging instruments							
Assets	-	3,531	116,998	60,923	-	29,262	**210,714**
Liabilities	(21,819)	(44,958)	-	(16,666)	(36,351)	-	**(119,794)**
Total	**(21,819)**	**(41,427)**	**116,998**	**44,257**	**(36,351)**	**29,262**	**90,920**
Cumulative fair value adjustment on hedged item[1]	22,194	2,652	-	-	-	-	**24,845**
Carrying amount of the hedged item recognised in the statement of financial position	(135,501)	(1,441,626)	-	-	-	-	**(1,577,127)**
Balance in cash flow hedge reserve for continuing hedges[2]	-	2,563	5,199	9,130	4,456	(36,561)	**(15,213)**
Balance in cash flow hedge reserve from discontinued hedges	-	-	11,334	977	-	19,887	**32,198**
During the Year							
Change in fair value of hedging instrument							
used for calculating hedge effectiveness	(5)	(32,498)	(23,663)	(94,007)	210	(9,525)	**(159,487)**
due to cash payment on restructure of hedges	-	-	-	-	-	(1,351)	**(1,351)**
Change in fair value of hedged item							
used for calculating hedge effectiveness	650	25,717	29,093	103,453	(625)	13,933	**172,221**
Change in cash flow hedge reserve							
for continuing hedge relationships	-	(2,563)	(853)	1,982	(1,471)	(9,562)	**(12,466)**
for discontinued hedge relationships	-	-	6,972	(25,048)	-	46,841	**28,765**
Change in profit or loss							
Ineffectiveness recognised in profit and loss	644	(6,780)	49	(1,839)	-	37	**(7,889)**
Reclassified from CFHR to profit and loss on continued hedge relationships	-	-	108,994	161,397	(6,748)	9,356	**272,998**
Reclassified from CFHR to profit and loss on discontinued hedge relationships	-	-	(6,973)	25,048	-	(49,061)	**(30,986)**

[1]excluding impact of changes in foreign exchange rates on notional amount

[2]cash flow hedge reserve includes the cumulative impact of cross-currency basis recognised as cost of hedging of $15.6 million.

Hedge Accounting Relationship	Fair Value Hedge		Cash Flow Hedge				
Hedging Instrument Hedged Item Notional Amount Hedge Ratio Denomination	USD - CCIRS USD Fixed Debt USD 105,000,000 1:1 A$'000's	EUR - CCIRS EUR Fixed Debt EUR 903,936,718 1:1 A$'000's	USD - CCIRS USD Fixed Debt USD 410,000,000 1:1 A$'000's	EUR - CCIRS EUR Fixed Debt EUR 1,500,000,000 1:1 A$'000's	NOK - CCIRS NOK Fixed Debt NOK 1,500,000,000 1:1 A$'000's	AUD - IRS + Swaptions AUD Floating Debt AUD 1,099,000,000 1:1 A$'000's	Total A$'000's
At 30-June-2023							
Carrying amount of hedging instruments							
Assets	-	-	226,848	183,297	-	38,208	**448,352**
Liabilities	(21,814)	(8,929)	-	(81)	(36,560)	(975)	**(68,359)**
Total	**(21,814)**	**(8,929)**	**226,848**	**183,216**	**(36,560)**	**37,233**	**379,993**
Cumulative fair value adjustment on hedged item[1]	21,544	11,508	-	-	-	-	**33,052**
Carrying amount of the hedged item recognised in the statement of financial position	(135,888)	(1,291,155)	-	-	-	-	**(1,427,043)**
Balance in cash flow hedge reserve for continuing hedges	-	-	4,346	11,112	2,985	(46,122)	**(27,679)**
Balance in cash flow hedge reserve from discontinued hedges	-	-	18,306	(24,072)	-	66,729	**60,963**
During the Year							
Change in fair value of hedging instrument							
used for calculating hedge effectiveness	(7,898)	(8,122)	30,141	110,496	(14,463)	(8,571)	**101,582**
due to cash payment on restructure of hedges	-	-	-	-	-	-	**-**
Change in fair value of hedged item							
used for calculating hedge effectiveness	7,550	10,574	(27,339)	(118,523)	15,806	13,047	**(98,885)**
Change in cash flow hedge reserve							
for continuing hedge relationships	-	-	(3,360)	(14,379)	(4,341)	(8,563)	**(30,643)**
for discontinued hedge relationships	-	-	13,807	25,290	-	9,364	**48,461**
Change in profit or loss							
Ineffectiveness recognised in profit and loss	(348)	2,452	17	8,020	-	(8)	**10,132**
Reclassified from CFHR to profit and loss on continued hedge relationships	-	7,692	(16,080)	(174,433)	5,641	21,531	**(155,648)**
Reclassified from CFHR to profit and loss on discontinued hedge relationships	-	-	(13,807)	(23,288)	-	(9,364)	**(46,459)**

