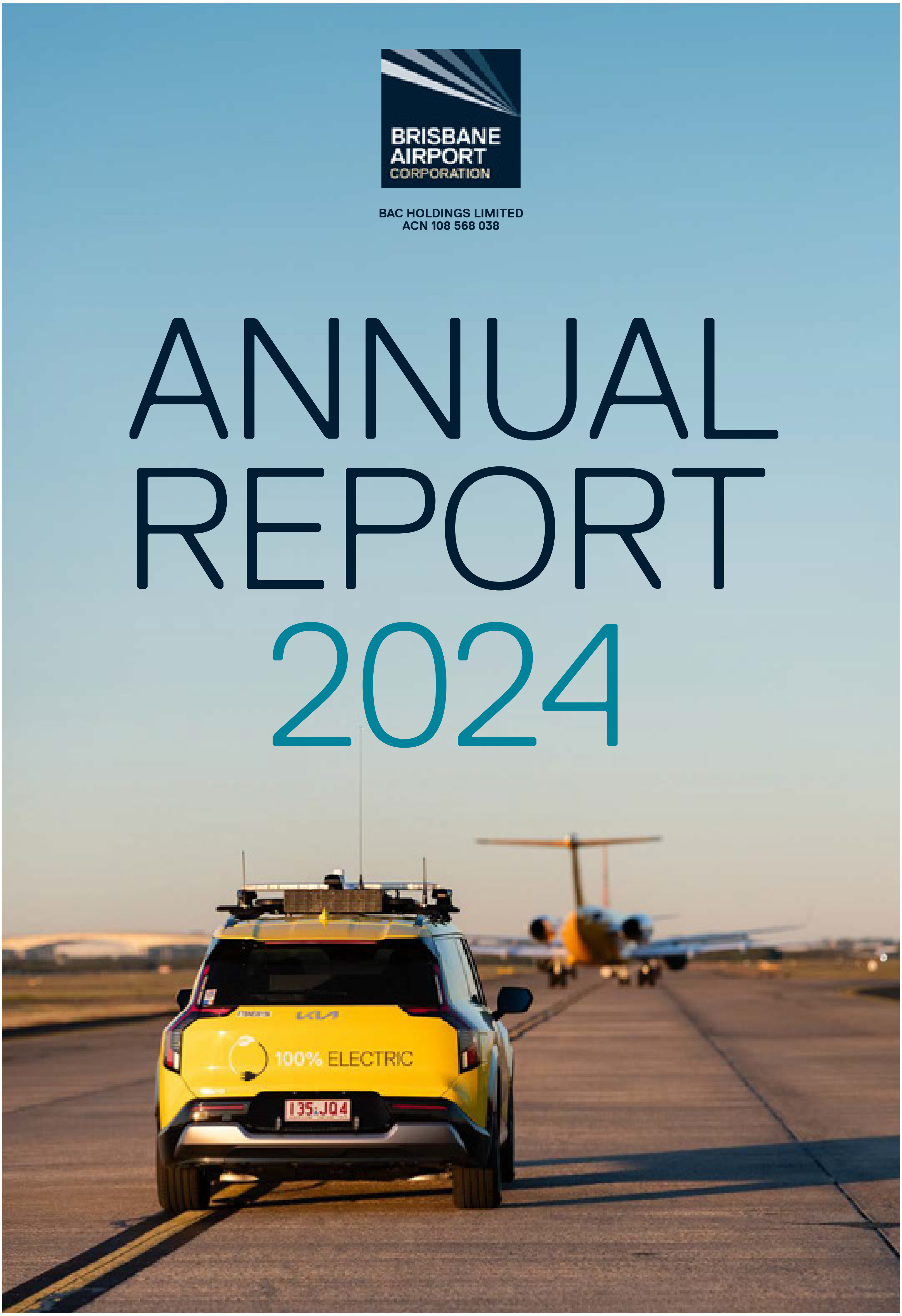
BRISBANE AIRPORT CORPORATION

BAC HOLDINGS LIMITED
ACN 108 568 038

ANNUAL REPORT 2024



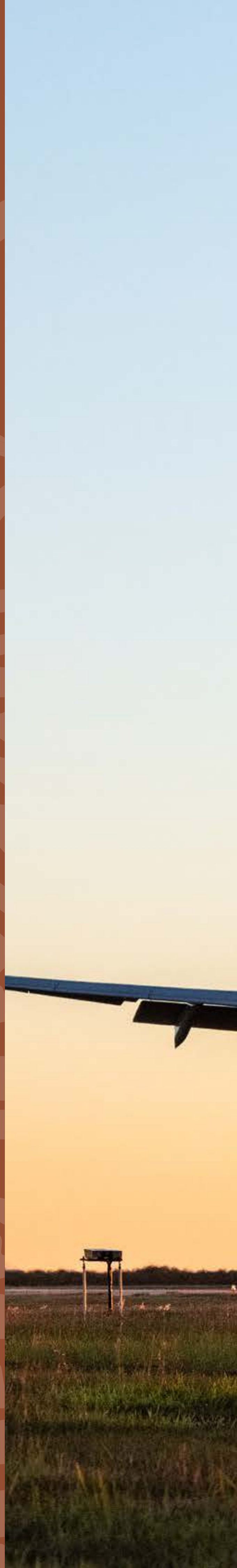
ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Owners of the Meanjin/Brisbane region and recognise their continuing connection to lands and waters. We pay our respects to all Aboriginal and Torres Strait Islander peoples of the places Brisbane Airport connects.

This pattern, inspired by 'Land, Sea, Sky' by Delvene Cockatoo-Collins, welcomes passengers at the entry to our International Terminal.

Created in the spirit of sharing, respect and reciprocity, this artwork shares a deeper connection with the Country where Brisbane Airport is located, mapping the land, sea and sky through a series of patterns to speak of history, nature, connections and movement.

Cover Photo: First deployment of an all-electric Airside Safety vehicle in Australia at Brisbane Airport (BNE).



Contents

To help us assess our decisions and reach our goals, we are aligning to the Integrated Reporting Framework, providing greater reflection and transparency in our financial governance, management commentary and sustainability reporting. Feedback on our Annual Report is welcome.

UPDATE FROM THE CHAIR

Everywhere you look at Brisbane Airport, exciting changes are happening.

Years of planning are now coming to life.

The Domestic Terminal is undergoing a significant transformation with the installation of a state-of-the-art baggage system and the construction of a new mezzanine to house advanced security screening technology, enhancing the safety and efficiency of passenger processing.

Fresh dining and retail options have been introduced, offering a vibrant and diverse experience for travellers.

The Aerobridge Replacement Program has begun which marks a significant milestone.

The International Terminal is moving passenger processing technology into the cloud with new self-service bag drop units, streamlining the travel experience from the ground up.

In the coming months, security screening and passport control will rise to the top level of the terminal into a light-filled atrium.

The duty free area will almost double in size as part of a decade-long partnership with Lotte.

As part of our *Future BNE* vision, we're planning to invest over $5 billion in the coming decade on more than 150 projects transforming Brisbane Airport and the way we create value for the community, our customers, employees and shareholders.

In FY25, we are forecasting a record $600+ million of investment across Brisbane Airport as the transformation continues.

This investment could not happen without supportive shareholders and a healthy business to enable it.

With the recovery of passenger numbers continuing, Brisbane Airport Corporation's (BAC) profit was $265.4 million, a 82.5% increase on FY23. EBITDA was $706.2 million.

This result was driven by the continued restoration of our international airline network, strong performance across our property portfolio, including demand for large-scale industrial development, record demand for airport parking, and growth in retail.

In March 2024 we issued a new $500 million 10-year bond with the transaction supported by a diverse range of investors across the domestic and international bond markets. Confidence in the future of our company was highlighted by the deal orderbook which exceeded $3 billion of demand.

Total Passengers

	VOLUME FY24	CHANGE VS FY23	RESTORATION VS FY19
Domestic	17.0m	+5.7%	97%
International	5.6m	+39.4%	89%
Total	22.6m	+12.5%	95%

CONNECTING BRISBANE & QUEENSLAND TO THE WORLD

In FY24, Brisbane Airport saw significant recovery in passenger numbers, reaching 22.6 million, or 95% of pre-COVID FY19 levels, with notable growth in international travel, which increased by 39.4% compared to FY23.

The return of China Eastern Airlines in October and China Southern airlines in November reinstated one of Queensland's most important tourism and trade links.

Looking forward, the arrival of American Airlines this October, and Delta Air Lines in December will see two giants of North American aviation become part of the BNE family.

But the successes are not just in aviation.

In FY24, Australia Post committed to the largest ever industrial project at Brisbane Airport, with a parcel facility spanning 33,881 sqm of internal area.

It follows the recent completion of a 26,120 sqm warehouse and office space for Aramex, and the start of construction on a temperature-controlled distribution centre for Martin Brower.

Not only is the demand for well-connected industrial land growing, but so is the scale of these developments.

OUR GOAL IS TO BE A SUSTAINABILITY LEADER

The coming year will be exciting for Brisbane Airport.

Our aim is to achieve net zero for Scope 1 and 2 emissions in 2025.

This is something we didn't expect for another 25 years, but with an all-of-company focus, it is within reach.

Starting in January 2025, Brisbane Airport Corporation will begin a new renewable energy era with the commencement of an historic six-year agreement.

It will provide up to 185 GWh of power annually from wind and solar generation projects in Queensland.

This is on top of our own growing on-site renewable energy production.

Future BNE is transforming our approach to sustainability, from electrification of airside vehicles and equipment to the use of lower carbon concrete and 5 Star Green Star rated industrial buildings.

I want to thank CEO Gert-Jan de Graaff for the leadership role he is playing within Australia's Jet Zero Council on behalf of all Australian airports.

There is an urgent need for renewable fuels initiatives to decarbonise the aviation sector.

Sustainability enables long-term growth, which is key to delivering value to our communities, customers, employees, and shareholders.

I extend my heartfelt gratitude to the BAC board, the entire BNE team and our extensive network of trusted partners, whose dedication and collaboration bring Queensland's most vital transport hub to life every day.

David Peever
Board Chair

UPDATE FROM THE CEO

At Brisbane Airport Corporation, our people are our business.

The scale of transformation underway at Brisbane Airport has seen our team grow in FY24, to deliver the airport of the future — today.

Among the new hires is a core team dedicated to shaping plans for our Terminal 3 Precinct.

We're working closely with our airline partners to meet the long-term growth needs of Queensland.

Accessibility and sustainability are top of mind as we create the seamless passenger journey of the future.

It's the same with our people delivering car park expansions, retail upgrades, industrial developments, solar infrastructure, active transport pathways and major works to ensure our original runway is safe and reliable for years to come.

In the past year, Brisbane Airport Corporation was recognised as an Employer of Choice at the 2023 Australian Business Awards and Australian HR Awards.

This acknowledgment highlights our achievements.

We have nurtured a high-performance culture, invested in our capabilities, and educated our people to embrace and celebrate individual differences.

And in FY24 we looked beyond our own business.

We took responsibility for shaping the culture of 600 companies and their 20,000 employees across the airport precinct, and implemented a BNE Employee Experience program.

It aims to attract, engage and retain staff across the precinct and further strengthen our airport community.

OUR PRIORITY IS SAFETY AND SECURITY

Of paramount concern for BAC is our focus on keeping everyone safe and it extends across our entire operation.

In FY24, there were no significant injuries reported, an outcome only possible with every member of the business adopting a safety-first culture.

Out on the airfield, Brisbane Airport passed its annual Civil Aviation Safety Authority audit and annual technical inspection with no safety findings for the 8th straight year.

BAC is continuing work on the delivery of our two major security upgrade projects to meet the requirements of the Australian Government's *"Strengthen Aviation Security Initiative"*.

In the digital security space, additional compliance is being undertaken to increase our resilience to cyber-attacks on information technology and industrial control services.

ACTION TO REDUCE NOISE

There's no doubt the benefits Brisbane Airport provides to Brisbane and Queensland are broad, enriching communities economically, socially and culturally.