[1]excluding impact of changes in foreign exchange rates on notional amount

17. Lease liabilities

	2024 $'000	2023 $'000
Lease liabilities		
Current	1,287	1,287
Non-current	1,835	2,447
	3,122	**3,734**

The maturity profile of the Group's lease liabilities based on contractual undiscounted payments is set out in Note 16(e).

18. Lease arrangements - Lessor

Some properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of properties are as follows:

	2024 $'000	2023 $'000
Within one year	173,934	123,303
Later than one year but not later than 5 years	517,844	450,726
Later than 5 years	1,012,966	1,048,661
	1,704,744	**1,622,690**

19. Issued capital

	2024 $'000	2023 $'000
118,100,000 Ordinary Shares - fully paid (30 June 2023: 118,100,000)	118,100	118,100

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

20. Hedging reserves

	2024 $'000	2023 $'000
Consolidated		
Opening balance	23,298	35,771
(Gain) / loss on amortisation / unwind of deferred restructuring impact	(21,591)	(39,397)
(Gain) / loss on hedge ineffectiveness	(7,889)	10,132
(Gain) / loss on amortisation of swaption premium	(3,710)	(701)
(Gain) / loss on interest rate swap and swaption fair value movement	6,620	(2,889)
(Gain) / loss on cross currency interest rate swap movements	2,064	33,162
(Gain) / loss on fair value adjustment to debt	8,207	(18,125)
(Gain) / loss on income tax related to amounts reclassified to profit and loss	4,890	5,345
Closing balance	**11,889**	**23,298**

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss at expiry or termination of the hedge transaction.

21. Commitments

	2024 $'000	2023 $'000
Capital expenditure commitments		
No longer than 1 year	786,655	437,866
Longer than 1 year but no longer than 5 years	477,999	365,853
Total property, plant and equipment commitments	**1,264,654**	**803,719**

Other commitments

The Group has entered into a long-term power purchase agreement to support its sustainability initiatives. This agreement requires the Group to purchase a fixed volume of renewable energy at predetermined prices. As of 30 June 2024, the Group has committed to purchasing 80,000 MWhrs of renewable energy annually through these agreements, with the flexibility of +/- 20%.

22. Subsidiaries

Name of entity	Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Parent entity			
Australia Pacific Airports Corporation Limited	Australia	-	-
Subsidiaries			
APAC (Holdings No.2) Pty. Limited	Australia	100	100
Australia Pacific Airports (Melbourne) Pty. Limited	Australia	100	100
Australia Pacific Airports (Property) Pty. Limited (i) (ii)	Australia	100	100
APAC (Holdings) Pty. Limited (i)	Australia	100	100
Australia Pacific Airports (Launceston) Pty. Limited (i)	Australia	100	100

(i) These subsidiaries are classified as small proprietary companies in accordance with the Corporations Act 2001 and are relieved from the requirement to prepare, audit and lodge financial statements.

(ii) This subsidiary was dormant during the financial year.

23. Related party transactions

(a) Equity interests in related parties

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 22 to the financial statements.

(b) Key management personnel compensation

The aggregate compensation of the key management personnel of the Group is set out below. The key management personnel during the year were: P. Hay, L. Argus, R. Martin, G. Devonport, J. Parashos and J. McDermott.

	2024 $	2023 $
Short-term employee benefits	6,706,109	6,992,275
Long-term incentives	672,335	495,266
Resignations	384,000	565,000
	7,762,444	**8,052,541**

(c) Transactions within the wholly-owned group

Australia Pacific Airports Corporation Limited (APAC) is the ultimate parent entity of the wholly owned group, and the parent entity of the tax consolidated group.

In accordance with tax sharing arrangements (refer to Note 6) tax payments have been received or accrued to reflect the wholly owned Controlled Entity's share of the tax expense of the tax consolidated group.

(d) Transactions with Shareholders

IFM Investors Pty Ltd and Dexus Capital Investment Services Pty Ltd, being shareholders, are considered related parties of the Group.

During FY24, IFM Investors Pty Ltd and Dexus Capital Investment Services Pty Ltd provided resourcing support to the amount of $116,000 and $14,000 respectively.

24. Notes to the Statement of Cash Flows

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments, net of outstanding bank overdrafts. Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position. Reconciliation of profit after related income tax to net cash flows from operating activities.

Reconciliation of profit after related income tax to net cash flows from operating activities

	2024 $'000	2023 $'000
Profit after income tax expense for the year	311,920	146,809
Adjustments for:		
Impairment of property, plant and equipment	605	5
Non-cash movement in income tax and deferred tax expense	73,596	62,247
Amortisation of deferred borrowing costs	11,382	10,325
Hedge reserve unwind	29,483	29,266
Depreciation and amortisation of non-current assets	234,735	241,807
Gain on sale of non-current assets	(57)	(31)
Loss/(Gain) on fair value of investment property	(101,900)	1,707
Change in operating assets and liabilities:		
(Increase) in trade and other receivables	(7,253)	(58,624)
(Increase)/decrease in other current assets	(1,748)	5,672
(Increase)/decrease in other non-current assets	(602)	2,009
(Increase) in accrued revenue	(120,018)	(11,321)
Increase in trade payables	147,589	25,616
Increase/(decrease) in interest payables	(7,476)	14,663
Increase in employee provisions	3,047	916
Increase/(decrease) in unearned income	(2,037)	8,715
Increase in tax payable	46,330	-
Net cash from operating activities	**617,596**	**479,781**

25. Remuneration of auditors

	2024 $'000	2023 $'000
Audit or review of the Group financial report and subsidiary financial reports	394,528	373,335
Other assurance services and agreed-upon procedures under other legislation or contractual arrangements	174,826	231,570
	569,354	**604,905**

The auditor of Australia Pacific Airports Corporation Limited is Deloitte Touche Tohmatsu.

APAC Annual Report FY 2024

26. Company disclosures

The financial information below relates to APAC as a standalone entity:

	2024 $'000	2023 $'000
(a) Financial position:		
Assets:		
Current assets	19,289	19,289
Non-current assets	128,032	128,032
Total assets	**147,321**	**147,321**
Liabilities:		
Current liabilities	(14)	(14)
Non-current liabilities	-	-
Total liabilities	**(14)**	**(14)**
Net assets	**147,307**	**147,307**
Equity:		
Issued capital	118,100	118,100
Retained earnings	29,207	29,207
Total equity	**147,307**	**147,307**
(b) Financial performance		
Other comprehensive income	312,755	-
Total other comprehensive income	**312,755**	**-**

27. Contingent liabilities

In the ordinary course of business the Group receives legal claims, but the Directors do not consider there to be any specific matters to disclose.

28. Events occurring after the reporting period

On 30 July 2024, the Rex Group, which owed the Group $6.4 million as of 30 June 2024, entered into administration. In response, the Group has made a provision for the full receivable amount in its financial statements for the year ended 30 June 2024. The adjustment reflects the uncertainty surrounding the recovery of the debt, which became apparent after the year-end but prior to the financial statements being finalised.

On 8 and 15 August 2024, APAC entered into interest rate hedging contracts commencing September 2024 and maturing in 2029 and 2031 with a total notional value of $500.0 million to manage its exposure to fluctuations in interest rates on its floating-rate borrowings.

No other matters or circumstances have occurred between the balance sheet date 30 June 2024 and the date of issuance of these financial statements that would require adjustment to or disclosure in the financial statements.