However, we know the burden of aviation, most particularly noise, is borne very locally.

We acknowledge that for some people, aircraft noise is a genuine problem.

We are sympathetic to their distress.

We also know that reducing aircraft noise is complex. There are no silver bullets.

Every now and then airport curfews and movement caps are floated as simple solutions to noise, but their impact on a decentralised state like Queensland, in one of the most remote countries of the world, would be devastating. Caps and curfews would limit connectivity for people wanting to see loved ones and those travelling for essential health care. It would harm our tourism, resources and export industries.

With flight path design and management of air traffic control a function of Airservices Australia, our levers are limited.

However, we continue to undertake a number of practical steps to reduce noise for Brisbane communities. You can read more about them in Our Community section of this Annual Report.

AEROMEDICAL PRECINCT

Brisbane Airport will shortly begin construction on an Aeromedical Precinct, a project offering profound benefits for regional Queensland communities.

It will become the new Brisbane home for the Royal Flying Doctor Service, LifeFlight, Retrieval Services Queensland and Queensland Police Service Aviation Capability Group.

A patient transfer facility will provide onsite care for people moving between the regions and city hospitals and back again.

This will be the largest project in the history of BAC's property development team.

Looking ahead, (as we always do), we are focused on delivering the 2026 Brisbane Airport Master Plan, providing a blueprint for a connected future.

As this exciting future unfolds, I want to thank our Board of Directors, my Executive Leadership Team, our entire workforce, contractors, partners and volunteers for their dedication in building an airport that serves all Queenslanders.

Gert-Jan de Graaff
Chief Executive Officer

ABOUT US

Brisbane Airport Corporation Pty Limited (BAC), the operator of Brisbane Airport (BNE), is an unlisted Queensland company that proudly takes on the challenge of connecting Australia to the world. It is part of a consolidated group, the ultimate holding company of which is BAC Holdings Limited (BACH), an unlisted public company.

BNE is Queensland's most important transport hub. It is a 24/7 precinct in one of the fastest-growing regions of Australia. BAC operates Brisbane Airport under a long-term lease from the Australian Government.

Brisbane Airport is also one of the nation's largest single-site employment hubs, contributing nearly $5 billion to Queensland's GDP. It is located 10 kilometres east of the Brisbane CBD. At 2,700 hectares, it is so big that it has its own postcode.

We value and respect the Traditional Custodians of the land on which we operate, and we wish to support and foster the rich heritage of the Meanjin/Brisbane region.

OUR VISION, VALUES AND PURPOSE

Our vision is to connect the world and create the future. As Queensland's most important transport hub, we connect people, create community and power the economy. We are a place where jobs are created and businesses thrive. We serve a city and state alive with opportunity as the host for the 2032 Olympic and Paralympic Games.

How we do things is just as important as what we do, and our values inform how we approach and interact with the world around us. Our values are the guideposts enabling our vision to become a reality. Our culture is anchored in these values that we refer to as the 'Four Cs':

Collaboration: Working together is at the heart of everything we do.

Communication: Successful teamwork requires us to listen and talk openly, honestly, and respectfully.

Courage: Having the courage to speak up, make hard decisions and ask difficult questions is what allows us to continue to grow.

Care: When we care about the work we do, the environment we work in and the people we work with, it shows.

At BAC, we operate under a simple purpose, to deliver value to:

Community: BNE exists to serve its community, and by having an open and honest relationship with our community we can all grow together.

Customers: Our customers have choices, and to make it easy for them to choose BNE, we keep their best interests at the heart of our decision-making.

Employees: Our most important asset is our people, whose passion for BAC is the fuel for our success.

Shareholders: By creating value for everyone, we also create sustainable value for our shareholders who believe in us and want us to succeed.

This purpose demonstrates that our role extends beyond providing effective and efficient aviation services and facilities. We help shape Queensland's future by driving the employment opportunities for thousands of people and creating economic benefit across the state.

OUR STRATEGY

At Brisbane Airport our vision is clear — *Connect the World. Create the Future.*

BAC BUSINESS MODEL

HOW WE CREATE VALUE

Capital Inputs

Finances

- Cash: $102 million
- Debt: $3,833 million
- Equity: $1,956 million

Infrastructure

- Terminals, industrial, commercial and office buildings, parking structures, recreational activities, green spaces, 2,700 hectares of which 450 hectares is developable land

Employees

- 422 employees
- Staff costs: $65 million
- Average employee Net Promoter Score of 46

Environment

- 285 hectare Biodiversity Zone
- 50% recycled water and Zero Waste to Landfill by 2030
- Net Zero (scope 1 and 2) in 2025

Community

- Transparent multi-channel stakeholder engagement
- Direct and indirect value creation for the region
- Community engagement through multiple channels

Product and Service Outputs

BUSINESS UNITS

Aviation

Our core business covers all services (including infrastructure delivery) for the facilitation of aircraft movements and passenger travel at BNE.

Consumers

Operating as a landlord in providing services to our retail lease holders across the terminals and at Skygate. Also includes the operation of our landside transport services.

Property

Developer and manager of our portfolio of industrial, retail, commercial and office properties across a range of ground and building leases.

Achievements 2024

Finances

- $500 million new domestic bond raised to support investment and growth
- Focus on cost efficiencies and margin-led growth
- Delivered $980 million in revenue – our largest result in history

Infrastructure

- In excess of $320 million of capital investment delivering a range of aviation and commercial assets
- Significant works underway delivering a major upgrade to security at the Domestic and International Terminals
- Major retail upgrades underway at the International Terminal comprising expanded duty free, specialty retail and new food and beverage offerings
- Planning for the new terminal by 2032 is underway

Employees

- In-house management and leadership development plans
- Individual pathways under the Learning and Development Program
- New gender neutral parental leave; cultural leave; and BWell (mental wellbeing) leave
- Leadership Day in the Life experiences
- Employee appreciation events for all on-airport workers

Environment

- Transitioned 20 fleet vehicles to electric
- Leading decarbonisation efforts on behalf of Australian airports on the Jet Zero Council
- ISO14001 Environmental Management certified

Community

- Commitment to the Noise Action Plan for Brisbane, working closely with Airservices Australia as it delivers the strategy
- Urging our airline partners to speed up the introduction of quieter next-generation aircraft.
- Growing our support of the Royal Flying Doctor Service, LifeFlight, community groups and Brisbane arts organisations to deliver broad community benefits

Outcomes

Finances

- Gross distribution to shareholders: $250 million
- Net cash from operations: $444 million

Infrastructure

- Road, lighting and parking facilities upgrades and expansions delivered
- Upgraded passenger amenities and processing facilities
- Investment property portfolio valued at $2.3 billion

Employees

- 35% female workforce
- BAC Culture benchmarked at high performance range as per the Korn Ferry Employee Effectiveness Survey based on an average response rate of 90%

Environment

- Scope 1 and 2 emissions: 38,433t CO_2e
- Recycling Rate: 23%
- Recycled Water Rate: 38%
- Support the World Economic Forum Clean Skies for Tomorrow initiative for 10% global sustainable aviation fuel by 2030

Community

- 87% of BNE's reputation as 'satisfactory', 'good' and 'excellent'
- $1 million in partnerships and grants to Royal Flying Doctor Service, LifeFlight, community, cultural and sporting groups, including passenger funded initiatives

1. BNE 2050 Strategic Brief

Our future direction is guided by 3 key strategies. The BNE 2050 Strategic Brief sets out our long-term aspirations for Brisbane Airport as we grow to meet the needs of future generations. The Corporate Strategy details the objectives we need to achieve over the coming years to bring us closer to achieving our aspirations and sustainability ambitions. The Sustainability Strategy outlines our commitment to creating a sustainable future at BNE.

At Brisbane Airport, we recognise that the decisions we make today will have a direct impact on the future of our business. We have developed a BNE 2050 Strategic Brief to guide us as we draft our future master plans, business strategies and project briefs.

Our aspiration is to be the best possible distillation of all that's great about Brisbane and Queensland.

We aspire to:

Be more than an airport

We will be a city within a city — a diversified, self-sufficient hub that connects people, enables all kinds of businesses to flourish, and is a destination for locals and visitors each and every day.

Be Australia's best gateway

We will anticipate the needs of our varied passenger groups and exceed their expectations, so BNE is the easiest and best airport to use. We will use our state's hallmark irreverence for 'tradition' and be the first to try new ideas and innovate. We will use our adventurous spirit to expand our horizons, and in doing so, we will be Australia's best-connected airport.

Be a source of pride for future generations

We will embody Queensland's entrepreneurial spirit and community-mindedness to build a place that locals know represents their interests and their ambitions. It's about being a good neighbour in the community, an asset to local and international businesses, and an ambassador for Queensland and Australia.

2. Our Corporate Strategy

Our purpose is to create value through connecting people with each other, creating places that make life better, and generating opportunities for people and businesses to thrive.

AVIATION

- Make BNE a more attractive choice for airlines
- Meet demand for passengers and freight
- Make BNE the easiest and most enjoyable choice

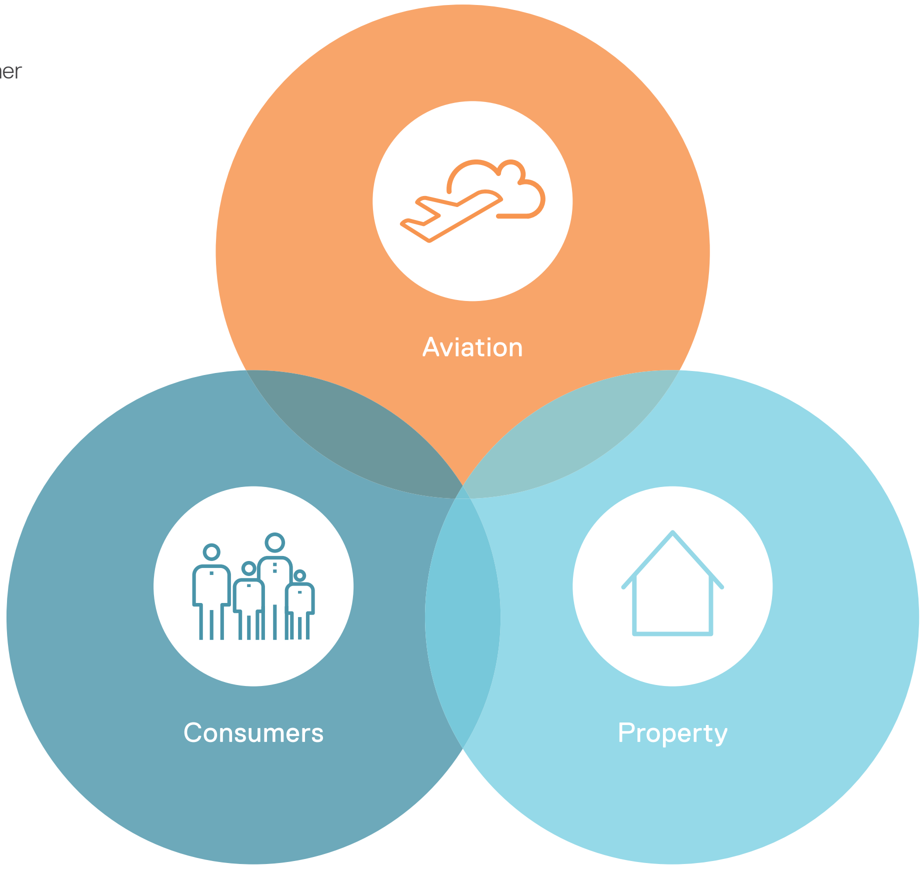
CONSUMERS

- Use technology to improve customer experience
- Build flexibility into all our consumer touch points so we're always ready to adapt
- Identify and develop new consumer products or revenue streams

PROPERTY

- Accelerate property development
- Improve connectivity to and through our precincts
- Grow existing industries and attract new markets.

The delivery of our Corporate Strategy will be facilitated by a commitment to our five-year strategic goals for our core business units of Aviation, Property and Consumers.



3. Sustainability Strategy

If we are to achieve our vision and future aspirations, we must develop the airport and operate it in a manner that future generations trust and are proud of.

We recognise that sustainability is essential for BNE because it enables long-term, responsible growth, which is key to delivering value to our communities, customers, employees, and shareholders. It builds on a long history of sustainability achievements, providing an exciting future pathway through a holistic approach that commits us to delivering positive, sustainable outcomes.

Our sustainability purpose is to:

'Create a sustainable, world-leading airport city that generations trust and are proud of.'

We deliver our purpose by focusing on three pillars.

Protect our planet

Consume responsibly and minimise our footprint

- Decarbonisation
- Circular economy
- Climate change resilience

+

Grow responsibly

Support Queensland's growth and ensure BNE is a sustainable destination

- Sustainable design
- Sustainable procurement
- Employee experience

+

Support our communities

Build a positive legacy

- Partnerships and engagement
- Education
- Your BNE

ALIGNMENT TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDG)

The 17 UN SDGs call for a global partnership to achieve a better and more sustainable future for all. Our strategy impacts on 10 of the 17 UN SDGs.

PILLAR	RELEVANT UN SDG			
PROTECT OUR PLANET	Deliver **an efficient and reliable energy network** and meet tenant needs. (7 Affordable and clean energy)	Progressing towards a **circular economy,** reducing natural resource consumption, and delivering environmental best practice outcomes. (12 Responsible consumption and production)	**Achieving net zero** emissions in 2025 and adapting to a changing climate. (13 Climate action)	**Protect and manage** our coastal ecosystems by strengthening their resilience and restoration. (14 Life below water)
GROW RESPONSIBLY	Promoting health and wellbeing to ensure our people are **healthy and happy** in all aspects of life. (3 Good health and well-being)	Ensuring **diversity and inclusion** is a **priority** across all aspects of our business. (5 Gender equality)	**Significant socio-economic impact**, facilitating 20,000 jobs and generating considerable value for Queensland families. (8 Decent work and economic growth)	**Responsible planning** for future growth through sustainable investment and building sustainable supply chains and destinations. (9 Industry, innovation and infrastructure)
SUPPORT OUR COMMUNITIES	**Engaging our community** on the burdens and benefits of our operations and giving back to our airport neighbours. (11 Sustainable cities and communities)		**Building partnerships and collaborations** with the aviation industry, our supply chain and our community to accelerate sustainable outcomes. (17 Partnerships for the goals)	

OUR SUSTAINABILITY TARGETS

We recognise that being a leader in sustainability means constantly challenging ourselves to create the best future possible for BNE.

To achieve our future ambitions, we have committed to net zero emissions (Scope 1 and 2) in 2025. We reaffirmed our 2030 waste and water targets, which will greatly reduce our environmental and operational footprint.

But we won't stop there. We will continue to review our targets and commitments at regular intervals.

Our Sustainability Strategy provides the guidance and direction that underpins our Corporate Strategy.

OUR SUSTAINABILITY TARGETS

1 Supporting the World Economic Forum Clean Skies for Tomorrow initiative for 10% global sustainable aviation fuel by 2030.

2 Operational waste excludes quarantine/sterile waste due to regulatory requirements.

MATERIALITY ASSESSMENT

BAC conducted a comprehensive materiality assessment to identify the most important environmental, social and governance (ESG) topics for our business.

The assessment in FY23 considered relevant industry-specific ESG standards, global trends and close consultation with our community, customers, employees and shareholders. A survey was sent to 400 stakeholders and 126 responses were received.

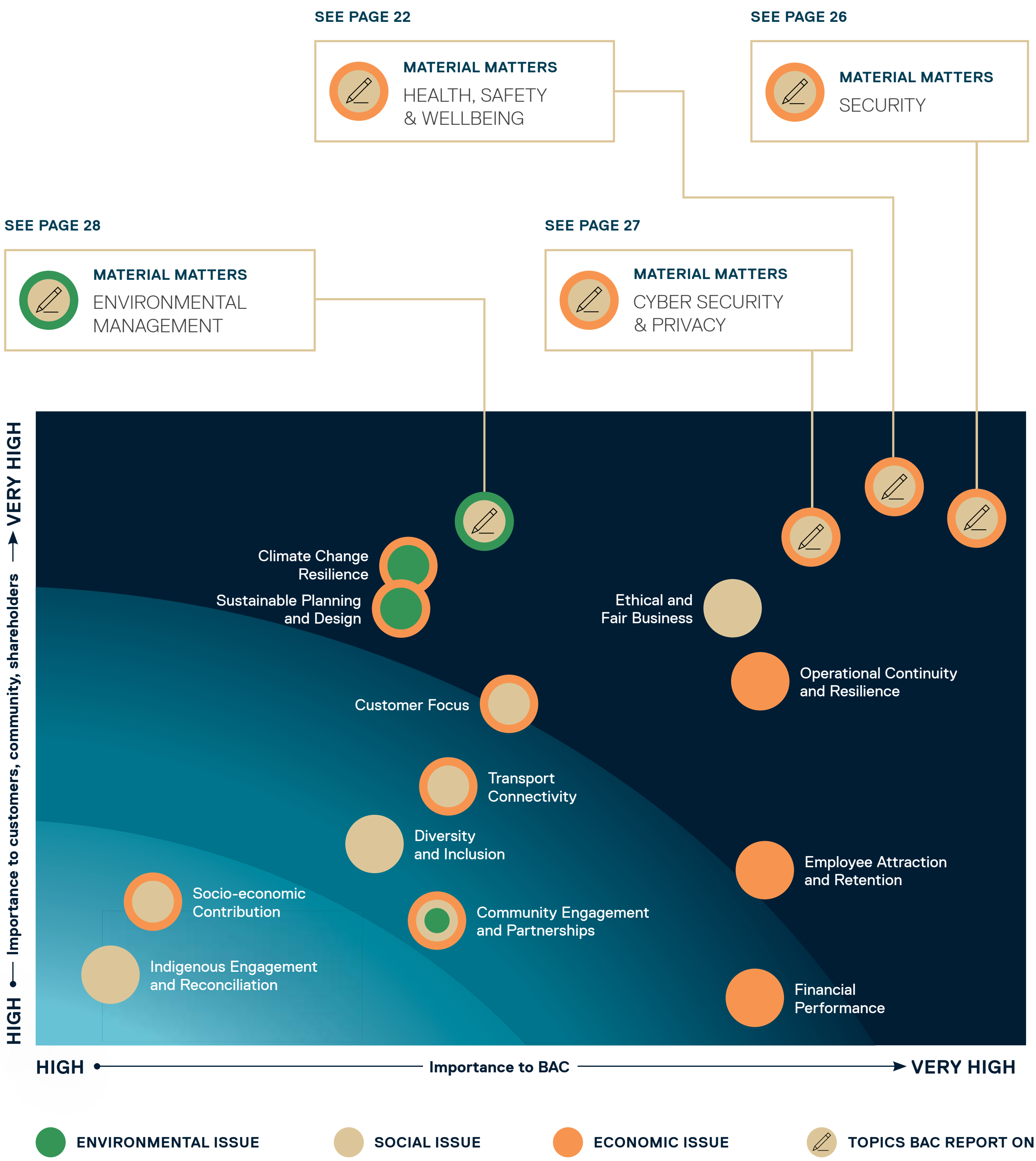
The purpose of the survey was to ask participants to prioritise the material topics on their level of importance to our business. An additional 15 interviews were conducted across our stakeholder groups to gain further insights into the material topics and the results of the survey.

The assessment identified 16 material topics (defined below) which reflect the diversity of our operations and our responsibilities. The findings of the materiality assessment will be incorporated into future strategies at BAC.

MATERIAL TOPIC	DESCRIPTION
Operational continuity and resilience	Improving BAC's operational resilience to support business continuity under a range of differing circumstances.
Climate change resilience	Preparing for and responding to the impacts of climate change (physical and transitional).
Customer focus	Providing a positive experience for all customers (retail, property, airline, passengers etc.) and meeting the needs of airport stakeholders.
Community focus	Proactively engaging with our communities to develop meaningful partnerships. Increase education and awareness of airport operations and their impacts (e.g. noise).
Cyber security and privacy	Ensuring BAC maintains adequate cyber security and data protection.
Diversity and inclusion	Developing a diverse and inclusive environment for staff and passengers and contributing to an inclusive society with equal opportunity.
Environmental management	Protecting biodiversity and the natural environment, reducing emissions from airport operations, designing out waste, and improving responsible resource consumption (e.g. waste and water management).
Employee focus	Developing and maintaining an employee experience that involves education and growth opportunities, improves engagement and culture, attracts talent and supports business outcomes.
Ethical and fair business	Implementing robust and effective governance, compliance and procurement processes. Protect human rights across all aspects of operations and support fair work conditions.
Financial performance	To improve and maintain BAC's financial robustness and shareholder value.
Health, safety and wellbeing	Ensuring the health, safety and wellbeing of our people and customers.
Indigenous engagement and reconciliation	Strong and productive relationships with Aboriginal and Torres Strait Islander peoples.
Security	To maintain a safe and secure airport environment for both aviation and non-aviation activities.
Sustainable planning and design	Responsible planning for future growth through sustainable investment, prioritising sustainable design.
Socio-economic contribution	Direct and indirect economic, social and environmental contributions to communities from BAC's operations.
Transport connectivity	Integration with transport authorities to enhance community access to Brisbane Airport's precincts.

MATERIALITY MATRIX

The materiality matrix reflects the results of the materiality assessment. BAC acknowledges that all topics are material to our operations however, as all ratings were 4 or higher (on a scale of 1-5), we are reporting on the top four topics which are Health, Safety and Wellbeing, Security, Cyber Security and Privacy, and Environmental Management within our Annual Report.



OUR PEOPLE

With a significant growth in talent to deliver the *Future BNE* transformation, we concentrated our efforts in maintaining our high-performance culture; investing in our leadership, professional and technical capability; and creating a work environment where people can belong.

Our collective achievements were formally recognised at the 2023 Australian Business Awards and the Australian HR Awards where BAC was named *Employer of Choice* (100–999 employee category).

MAINTAINING OUR HIGH-PERFORMING CULTURE

BAC continues to be in the high-performing range for employee engagement and enablement as measured by the Korn Ferry Employee Effectiveness Survey.

- Our average employee Net Promoter Score was 46
- With an average response rate of 90%, we are confident the feedback is a true reflection of employee sentiment.

Our high-performing culture is not something we take for granted. We're committed to listening to our people and taking action in ways that mean we can continue to bring our values of care, communication, collaboration and courage to life in our everyday interactions and connections with our colleagues, shareholders, customers and community.

INVESTING IN OUR CAPABILITY

Our people are our business. That's why investing in their technical, professional and leadership capability is at the core of our people strategy.

In July 2023, BAC launched a refreshed learning and development program creating individual, customisable pathways that inspire our people to:

- Be the driver of their own career development and personal growth
- Embrace ongoing learning and growth opportunities for all career stages
- Accelerate their professional, technical and/or leadership growth and development through customisable pathways
- Deliver development opportunities that reflect the diversity of the roles we have at BAC
- Following the launch of the learning and development program in July 2023, approximately 300 employees (72% of our workforce) participated in formal training.

BELONGING AT BRISBANE AIRPORT

BAC made considerable progress against our Diversity, Equity and Inclusion (DEI) objectives across FY24, with programs providing greater access and inclusivity for our people.

Our most notable DEI achievements over the past year include:

- Introduction of gender-neutral parental leave, cultural leave and return-to-work program
- Launch of Cultural Learning program in collaboration with the Australian Institute of Aboriginal and Torres Strait Islander Studies
- Partnerships with CareerTrackers, Yalari and the JT Academy under the Reconciliation Action Plan
- Execution of DEI awareness and education campaigns.

Our people are our business

BAC is committed to gender equality by providing equal opportunity in respect of employment and employment conditions; building a workforce that respects, celebrates and empowers individual differences; modelling inclusive behaviours and valuing the opinions of our people.