Consolidated entity disclosure statement

Entity name	Entity Type	Ownership interest	Place formed/ Country of incorporation	Tax residency
APAC (Holdings No.2) Pty. Limited	Body corporate	100%	Australia	Australian resident
Australia Pacific Airports (Melbourne) Pty. Limited	Body corporate	100%	Australia	Australian resident
Australia Pacific Airports (Launceston) Pty. Limited	Body corporate	100%	Australia	Australian resident
Australia Pacific Airports (Property) Pty. Limited	Body corporate	100%	Australia	Australian resident
APAC (Holdings) Pty. Limited	Body corporate	100%	Australia	Australian resident

Directors' Declaration

Australia Pacific Airports Corporation Limited
Directors' declaration
30 June 2024

The Directors declare that:

(a) The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and give a true and fair view of the financial position and performance of the consolidated entity;

(b) The attached financial statements and notes thereto are in compliance with International Financial Reporting Standards as stated in Note 1 to the financial statements;

(c) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

(d) the information disclosed in the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of Directors

On behalf of the Directors

Mr P. Hay
Chairman

29 August 2024
Melbourne

Auditor's independence declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
477 Collins Street
Melbourne, VIC, 3000
Australia

Phone: +61 3 9671 7000
www.deloitte.com.au

29 August 2024

The Board of Directors
Australia Pacific Airports Corporation Limited
Level 2, Terminal 2
Melbourne Airport VIC 3043

Dear Board Members,

Auditor's Independence Declaration

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Australia Pacific Airports Corporation Limited.

As lead audit partner for the audit of the financial report of Australia Pacific Airports Corporation Limited for the year ended 30 June 2024**,** I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner
Chartered Accountants

Independent auditor's report to the members of Australia Pacific Airports Corporation Limited

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
477 Collins Street
Melbourne, VIC, 3000
Australia

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Independent Auditor's Report to the members of Australia Pacific Airports Corporation Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australia Pacific Airports Corporation Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the directors' declaration and the consolidated entity disclosure statement.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our

Independent auditor's report to the members of Australia Pacific Airports Corporation Limited

Deloitte.

knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the

Independent auditor's report to the members of Australia Pacific Airports Corporation Limited

Deloitte.

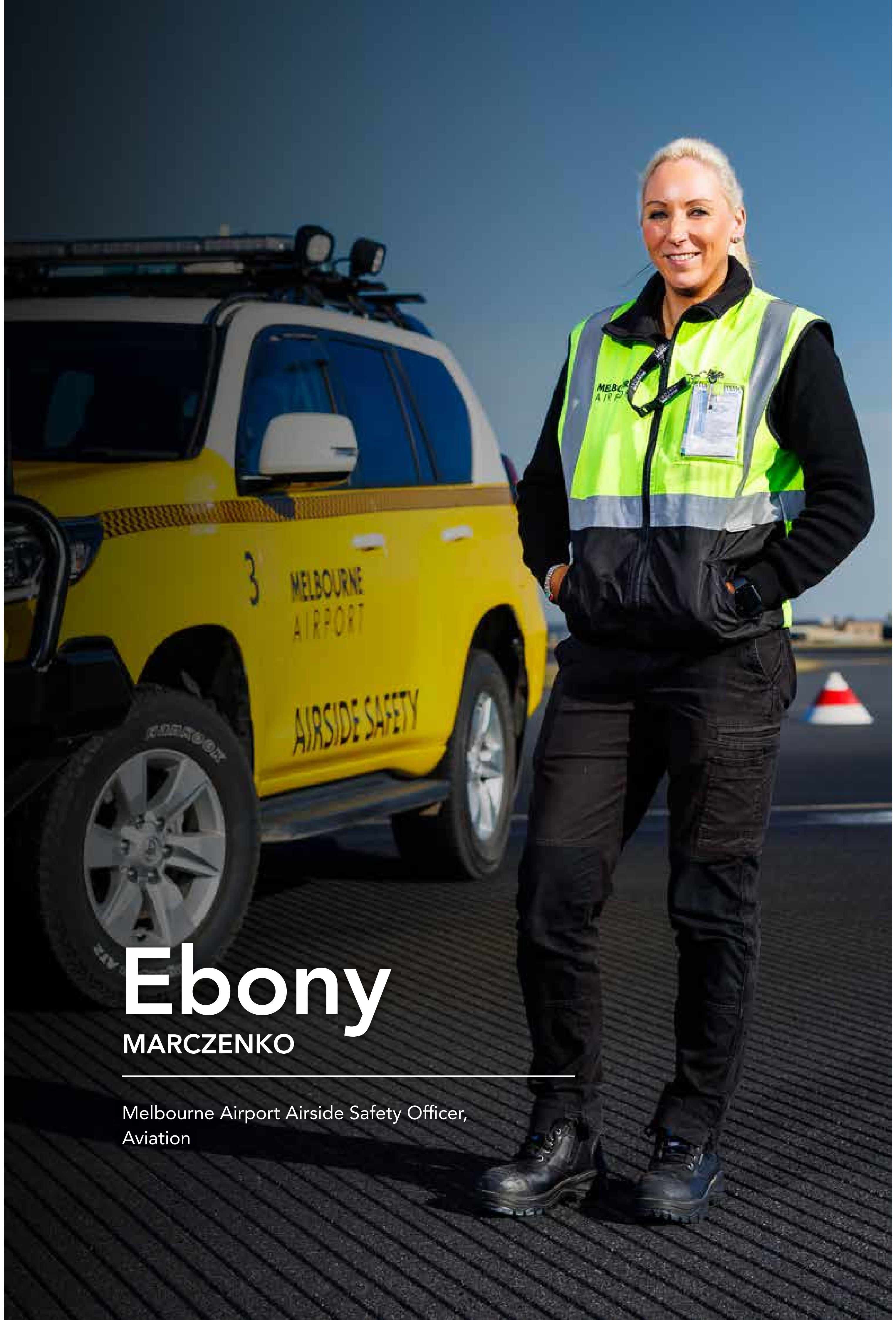
direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner
Chartered Accountants
Sydney, 29 August 2024