Metric	AS AT 30 JUNE 2024
Number of employees	422
Percentage of females	35%
Percentage of males	65%
Females in senior leadership	35%
Turnover	15%

BRISBANE AIRPORT EMPLOYEE EXPERIENCE PROGRAM

In FY24, we broadened our employee focus from just BAC staff, and included the people who work in 600 businesses across the Brisbane Airport precinct, recognising the impact they play in safety and the experience of customers and our community.

The new BNE Employee Experience Program celebrates and recognises the contribution that 20,000 workers play to enable Brisbane Airport to be an award-winning airport that supports our economy and connects communities.

The initiatives of the BNE Employee Experience Program are designed to further strengthen the airport community, connect people across organisations and create a strong sense of belonging.

Brisbane Airport is a great place to work, and we want to further enhance the experience of people at BNE with a positive culture that attracts, engages, and retains a skilled and motivated workforce.

In FY24 the program achieved:

Attract

Refreshed *Jobs at BNE* website content and a *Jobs at BNE* video series showcasing the diverse career pathways available at Brisbane Airport, supporting our partners with their recruitment.

Visit: Jobs at BNE

Watch: Jobs at BNE — Career pathways behind the scenes

Engage

A calendar of employee appreciation events and activities throughout the year, including International Women's Day, International Cleaners Day, and Employee Appreciation Day (with 1,200 donuts, 1,000 coffees, and 1,200 ice creams delivered to frontline teams, including our airside workers) and an end of year 'Thank You' with cookies delivered to 5,500 people across the airport.

Watch: Employee Appreciation Day 2024

Retain

A continued focus on strengthening and growing our BNE Community communication channels (website and app) and recognising our teams with giveaways throughout the year.

Day in the Life

To enable the BAC Leadership Team to better understand the challenges for businesses and workers across the precinct, in FY24 we also commenced the *Day in the Life* initiative. This is an opportunity for the BAC Leadership Team to get out on the frontline and experience firsthand the world of the companies working across our precincts. We partnered with a diverse range of businesses that enabled our leaders to be better connected and understand what a typical day looks like at BNE. So far, through the program we have worked alongside ground handlers, inflight catering teams, retailers, refuelers, cleaners, cargo and freight providers, in areas from the carpark, through to terminal and onto the tarmac.

The program has helped identify opportunities to improve the employee experience, as well as the systems and processes we have in place to enable businesses to operate and thrive. As a result, an internal task force was stood up to focus on creating positive changes, with a strong focus on refreshing staff facilities and amenities, airside workers' access to shade and cool water, communications and connections across our airport.

Employee Appreciation Day

HEALTH & SAFETY

BAC is a people business. Keeping everyone at the airport safe and secure is paramount — it's the most important thing we do, and the number one priority identified in the Materiality Assessment. Our people are our strength, so we invest time and effort in them, and trust them to deliver exceptional outcomes and to keep each other safe.

BUILDING ON OUR HEALTH AND SAFETY CULTURE

In FY24, BAC continued to build on its health and safety culture by focusing on personal safety leadership. Each Business Leadership Team (BLT) member developed safety leadership action plans that aligned with our BAC safety culture maturity model. These plans emphasised safety communication, prioritising safety, fostering a learning organisation, demonstrating visible management commitment, and actively participating in safety. The positive impact of these plans became evident through the safety results in the staff engagement surveys, which showed 89% of staff believe the organisation always puts their health and safety first.

Our leadership team showcased a proactive and visible commitment to safety through 590 completed health and safety interactions.

GROWING OUR HEALTH AND SAFETY CAPABILITY

We've invested in developing our health and safety capability through training, and providing appropriate systems and tools to allow effective health and safety management.

This includes:

- Bespoke Safety Essentials Training Program tailored for different employee groups and the works they deliver and manage
- Provision of a mature and continually improving WHS Management System (ISO 45001 certified)
- Development of systems and tools to assist in reviewing the health and safety requirements for work activities.

DEVELOPMENT OF HEALTH AND SAFETY ASSURANCE PROGRAMS

BAC has established a robust assurance program targeting interface risks for our airport workers, customers, passengers and the community. This program encompassed 30 reviews of contractor safety management plans, 265 safety inspections of project works, and 77 general safety inspections. Since introducing the Notification of Risk Activity (NORA) checklist for all high-risk activities in late April 2024, we have completed 35 reviews.

Our teams take a rigorous approach to the review and analysis of any incidents or hazards that occur at Brisbane Airport. This demonstrates our commitment to continuous improvement of health and safety outcomes.

These efforts underpin our commitment to maintaining high safety standards for all those working at or visiting the precinct.

Staff training

1,674
HSE modules completed by staff

Consultation and communication

31
Committee meetings held

Contractor training

34,191
Online HSE training modules completed

ISO 45001:2018
Occupational health and safety management system

Inspections and observations

1,000
Health and safety BAC staff inspections or observation activities

Events and activities

15
Initiatives as part of WHS airport safety week

Health and wellbeing

53
Health and wellbeing initiatives


Skygate
DFO
Skygate Home & Life
Skygate Dining
Outdoor Playground
skygate.com.au
CAFÉ & EATERY
Goodfellas

INCIDENT PERFORMANCE AND ANALYSIS

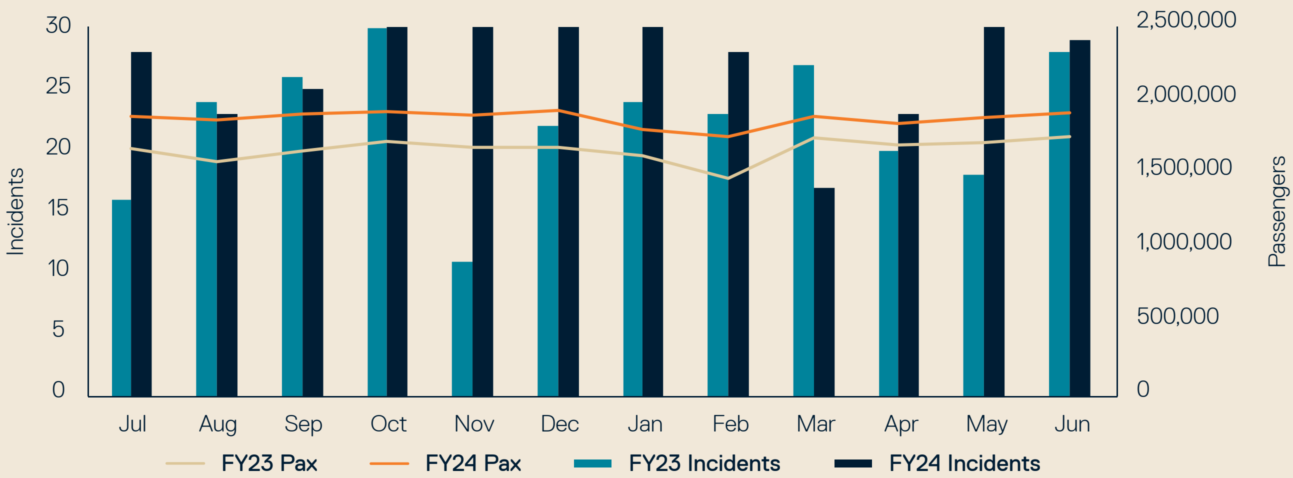
There has been an increase in the number of incidents recorded for FY24 compared to FY23, due to a rise in incidents involving members of the public and contractors. This increase correlates with a 12% rise in passenger numbers (2.5 million additional passengers) and a significant 112% increase in contractor hours worked (over 1.05 million additional hours) due to increased construction activities.

The majority of the incident increases relate to members of the public with the additional passengers bringing the airport closer to capacity, particularly with the impacts of construction activities in and around the terminals.

Vertical transport and general slips and trips make up a significant portion of public incidents. The delivery of the security upgrade projects at both terminals will see improvements to the vertical transport systems, which includes increased safety features. The improvements are expected to lead to a decrease in vertical transport incidents.

Minimal findings have been identified from slip and trip investigations, which highlights the adequacy of infrastructure and processes. The HSE team will continue to expand our project inspections, safety observations and training for BAC project personnel as we focus on assurance activities throughout FY25. Thanks to our unwavering commitment and the dedication of the entire team, our safety-first approach has once again ensured that no significant harm injuries occurred throughout the year.

Reported incidents by month



INCIDENT CATEGORY	BAC WORKER	CONTRACTOR	TENANT	PUBLIC	TOTAL
High	0	0	0	0	0
Medium	2	16	6	69	93
Low	5	32	13	137	187
Near miss	6	18	6	50	80
Total	13	66	25	256	360

PHYSICAL SECURITY

At Brisbane Airport, physical security controls and the safeguards they provide are a key element in our vision to connect the world and create the future by ensuring we are a safe, secure and sustainable airport for everyone. Our physical security measures must continuously ensure the protection of our community, customers, employees, and the business' operations on behalf of our shareholders.

As part of this commitment, in the past financial year Brisbane Airport continued work on multiple security upgrade projects in both terminals, which will see the airport transition by December 2025 to next-generation Computed Tomography (CT) security equipment for screening of passengers and their baggage.

While the delivery of these projects is to fulfill our regulatory obligations to meet the requirements of the Australian Government's *'Strengthening Aviation Security Initiative'*, we believe the actual outcome of these projects is far more important — that outcome being to provide our security screening staff with the most advanced tools and capability to keep passengers safe.

Upon completion of these projects, benefits that will result from the deployment of this new technology in addition to an enhanced security outcome will include:

- **An improved customer experience** – The new screening equipment will allow passengers to leave items like laptops in their bag and have other loose items screened with their cabin bag through the introduction of larger, deeper screening trays.
- **Increased passenger throughput** – The introduction of the x-ray equipment coupled with an automatic tray conveyor system, will increase the maximum hourly throughput capacity at the screening point.
- **Improved accuracy** – Through the use of CT screening equipment and the 3D images of each bag it provides, higher levels of accuracy and reduced rescreening of items can be achieved.

Brisbane Airport has partnered with Rapiscan Systems to procure a standardised fleet of passenger and checked baggage CT screening equipment that will transform and enhance our screening capabilities.

Across the terminals this will include:

- 33 Rapiscan 920CT cabin baggage screening units
- 10 Rapiscan RTT 110 checked baggage and Out-of-Gauge/ Oversize screening units
- 41 Rapiscan 4DX Explosive Trace Detection (ETD) units
- 33 Rohde & Schwarz Quick Personnel Security (QPS) Body Scanners.

The BAC/Rapiscan partnership represents the single largest airport deployment of Rapiscan Systems equipment in South-East Asia and is also among one of the largest globally.

Innovations include:

- **Creation of the BAC/Rapiscan Equipment Testing Laboratory:** In November 2023, BAC and Rapiscan established an equipment testing laboratory in our Da Vinci Business Park, the only one of its kind in Australia. BAC and Rapiscan have used this lab to thoroughly test all elements of the new screening equipment, develop our concept of operations and even trial design elements to visualise the look and feel of our new screening points.
- **Development of Centralised Image Processing:** Through the planned networking of all security screening units across the airport, BAC's new concept of operations will include a remote screening capability. This will mean that security staff can work from purpose-designed screening offices away from screening points and screen bags being processed at any of the passenger screening points at either terminal. This capability will increase throughput, improve efficiency and create flexibility in the management of our screening workforce.
- **Advanced Data & Reporting:** When the new screening equipment is in operation, BAC will be able to obtain more accurate and advanced data and reporting on our security screening operations. This reporting, enabled through the introduction of the data management and diagnostics tool *'ScanBI'*, will provide insights into all elements of our operations and allow us to quickly adjust processes to further enhance the passenger experience and overall security outcomes.

Throughout the delivery of these initiatives in the coming year, Brisbane Airport will work to minimise impacts to customers while maintaining our focus on security compliance.

CYBER SECURITY

At Brisbane Airport, we are just as focussed on security in the digital world as we are in the physical space, to ensure we are a safe, secure and resilient airport.

The latest Brisbane Airport Cyber Strategy came into effect in January 2024. The focus of the new strategy is to adopt proven frameworks to measure and improve cyber security and prepare for any potential requirements associated with the *Security of Critical Infrastructure Act 2018* (Cth).

The objective of our strategy is to safeguard the availability, usability, and integrity of our aviation systems to reduce the risk of cyber-attack (e.g. ransomware) and disruption to business operations.

In FY24, the cyber security strategy delivered the following benefits and outcomes to our aviation, consumers, and property business, whilst protecting our community, customers, and employees:

- We completed an ISO/IEC 27001:2022 gap analysis across the corporate environment in June 2024
- An ISA/IEC 62443 gap analysis is in progress to assess our critical infrastructure services and this is expected to be completed in Q1 FY25. The ISA/IEC 62443 is an international series of standards that address cyber security control requirements for operational technology in automation and control systems
- Cyber security and vulnerability management of industrial control systems, including enterprise building integration systems, was improved through the implementation of 'Next-Generation' artificial intelligence and machine learning systems
- 'Cloud' vulnerability management, monitoring and detection was upgraded to safeguard customer information from data leaks and breaches
- The inhouse 'Breach & Attack' service was upgraded with Lateral Movement assessments to improve security testing and protect business operations from malicious activities, such as ransomware.

OUR ENVIRONMENT

ENVIRONMENTAL MANAGEMENT

BAC is committed to the continued improvement of its environmental performance. Environmental management is underpinned by the Airport Environment Strategy (AES) which is a part of our Master Plan. The AES sets the strategic direction for environmental management across Brisbane Airport.

BIODIVERSITY AND HERITAGE MANAGEMENT

Brisbane Airport covers 2,700 hectares, including a 285-hectare Biodiversity Zone and areas of cultural significance for First Nations people. The northern boundary of Brisbane Airport forms the shoreline of Moreton Bay, a Ramsar-designated wetland of international significance. In FY24, BAC completed three biodiversity specific investigations which included a mangrove mapping and aerial review, terrestrial mapping, and migratory shorebird monitoring. The mangrove and aerial mapping have shown positive trends for mangrove growth and aligns with Australian coastal erosion trends on tidal flats. It is important to allow this erosion to occur as these tidal flats support large numbers of migratory shorebirds, including several threatened species. The monitoring study reveals neutral to positive trends for these bird species. The monitoring study has also concluded that restricted access to Brisbane Airport has provided a safe refuge for shorebird species.

Brisbane Airport is culturally and spiritually significant to the First Nations people of the land, waterways and sky. It also has non-Indigenous historical heritage importance, with sites such as the former Cribb Island community and the Kingsford Smith Memorial containing the Southern Cross aircraft. This year BAC continued to implement its Heritage Management Plan. The Heritage Management Plan informs planning, design and development at the airport, and links into the Reconciliation Action Plan.

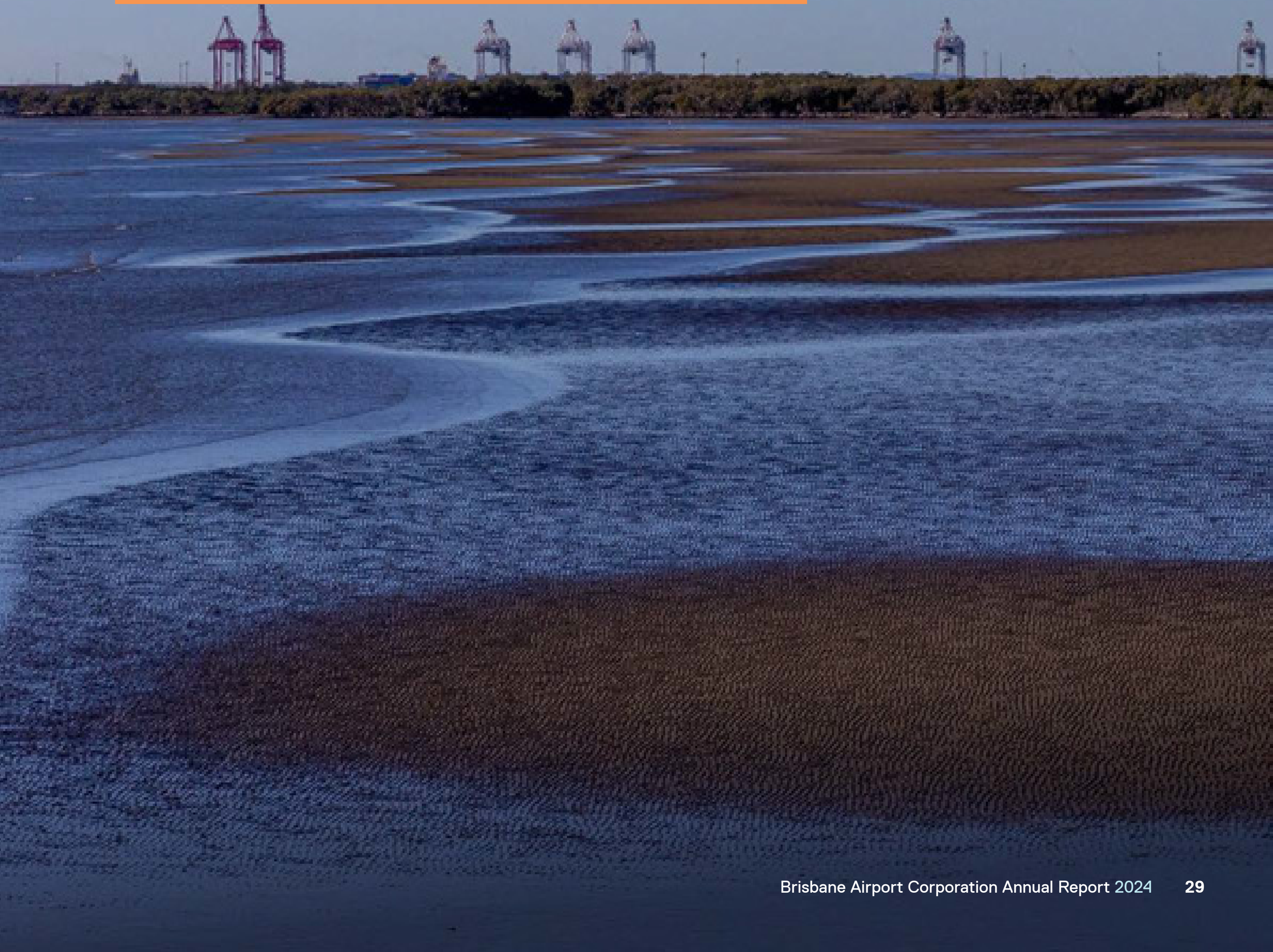
ENVIRONMENTAL MONITORING AND COMPLIANCE

BAC maintains an Environmental Management System (EMS) that in FY24 was certified to the international standard AS/NZS ISO 14001:2015. The EMS adopts a risk-based approach to management of BAC's environmental performance across the business, which includes operations, tenant and project management. Environmental monitoring completed in FY24 included environmental investigations on projects, ongoing project monitoring and the initial rounds of the recently reviewed site wide ambient water quality monitoring program. Below is a summary of some of the compliance work completed by BAC to ensure maintenance and enhancement of environmental outcomes, which includes working with operators, contractors and project teams.

Environmental Management System Highlights

12 Training Sessions	125 Projects	68 Tenant Inspections
78 Personnel trained	**485** Actions	**77** Actions

ISO 14001 CERTIFIED



Brisbane Airport takes a proactive approach to managing and reducing emissions.

OUR PERFORMANCE

Water

BAC has committed to achieving 50% recycled water consumption by 2030. Water management has always been a high priority on BAC's sustainability agenda. Continued growth in passenger numbers has led to an increase in water consumption.

Sources of water for consumption include:

Potable water

Class A recycled water from the Gibson Island Urban Utilities Wastewater Plant

Treatment Plant

Onsite stormwater harvesting

This year our water consumption was:

BAC potable water: **334,600 kilolitres**

Recycled water: **202,800 kilolitres**

Potable water use is minimised through the following methods:

- Installing water efficient fixtures and fittings
- Harvested stormwater is used for irrigation
- Recycled water is used for the cooling towers in our terminals.

As part of our commitment to achieving 50% recycled water by 2030, we are continuing to investigate new opportunities to use non-potable water and water reduction initiatives.

Waste

BAC is responsible for managing waste generated from our activities, operations and our business sites including our terminals. We have committed to achieving zero operational waste to landfill by 2030 (excluding biosecurity waste resulting from quarantine at the International Terminal).

In FY24, BAC partnered with a new waste contractor, Cleanaway, to help deliver our zero-waste to landfill. This year we conducted waste training with all retailers to improve waste management and correct sorting practices. The training also included the development of an online waste training platform that was provided to retailers for ongoing education of their staff.

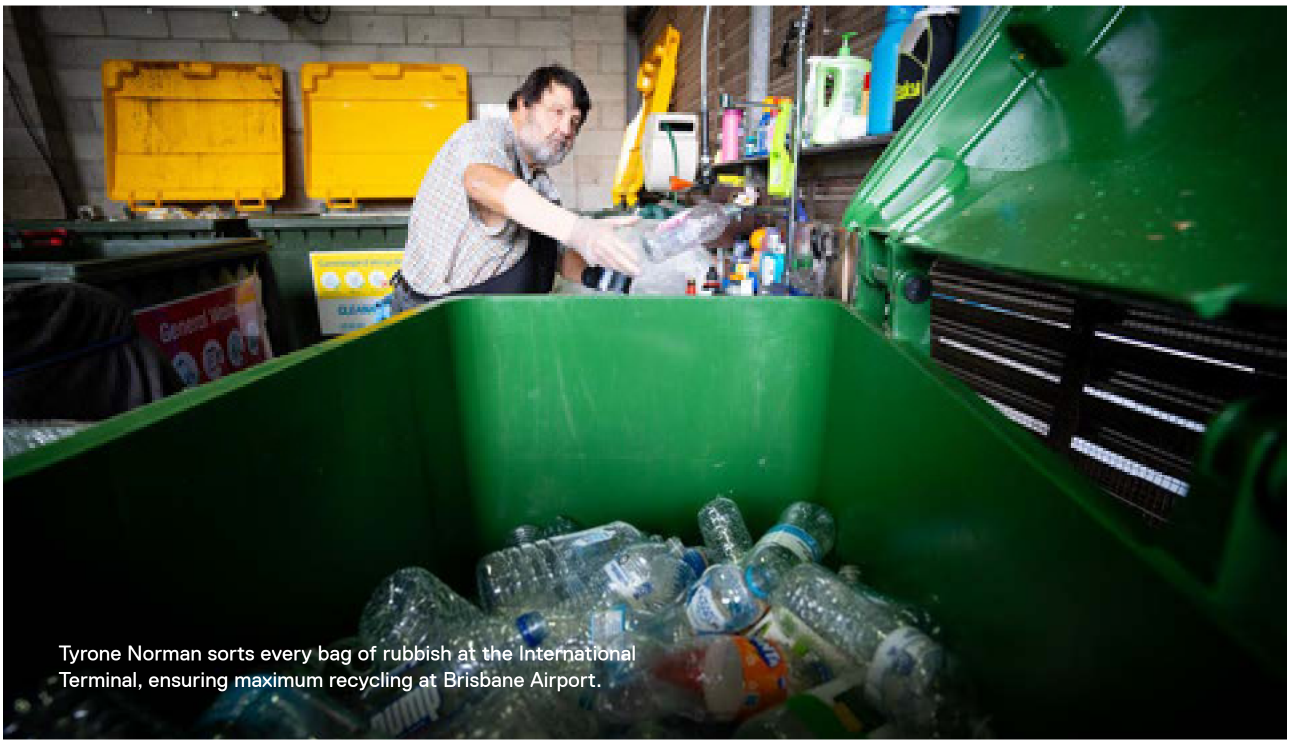
In FY24, our recycling rate was 23% and segregated into the following streams:

Recycling: **783 tonnes**

Landfill: **2,629 tonnes**

Quarantine waste from International Terminal: 354 tonnes (not included in total waste amount as this cannot be diverted from this specialised waste stream). All quarantine waste is incinerated and converted to energy.