Ebony
MARCZENKO

Melbourne Airport Airside Safety Officer, Aviation

FY24 APAC Environment, Social & Governance Data Report

ENVIRONMENT	APAM	APAL	APAC Total	Unit
GHG Emissions and Energy Management				
Scope 1 GHG emissions	6,243	175	6,418	tCO2-e
Natural gas (trigen and boilers)	5,617	Nil	5,617	tCO2-e
Stationary fuels (LPG, diesel, petrol)	75	97	172	tCO2-e
Transport fuels (LPG, diesel, petrol)	531	78	609	tCO2-e
Hydrofluorocarbon emissions	21	Nil	21	tCO2-e
Scope 2 GHG emissions	7,796	251	8,047	tCO2-e
Electricity from purchased electricity*	7,796	251	8,047	tCO2-e
** Scope 2 GHG emissions for APAM are calculated using "Market-Based" approach to reflect the PPA arrangement and onsite solar electricity generation; "Location-based" approach remained for APAL*				
Scope 3 GHG emissions	5,027,414	52,165	5,079,579	tCO2-e
Business partners / consultants	59,300	2,028	61,328	tCO2-e
De-icing	Nil	0.5	0.5	tCO2-e
Construction	258,287	3,728	262,015	tCO2-e
Water, waste water, energy transmission and waste	13,278	385	13,663	tCO2-e
Business travel	1078	39	1,116	tCO2-e
Employee commute (APAC employees)	844	139	982	tCO2-e
Employee commute (Non-APAC employees)	149	7	156	tCO2-e
Aircraft flight (one way - includes landing and take-off)	4,305,600	31,303	4,336,903	tCO2-e
Auxiliary power unit	41,852	1,358	43,210	tCO2-e
Ground support equipment	5,909	281.94	6,191	tCO2-e
Engine run-ups / Ground running	1,971	8	1,979	tCO2-e
Tenant energy *	105,331	147	105,478	tCO2-e
Precinct (non-APAC) workforce commute to/from airport	41,161	1,221	42,382	tCO2-e
Ground transport (passengers)	192,655	11,519	204,174	tCO2-e
** In FY24, we assume that all tenants primarily used electricity from non-renewable sources (using the 'Location-Based' method) due to partial availability of GreenPower® throughout the financial year.*				
Energy				
Total energy sources used to calculate Scope 1 emissions (energy source breakdown)	Gas (90.0%) Stationary fuels (1.2%) Transport fuels (8.5%) HFC emissions (0.3%)	LPG (55.4%) Diesel (44.6%)	Not applicable	Not applicable
Total energy sources used to calculate Scope 2 emissions (energy source breakdown)	Electricity from grid (100%)	Electricity from grid (100%)	Not applicable	Not applicable
Approach to sustainable design or construction principles for large capital works	APAM has a 'Sustainability In Design' review process for all capital projects. Large capital projects have their own sustainability targets and initiatives embedded throughout the design and construction process. Launceston Airport utilises the APAM 'Sustainability In Design' review process.		Not applicable	Not applicable
Total purchased energy input to site (purchased electricity + gas)				
Total in GJ	247,327	7,528	254,855	GJ
Total in kWh	68,701,808	2,091,244	70,794,378	kWh
Total energy input to site (including onsite renewables)				
Natural gas (trigen and boilers)	108,994	Nil	108,994	GJ
Stationary fuels (LPG, diesel, petrol)	1,065	1,589	2,654	GJ
Transport fuels (LPG, diesel, petrol)	7,791	1105.05	8,896	GJ
Electricity (grid)	38,425,568	2,091,245	40,516,813	kWh
Electricity (onsite renewable sources)	18,585,402	Nil	18,585,402	kWh
Electricity (onsite non-renewable sources)	2,147,573	Nil	2,147,573	kWh
Total onsite energy generation				
Electricity (onsite renewable sources)	18,585,402	Nil	18,585,402	kWh
Electricity (onsite non-renewable sources)	2,147,573	Nil	2,147,573	kWh
Renewable energy purchased off site (PPA)	21,699,259	Nil	21,699,259	kWh