Waste to landfill increased by 13% in FY24 as a result of the increase in passenger numbers. The recycling rate reduced by 3% in FY24 due to an increase in contamination. BAC will continue to partner with Cleanaway and retailers to improve waste segregation.



Tyrone Norman sorts every bag of rubbish at the International Terminal, ensuring maximum recycling at Brisbane Airport.

EMISSIONS

BAC takes a proactive approach to managing and reducing emissions. In FY24, we focussed our activities on our commitment to achieve Net Zero in 2025 (Scope 1 and 2). BAC's Scope 1 and 2 emissions account for approximately 2% of our total footprint. Our Scope 1 emissions are generated from our refrigerants, and fuel consumption from fleet vehicles, fire pumps and generators. Scope 2 emissions are generated from the consumption of purchased electricity. As part of our commitment to Net Zero (Scope 1 and 2) in 2025, BAC signed a six-year agreement to secure power that is linked to renewable energy from Queensland's Clarke Creek Wind Farm & Blue Grass Solar projects. The renewable energy agreement comes into effect from 2025 and will mean all electricity used by BAC is renewable-backed. We are also focused on transitioning our vehicle fleet to electric.

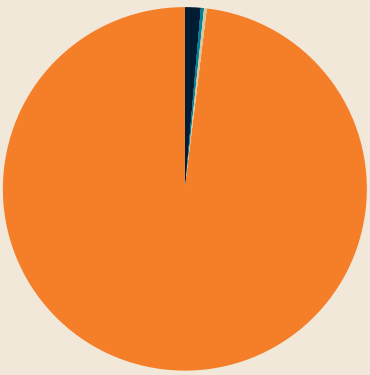
This year we transitioned 20 vehicles within our fleet. We are also trialling two electric vehicles within the airside safety fleet to ensure they meet airside operational requirements.

BAC recognises that approximately 98% of our total emissions is attributed to Scope 3. The most significant source of our Scope 3 emissions is generated from aviation fuel. Other large contributors include ground services equipment, tenants' electricity, passenger and customer travel to the airport (taxi, car, bus). BAC is continuing to work with our supply chain to collect reliable data to further advance our Scope 3 emissions report, with a specific focus on tenant operations, embodied carbon and construction data. As part of this initiative, BAC identified an opportunity to integrate sustainability construction reporting into a contractor management tool.

Now, alongside safety data, contractors submit monthly sustainability data reports. Once this data has been collected, BAC will seek to include this information in its Scope 3 emissions profile.

BAC is committed to working within our own operations, as well as with our customers, supply chain and partners around the airport precinct to identify and implement emissions reduction opportunities. This year, BAC developed a Scope 3 Plan which outlines our role in reducing Scope 3 emissions and key actions required to reduce emissions. The plan focuses on initiatives from aviation fuel and airside operations to tenant operations, construction and private/public transport.

Scope 1 and 2



SCOPE 1

1.60%
Fuel (Fleet Vehicles and Equipment, Diesel Generators, BAC Fire Pumps), 615.63t CO_2e

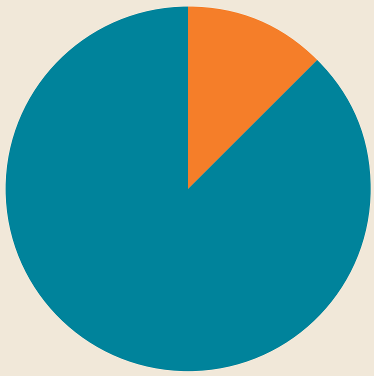
0.12%
SF6, 44.76t CO_2e

0.32%
Refrigerants, 124.72t CO_2e

SCOPE 2

97.96%
Electricity, 37,648t CO_2e

Scope 3



SCOPE 3

87.5%
Aircraft emissions
3,092,765t CO_2e

12.5%
Other, 441,079t Co_2e

Some third-party emissions data was not available at the time of reporting but the volumes are estimated to be immaterial to BAC's Scope 3 emissions profile.

* Aircraft emissions include aircraft full flight emissions, aircraft auxiliary power units and engine run-ups.

** Other includes airside vehicles, tenant electricity, tenant gas, fire training, waste, wastewater, airport constructions (contractors), staff business travel, employee and passenger commutes to the airport.

ENERGY

BAC manages an embedded electrical network which provides electricity required to operate the precinct across several areas, including airfield and terminal operations, building services, transportation, and IT infrastructure. We have been implementing considerable energy efficiency initiatives since 2013, resulting in significant energy savings leading to more sustainable and cost-effective services for customers.

In FY24, a total of 171 gigawatt (GW) hours of electricity was used by the airport site, with 51.57GW hours consumed by BAC. Most of the electricity used by BAC is to power aeronautical operations on the airfield, the International Terminal, and Domestic Terminal. The remainder of the consumption is by airport tenants. Onsite solar energy generation accounts for 15% of total energy consumption by BAC.

A total of 8.7GW hours of energy was produced from our onsite solar. 4.9 MW of new on-site solar was built bringing the total installed on-site solar to 11 MW.

Upgrade of existing assets resulted in a 1.57GW hours improvement of energy performance. Upgrades of existing assets focused on modernising apron lighting and indoor lighting to LED technology.

BAC is committed to the efficient use of energy in all aspects of its operations. The company recognises the significant sustainability impact and costs associated with energy consumption. BAC is developing its management systems to align with ISO 50001 Energy Management to meet future challenges resulting from the growth expected in the years ahead. A comprehensive Utilities Master Plan has been developed which outlines the strategic development of essential services, ensuring the airport's infrastructure can support future expansion and operational efficiency.

ACA Level 4

Brisbane Airport is the first Australian airport to achieve Level 4 of the Airports Council International Airport Carbon Accreditation program. In FY24, Brisbane Airport maintained its Level 4 'Transformation' status. This status recognises Brisbane Airport's long-term carbon management strategy towards absolute emissions reductions and evidence of forging meaningful partnerships to reduce the emissions of airport partners. The Airport Carbon Accreditation is the only institutionally-endorsed, global carbon management certification program for airports. It independently assesses and recognises the efforts of airports to manage and reduce their carbon emissions through six levels of certification.

Sustainable Design

Our team has developed and implemented sustainable design guidelines, which are applicable for all BAC projects. The guideline includes a range of sustainable criteria such as environmental, health, technology, resilience and universal design. In FY24, BAC focused on different material by incorporating recycled and lower carbon products such as carpets, tables, concrete and recycled asphalt into projects. We will continuously revise the guideline to align with industry best standards to maintain our commitment to responsible growth.

CLIMATE CHANGE

OUR POSITION ON CLIMATE CHANGE

The aviation industry accounts for approximately 2.5% of global CO_2 emissions. As a hard to abate sector, the aviation industry will be slow to transition, therefore as other industries decarbonise quickly, aviation could account for as much as 25% of global CO_2 emissions by 2050.

As an island nation, Australia is heavily reliant on aviation. There are no viable alternatives to flying if you want to move around Australia quickly. As an industry, airports globally have committed to Net Zero by 2050, and Brisbane Airport is committed to achieving its sustainability purpose of 'creating a sustainable world-leading airport city that generations trust and are proud of'.

For Brisbane Airport, this means growing in a responsible manner and ensuring we do our part to reduce emissions and the impact of climate change.

Brisbane Airport is located on Moreton Bay and is surrounded by creeks and rivers, making us highly susceptible to a changing climate. We recognise that climate change presents potential risks both in terms of daily operations and long-term planning. We support the global actions to mitigate climate change impacts through transitioning to a low-carbon future and aligning to the goals within the Paris Agreement.

Our shareholders also support action to mitigate climate change and have committed to Net Zero emissions targets and are extremely supportive of our efforts to reduce our footprint. We understand that we cannot decarbonise aviation alone and that partnerships are critical to ensure Brisbane Airport remains resilient to climate change impacts.

Scenario analysis

BAC's climate change risk assessment identifies both physical and transitional climate risks which are referred to as:

- **Physical** risks which relate to the impacts of climate change and can be acute (i.e. event driven such as floods, cyclones etc.) or chronic (i.e. longer-term shifts in climate patterns such as sea level rise, increased temperatures etc.)
- **Transitional** risks which relate to risks and opportunities associated with transitioning to a lower-carbon economy.

Our latest climate assessment is based on the findings detailed in the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) and Sixth Assessment Report (AR6). Scenarios from the AR5 report have been used as the detailed scaled down data was not available from the AR6 report.

The IPCC has developed 4 climate scenarios referred to as Representative Concentration Pathways (RCP). The RCPs outline various climate futures based on the amount of greenhouse gas concentrations within the atmosphere. The physical risk assessment was undertaken using the IPCC RCP 8.5 scenario, which is considered worst case, with no efforts to reduce global emissions. The transitional risk assessment was undertaken using the IPCC RCP 2.6 as it represents the best-case scenario with strong efforts to decarbonise from all industries. The assessment used multiple time horizons including 2030, 2050 and 2090.

The scenario summaries are detailed below.

Business as usual (RCP 8.5)	Accelerated Transition (RCP 2.6)
• High emissions scenario, continuing current carbon emissions to 2100 and beyond • Increased economic and social development coupled with exploitation of fossil fuels and resources • Physical impacts of climate change increase • No international policy, support or behavioural changes made • Considered worst case scenario.	• Low emissions pathway, strong emissions reduction peaking in ~2020 and then rapidly declines • Net zero by 2070 achieved • Supportive international and national policies • Transition to renewable energy and less energy intensive activities.

Climate-Related Risks and Opportunities

As an airport operator, understanding our exposure to physical climate change-related risks is critical to increase resilience in our operations and inform future planning. Physical risks resulting from climate change can lead to impacts such as direct damage to assets and services, and can cause operational disruptions.

A total of 35 physical risks were identified across our assets and operations. However, seven risks have been prioritised due to their high-risk rating.

Climate Hazard	Identified Risk	Existing Controls
Extreme Heat	Increasing temperatures and frequency of hot days resulting in degradation of hardstand assets (i.e. taxiways, aprons, pavements, roads and carparks) leading to increased maintenance expenses and shortened lifespan.	• Australian standard pavement design specifications including design life and heat conditions • Taxiway and apron are constructed using concrete, while airfield pavements are constructed on sand which is less susceptible to expansion and contraction.
Extreme Rainfall	Extreme rainfall events resulting in damage or failure of road or rail infrastructure leading to staff, customers and suppliers not being able to access BNE.	• Airport-wide flood model developed and incorporates climate change scenarios • 98% of infrastructure built above the 1 in 100-year flood level.
Storms	Storm events resulting in damage to power distribution systems requiring immediate action, leading to operational disruptions.	• Airport-wide flood model developed and incorporates climate change scenarios • High voltage network architecture has built in redundancy with multiple route options for supply • Preliminary analysis undertaken to determine the capacity of the site for installation of renewables and potential locations, including unused land, within buildings and structures, underground spaces and rooftops.
	Extreme storm events resulting in dangerous conditions and flight delays, leading to increased volumes of passengers within the terminal buildings and business disruption.	• Adverse Weather Plan in place and reviewed regularly • Early storm warning systems and dashboard in place (MetOps) • Weather information also received from the Bureau of Meteorology (BOM), Local Disaster Management Group (LDMG) and District Disaster Management Group (DDMG) • Emergency management program incorporates training to respond to weather events.

Climate Hazard	Identified Risk	Existing Controls
Sea Level Rise	Sea level rise impacts resulting in damage or failure of infrastructure leading to operational disruptions and disruptions to the major capital work program.	• Airport-wide flood model developed and incorporates climate change scenarios • Asset management plans developed to inform the upgrade and replacement of key airport infrastructure • Minimum design levels developed based on climate scenarios.
	Sea level rise resulting in inundation of drainage outfalls leading to increased incidence of flooding, no staff access and service disruption.	• Airport-wide flood model developed and incorporates climate change scenarios • Minimum design levels developed based on climate scenarios.
	Storm surge exacerbating the impacts of sea level rise reducing drainage immunity.	• Sea wall protects existing foreshore from continued erosion of the coastal perimeter, where not protected by mangroves.