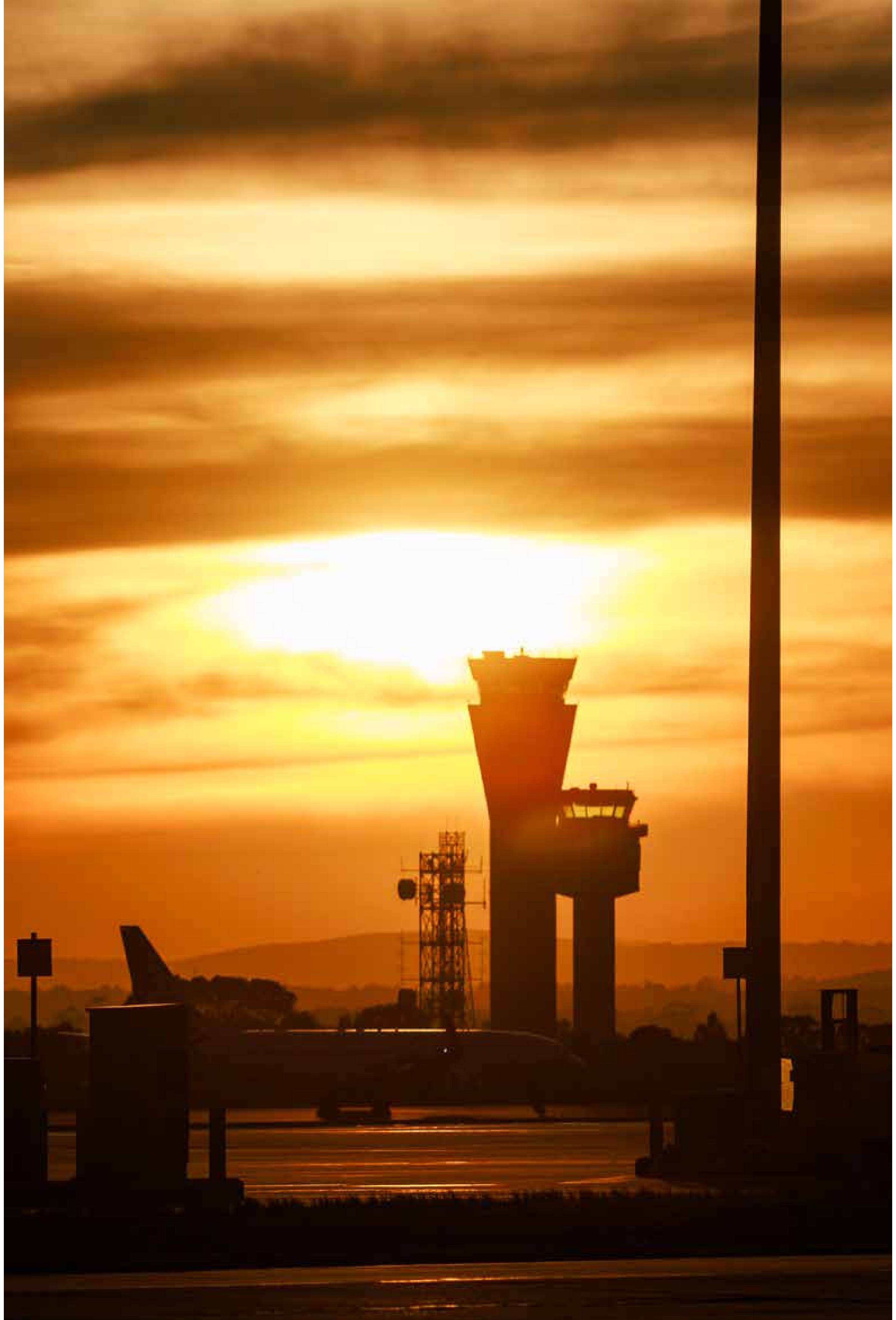
Total significant air emissions				
Carbon monoxide (CO)	12,088	Not available	12,088	kg
Oxides of nitrogen (NOx)	50,336	Not available	50,336	kg
Oxides of sulphur (SOx)	66	Not available	66	kg
Volatile Organic Compounds (VOC)	1,896	Not available	1,896	kg
Suspended Particulate Matter (PM10)	610	Not available	610	kg
Suspended Particulate Matter (PM2.5)	599	Not available	599	kg
Biodiversity				
Biodiversity conservation efforts	8	2	10	#
Total area managed for biodiversity conservation	1,393	Nil	1,393	ha
On-site (hectares)	513	Nil	513	ha
On-site (percentage)	19	Nil	19	%
Off-site (hectares)	880	Nil	880	ha
Trees and shrubs planted in biodiversity conservation areas	2,324	Nil	2,324	#
Number of wildlife strikes	79	7	86	#
Water Management				
Total Water Consumption	**1,261,279**	**52,820**	**1,314,099**	**kL**
Potable water (estate total)	1,122,637	52,820	1,175,457	kL
Ground water	Nil	Nil	Nil	kL
Recycled water	138,642	Nil	138,642	kL
Total Treated Water	**88**	**Nil**	**88**	ML
Arundel Creek water treatment plant	55	Nil	55	ML
Soil storage facility water treatment plant (Gate 11)	33	Nil	33	ML
Total Waste Water (sewer disposal)	**738,134**	**47,538**	**785,672**	kL
Environmental Incidents				
Total environmental incidents (spill to drains and large spills)	**19**	**Nil**	**19**	#
Number of spills to drains (any size)	12	Nil	12	#
Number of large spills (>100L)	7	Nil	7	#
Waste Management				