Adaptation planning

Climate change adaptation planning at BNE commenced in the 2000s, largely addressing sea level rise. Since then, we have continued to increase our adaptive capacity and updated our risk assessments as new science becomes available.

Our updated Climate Change Adaptation Plan is based on our most recent risk assessment. The adaptation plan outlines a comprehensive set of 14 actions to respond to our 7 priority physical risks. The adaptation actions are categorised under 5 themes, which are:

Theme 1:	Theme 2:	Theme 3:	Theme 4:	Theme 5:
Building the baseline on climate data	Incorporating climate data into strategic and operational decisions	Implementing climate actions in design and planning	Implementing climate actions in operations and maintenance	Engaging with key external partners

In FY24, BAC focused on implementing theme 1, 'Building the baseline on climate data'.

As part of our ongoing effort to mitigate climate risks we undertook a vulnerability assessment. The purpose of the vulnerability assessment was to identify which BAC assets are most vulnerable to the identified climate change risks (physical). The findings of the vulnerability assessment have been used to prioritise the Climate Change Adaptation Plan. We will continue to embed this plan and the identified mitigation actions across our business and operations and report on progress annually.

Transitional risks

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to BAC.

A total of 21 transitional risks were identified. The risks that have an immediate onset (i.e. direct impact to BAC) or high vulnerability have been prioritised.

Transition Sector	Identified Risk
Policy and Legal	Increased operational expenditure if BAC offset emissions and carbon prices increase over time.
	Increased exposure to legal liability and potential to face penalties for operating in contravention to international standards and commitments (i.e. Paris Agreement and carbon targets).
	Additional capital and operational expenditures to accommodate new assets and equipment responding to policy change towards electric ground transportation (i.e. onsite battery storage and increased grid connections for electric vehicle charging).
	BAC's investment schedule does not adequately consider emerging technologies and fuel sources (e.g. hydrogen, sustainable aviation fuel (SAF) and losing established first mover advantage).
	Procurement policy is ineffective in outlining BAC's sustainability expectations.
Market Shift	BAC's assets and operations will be more exposed to physical climate change impacts, impacting access and availability to equity/financing and/or increased cost to finance debt.
	Increased insurance premiums and costs (i.e. liability claims) associated with coverage for extreme events.
Technology Shift	Supply shortages to aviation fuel, delays in alternative fuel supply and/or a lack of domestic market resulting in delays and an inability to achieve targets (e.g. SAF).

Transitional opportunities

Efforts to mitigate and adapt to climate change have potential opportunities for BAC through resource efficiency and cost savings, the adoption of low-emission energy sources, the development of new products and services, access to new markets, and building resilience along the supply chain.

The identified opportunities were prioritised utilising climate-related financial disclosures (TCFD) risk matrix and align with international standards on risk management processes. A total of 22 transitional opportunities were identified. The risks that have an immediate onset (i.e. time that elapses between the occurrence of an event and the point at which BAC will feel its effects) and high vulnerability have been prioritised.

Transition Sector	Identified Opportunity
Energy Source	Generate and store renewable energy onsite through improved access and declining capital cost of renewable energy and battery technologies, resulting in improved operational resource efficiency and emissions reduction.
Resource Efficiency	Improve energy efficiency measures across assets and operations (i.e. on demand runway lighting, mature energy efficiency framework), mitigating operational cost increases from increased energy cost and/or carbon pricing.
	Install new technologies to reduce energy use, emissions and associated operational expenditures (i.e. AV security of the boundary and Foreign Object Debris, use of drones).
	Improve energy and emissions performance standards, which result in reduced operational expenditure.
	Capitalise on green finance mechanisms issued via investment products, green bonds, tax incentives or subsidies, to invest in resource efficiency and low/no carbon products and services, which reduce operational expenditures.
	Reduce operational expenditure through resource efficiency of upgraded BAC fleet (i.e. electrification, variation in assets — not just utility vehicles), as well as avoiding potential emissions penalties and pricing.
	Support Airservices Australia to modify airspace for more fuel and noise efficient flight paths.
Market	Attract new forms of investment (i.e. property customers interested in innovation, renewable energy and/or hydrogen hub products).
	Reduce Scope 3 emissions through partnerships and being a leader within the market (e.g. incentivisation of lower emission aircraft through reduced landing fees).
	Reduce Scope 3 emissions and increase connectivity through collaboration with government and industry (e.g. advocate rapid bus transit, enabling electric vehicles).
Products and Services	Invest in services that promote use of electric ground transportation (i.e. charging stations, parking restrictions or incentives) resulting in contribution to increased asset value.
	Adopt sustainable building guidelines (i.e. Green Star) to generate BAC specific requirements to ensure ESG principles are applied (i.e. renewable energy, batteries, content of recycled asphalt, end of trip facilities).

Climate reporting

As the TCFD has been officially disbanded, BAC is now focusing its efforts on preparing for the Australian Accounting Standards Board (AASB) mandatory climate reporting. In FY24, BAC undertook a gap analysis, reviewing current procedures and strategy against the AASB's climate disclosure requirements to identify areas for improvement. The findings of the gap analysis will enable BAC to focus its efforts on climate-related disclosures.

OUR COMMUNITY

Brisbane Airport is dedicated to serving Brisbane and Queensland, providing essential facilities and services that strengthen our state's social connectedness and enable economic growth. Our relationship with the people and communities we serve is built on a foundation of openness, honesty, and unwavering support.

Our community benefits when we enable them to connect across Queensland, Australia and the world. Our community benefits when we open the door to visitors from around the globe.

And being a good neighbour means we share our success to make Brisbane and Queensland a better place, helping those who need it most, and working hard every day to minimise the impacts of aircraft noise on our neighbours.

AIRCRAFT NOISE

As Queensland's most important transport hub, Brisbane Airport enriches the community economically, socially, and culturally. We are the country's most connected domestic airport and a gateway for the South Pacific and beyond, serving Australia's national and regional interests.

However, the burdens of aviation, most particularly noise, are borne very locally around airports. We acknowledge that for some people, aircraft noise is a genuine problem.

We believe that a better balance can be found between the essential service the airport provides the people of Queensland and Australia, and the noise burden on our neighbours.

We know it requires airports, airlines, aircraft manufacturers, and airspace managers, working together with a common purpose and commitment.

The people of Brisbane Airport Corporation are working hard to minimise the impact of aircraft noise.

In FY24:

- We continued our commitment to the Noise Action Plan for Brisbane, working closely with Airservices Australia which is delivering the plan, and our other industry partners to improve noise outcomes for the community
- Our people joined Airservices Australia in 20 community engagement sessions across Brisbane and online to answer questions and assist residents to understand proposed improvements
- We continue to openly engage in the Brisbane Airport Community Airspace Advisory Board (AAB) and Brisbane Airport Community Aviation Consultation Group (BACACG)
- BAC and Airservices Australia have jointly agreed to work with the Civil Aviation Safety Authority on ways to increase the permissible tailwind component for overnight Simultaneous Opposite Direction Parallel Runway Operations
- BAC commissioned independent noise monitoring software to monitor noise directly related to the operation of the airport
- We used our temporary noise monitors to complete community noise monitoring at Taringa and The Gap in response to community concerns. Results of all temporary noise reporting are published on our website.

Visit: BNE noise management

- Brisbane Airport appeared at and submitted a written submission to the Senate Inquiry on the impact and mitigation of aircraft noise in Australia.

Read: Submission to the Senate Inquiry

- BAC continued its work as part of the Hydrogen Flight Alliance, which is supporting the trial of quieter and cleaner transport using hydrogen electric aircraft, through the BNE based company Stralis.
- Brisbane Airport is advocating with airlines on behalf of the community for faster introduction of next-generation quieter aircraft.

Improvements in aircraft design and efficiency

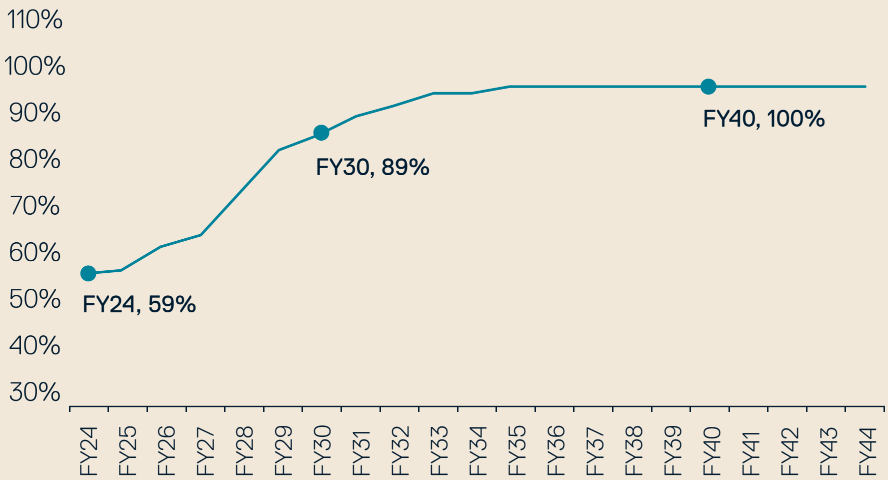
Improvements in both engine and airframe technologies have resulted in modern aircraft being more efficient and quieter. The International Civil Aviation Organisation (ICAO) defines noise limits through a certification process and categorises aircraft according to agreed standards. These standards are referred to as Stages (and an associated reference chapter), with the noisier aircraft as Stage 2 (Chapter 2) and the quieter more modern aircraft as Stage 5 (Chapter 14).

Brisbane Airport is seeing a move towards quieter, more efficient aircraft. The upcoming services to Los Angeles by Delta and Dallas Fort Worth by American Airlines, will be operated by Boeing 787-9 Dreamliners, which have approximately 30% lower noise levels than previous generation engines. The Emirates A380 service to Dubai meets stage 5 noise emissions standards.

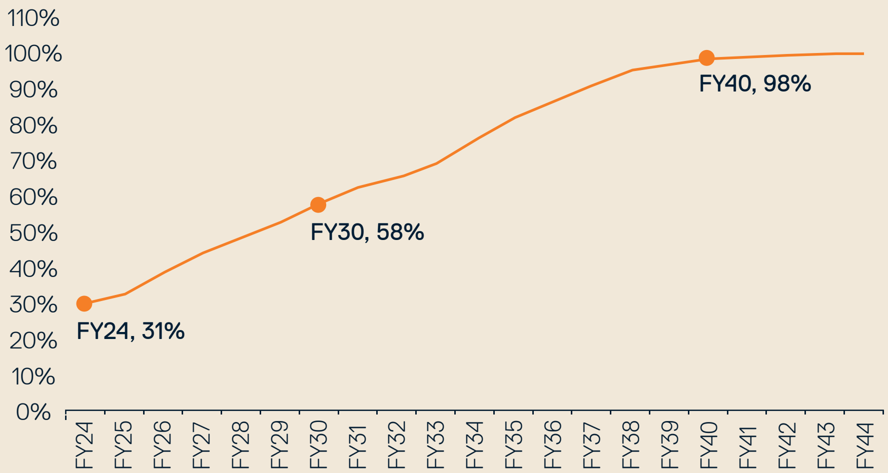
Domestic airlines are moving towards quieter, more efficient aircraft, with Qantas introducing Airbus A220s on selected flights between Brisbane and Melbourne (operating with a 50% noise footprint reduction) and Virgin increasing its 737-Max fleet, which has a 75% reduction in noise compared to previous 737 variants.

FY24 shows that 59% of the international fleet servicing Brisbane meet the highest ICAO standard for aircraft noise, and this is forecast to reach 100% by FY35. The domestic fleet currently has 31% of aircraft meeting Chapter 14 standards and is forecast to reach 98% by FY40.