Total waste to landfill (Terminal)	**5,444**	**147**	**5,591**	**tonnes**
Quarantine / biosecurity waste	1,572	12	1,585	tonnes
General / hard / confiscated / industrial waste	3,871	135	4,006	tonnes
Total waste diversion from landfill (Terminal)	**661**	**68**	**729**	**tonnes**
E-waste	Nil	0.5	0	tonnes
Paper and cardboard	409.84	51	461	tonnes
Garden / green	87.14	Nil	87	tonnes
Terminal organic - onsite processing	107.01	Nil	107	tonnes
Terminal organic - offsite processing	Nil	1	1	tonnes
Metal	19.35	Nil	19	tonnes
Co-mingled	23.15	15	38	tonnes
Glass	Nil	Nil	0	tonnes
Demolition waste (incl. bricks, aerosol, timber, plaster, pvc)	15	Nil	Nil	tonnes
Plastics	0.2	Nil	0.2	tonnes
Total waste to landfill (Construction)				
General / hard / confiscated / industrial waste	799	Not available	799	tonnes
Waste water / NDD/ Slurry	212	Not available	212	kL
Total waste diversion from landfill (Construction)				
Co-mingle	4	Not available	4	tonnes
Glass	10	Not available	10	tonnes
E-Waste	Nil	Not available	0	tonnes
Paper and cardboard	87	Not available	87	tonnes
Metal	291	Not available	291	tonnes
Spoil - clean/ re-use / stockpiled *	307,596	Not available	307,596	tonnes
Vegetation	1	Not available	1	tonnes
Demolition waste (incl. bricks, aerosol, plaster, pvc)	6,874	Not available	6,874	tonnes
Waste water / NDD/ Slurry	18,067	Not available	18,067	kL
Timber	338	Not available	338	tonnes
Concrete	4,016	Not available	4,016	tonnes
Rock	24,963	Not available	24,963	tonnes

** Materials taken to the Gate 11 PFAS Facility and Water Treatment Plant are considered Reuse*

SOCIETY	APAM	APAL	APAC Total	Unit
Stakeholder Engagement				
Number of community complaints received	77	Not available	77	#
Proportion of community complaints closed out / cancelled	77	Not available	77	#
Community investment	556,452	Not available	556,452	$ AUD
Customer satisfaction rating (external eg. Net Promoter Score)	21.4	Not available	21.4	#
Number of employee volunteer hours spent at community engagements	1,468	Not available	1,468	hr
Labour Relations				
Number of employees	405	45	450	#
Number of employees covered by collective bargaining agreements	87	21	108	#
Number of employees leaving during reporting period	41	6	47	#
Total workforce engaged as contractors	60	4	64	#
Customer Privacy				
Number of cyber security breaches	Nil	Nil	Nil	#
Number of privacy breaches	Nil	Nil	Nil	#
Diversity				
Breakdown of workforce by gender (total workforce)	"Female 149 (36.8); Male 253 (62.5); Other 3 (0.7)"	"Female 14 (31.1); Male 31 (68.9); Other 0 (0.0)"	" Female 163 (36.2); Male 284 (63.1); Other 3 (0.7)"	# (%)
Breakdown of workforce by gender (senior management)	Female 3 (37.5); Male 5 (62.5); Other 0 (0.0)			# (%)
Breakdown of workforce by gender (Board)	Female 2 (25.0), Male 6 (75.0), Other 0 (0.0)			# (%)
First Nations Employees	Not avaliable			#
Number of employees born in a country other than Australia	Not available			#
Employee satisfaction for the last three years (have they been completed; if so, internally or externally)	Yes (externally)			Yes / No
Employee Engagement	83			%
No. of hours by social enterprise	7,436	Nil	7,436	#
Dollar impact by social enterprise	277,777	Nil	277,777	$ AUD

SAFETY	APAM	APAL	APAC Total	Unit
Number of work-related employee and contractor fatalities	Nil	Nil	Nil	#
Number of aircraft / ship / customer incidents	9; Nil ; 66	10; Nil ; 5	19; Nil; 71	#
Total Lost Time Injuries				
Lost time injuries (employees)	4	Nil	4	#
Lost time injuries (contractors)	12	Nil	12	#
Lost time injury severity measure (number of days lost due to LTIs or average per LTI)	47	Nil	47	#
Total Recordable Injury Frequency Rate (TRIFR)				
Employee TRIFR	7.03	Nil	6.36	#
Contractor TRIFR	6.5	Nil	6.25	#
Lost Time Injury Frequency Rate (LTIFR)				
Employee LTIFR	7.03	Nil	6.36	#
Contractor LTIFR	4.11	Nil	3.95	#
Employee hours worked/exposure hours	568,678	60,083	628,761	hr

GOVERNANCE	APAC	Unit
Is there a Code of Conduct in place?	Yes	Yes / No
Staff trained in Code of Conduct	100	%
Number of Code of Conduct related breaches	4	#
Staff training / inductions / professional development	12,600	hr



AUSTRALIA PACIFIC AIRPORTS CORPORATION

MELBOURNE AIRPORT

LAUNCESTON AIRPORT