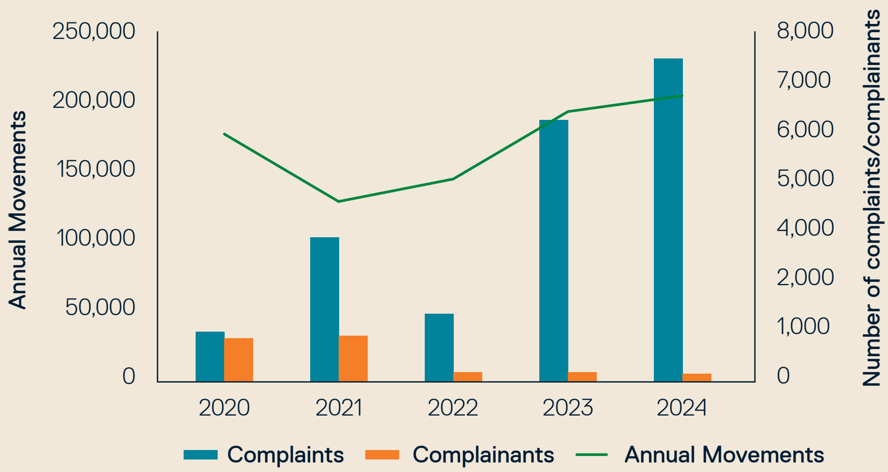
Forecast proportion of international flights that generate noise below ICAO Chapter 14 limits



Forecast proportion of domestic flights that generate noise below ICAO Chapter 14 limits



Noise Complaints (BAC) FY20-FY24



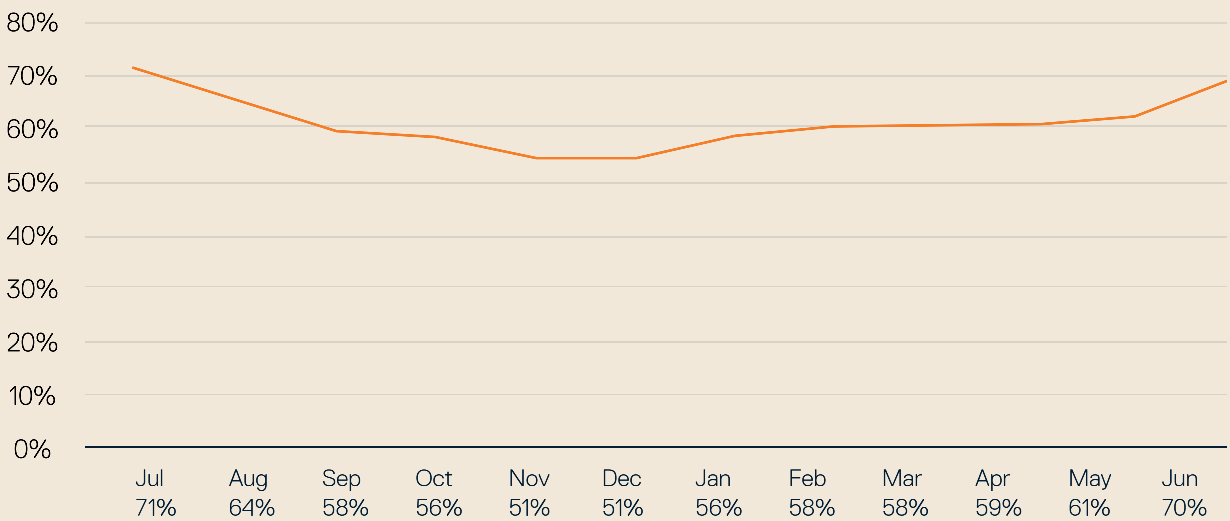
Complaints relating to aircraft noise

In FY24 Brisbane Airport Corporation directly received 7,289 aircraft noise related complaints from 207 complainants. Of these, 6,221 complaints were from two residents. As the number of aircraft movements has increased following the end of the pandemic, the number of complaints has increased, although the number of complainants has decreased.

NIGHT OPERATIONS

We understand that the hours from 10pm-6am are sensitive hours for residents. During this time, we ask Airservices Australia to prioritise operations over the bay where weather and traffic conditions allow. The below graph demonstrates the percentage of aircraft arriving and departing over the bay and away from the city during FY24. Seasonal wind and weather patterns drive variations across the year.

FY24 — Over the Bay: % Total Night Movements



ESSENTIAL FOR THE HEALTH OF QUEENSLANDERS

Brisbane hospitals are crucial for Queensland's healthcare due to the state's vast size and decentralised population. As the capital, Brisbane offers advanced medical facilities and specialist services unavailable in many remote and regional areas. The healthcare system relies on flying patients to Brisbane for urgent and specialised treatments. The Royal Flying Doctor Service and LifeFlight ensure rapid transport from distant regions, improving survival rates and health outcomes.

Brisbane Airport plays a critical role in this chain of care, with around 18 patients transferred to and from Brisbane hospitals via Brisbane Airport each day. In Q2 FY25, construction will begin on an Aeromedical Precinct at BNE, a project offering profound benefits for regional Queensland communities.

The super base will be home for Royal Flying Doctor Service, LifeFlight, Retrieval Services Queensland and Queensland Police Service Aviation Capability Group.

A patient transfer facility will provide onsite care for people moving between regions and city hospitals and back again.

Brisbane Airport Corporation is a proud sponsor of the Royal Flying Doctor Service and LifeFlight.

Brisbane Airport aeromedical operations FY24	
Royal Flying Doctor Service	4,611 patients flown to Brisbane Airport
LifeFlight Helicopters	549 people helped, including 116 cardiac and 62 paediatric transfers over 1,181 flight hours.
LifeFlight Air Ambulance Jets	605 people airlifted

SUPPORTING BRISBANE'S CULTURAL LIFE

Brisbane Airport contributes to Brisbane's creative communities that make this city a better place to live and a more attractive place to visit.

We work collaboratively through sponsorships to elevate Brisbane's place on the global stage and the benefits that flow from the experience economy.

Our FY24 partners included:

- Australasian Dance Collective
- Brisbane Festival
- Brisbane Philharmonic Orchestra
- Brisbane Powerhouse
- Camerata
- La Boite Theatre
- Museum of Brisbane
- Opera Queensland
- Queensland Ballet
- Queensland Art Gallery | Gallery of Modern Art
- Queensland Theatre
- Queensland Symphony Orchestra

We like nothing more than showcasing our incredible arts partners by bringing their creativity into our terminals for passengers to enjoy. In the past year this included an extension of Brisbane Festival's Hiromi Hotel with a pop-up installation by Hiromi Tango on our village green in the International Terminal.

Other airport experiences included the World Press Photo terminal exhibition, and special Christmas performances by Brisbane Pride Choir, Opera Queensland and Camerata, Queensland Ballet and Brisbane Philharmonic Orchestra.

We also support teams and events that encourage inclusionary participation in sports in partnership with Brisbane Roar and Queensland Cricket.

SUPPORTING LOCAL COMMUNITIES

Every year Brisbane Airport partners with community-based organisations who are making a difference in the lives of people across Brisbane.

In FY24, we received over 720 applications for our Giving Fund, with 24 successful recipients. These organisations join a long list of recipients sharing in over $500,000 since the beginning of the program. Funded projects included Meals on Wheels in Moreton Bay and Brisbane South, Walking Football Brisbane for seniors, the Wildlife Preservation Society of Queensland, Moggill Creek Catchment Group and Pine Rivers Koala Care Association.

Through the airport's Giving Globes program, $81,000 was raised for several important non-profit organisations including Foodbank, the Johnathan Thurston Academy and the Daniel Morcombe Foundation.

BAC also raised $80,000 through the annual Lost Property Auction to support TrekShed's youth program in collaboration with PCYC, and Little Wings, which flies sick children from regional areas to the city to receive treatment.

Community Engagement

We conducted 35 bus tours and presentations of BNE for education and community groups in FY24, as well as Mobile Information Van visits to 7 major community festivals.

Therapy Puppies

Following a successful trial, the team introduced therapy dogs into the terminals during peak holiday periods in FY24. Their presence has helped anxious passengers enjoy a calmer travel experience. The team has delivered 17 sessions with at least 7 dogs, reaching more than 200 people each session.

ACTIVE TRANSPORT

BAC finalised its Active Transport Strategy and Action Plan in FY24. The focus of the strategy is improving connections, expanding the network, providing facilities (e.g. mid and end-of-trip facilities) and encouraging active transport uptake.

Results from a public survey with over 500 respondents showed that connectivity, accessibility and safety were the top three improvement areas.

The strategy has identified 12 key initiatives to progress as part of the Action Plan and FY25 will see BAC investing in the planning and design of key active transport infrastructure that will shape future landside connections.

This has already seen the start of construction on a 330-metre active transport path linking an existing path to Sugarmill Road, so cyclists and pedestrians can avoid a busy section of Lomandra Drive. Recycled/reclaimed asphalt is being used in the path, along with lower carbon concrete. Solar lighting is being installed along the pathway.

RECONCILIATION AND INDIGENOUS HERITAGE

Brisbane Airport Corporation is currently enacting its third 'Innovate' Reconciliation Action Plan (RAP), detailing further commitments to the process of reconciliation and understanding the Indigenous heritage of the land on which we operate.

One target of the RAP is to support the employment of First Nations people.

During FY24, the proportion of First Nations people BAC employees fell to 1.7% due to a 8.5% increase in total employees, without recruitment of First Nations people. With more than $5 billion of investment over the coming decade, BAC is currently investigating further opportunities for First Nations-owned companies to participate in its tender process either as a main contractor or as a subcontractor.

BAC continues to implement the Core Cultural Learning Program. This program has been developed by the Australian Institute of Aboriginal and Torres Straight Island Studies, and builds on years of research and involvement in cultural competence initiatives and is informed by research collaboration with the University of Sydney's National Centre for Cultural Competency.

Land, Sea, Sky

Land, Sea and Sky was created by North Stradbroke Island (Minjerribah) local and First Nations artist and designer, Delvene Cockatoo-Collins.

It captures both the ancient and European history of the land on which we operate.

Delvene spent time in the airport's biodiversity zone and at the former location of the Cribb Island community to source items for inspiration.

This year, the piece was installed at level 1 of the International Terminal to greet visitors to Brisbane Airport.

YARNING CIRCLE

In FY24 the Reconciliation Action Planning (RAP) group worked to provide the space for people to start their journey to reconciliation in an inclusive, collaborative and culturally relevant way. As a result, Brisbane Airport partnered with a local First Nations contractor Multhana Property Services to build our own Yarning Circle.

Yarning circles have been used within First Nations cultures for centuries; to learn from a collective group, build respectful relationships, and to preserve and pass on cultural knowledge.

GOVERNANCE

OWNERSHIP

BNE is operated by Brisbane Airport Corporation Pty Limited, which is an unlisted company. It is part of a consolidated group, the ultimate holding company of which is BAC Holdings Limited (BACH), an unlisted public company.

The majority of BACH's shareholders are major Australian institutional investors that manage funds on behalf of ordinary Australians whose savings are invested in superannuation and other investment funds.

19.6% is owned by Schiphol, Europe's third largest airport and one of the world's most modern and efficient airports. BAC's strong, long-standing ties with Schiphol help ensure world-class standards in maintaining, developing and operating BNE.

Remaining shares are held substantially with Australian investment funds, although ultimate ownership is offshore.

Ownership structure as at 30 June 2024*

Number of direct or indirect BACH shareholdings managed.

* Logos reflect the investment managers representing the direct or indirect BACH shareholding in their respective portfolio.

QIC	30.2%
igneo Infrastructure Partners	25.3%
IFM Investors	20.0%
Schiphol	19.6%
Spirit Super	4.9%

GOVERNANCE STRUCTURE

We believe that good corporate governance is based on a strong organisational culture, underpinned by shared principles and values.

Effective governance allows us to create value for our community, customers, employees and shareholders through innovation and development, while providing accountability and parameters commensurate with the risk landscape.

Our Board provides leadership and oversees all corporate governance of the BAC Group and retains exclusive accountability for its role and responsibilities as set out in the BAC Group Board Charter.

The Board meets collectively approximately six times per year and delegates to the CEO the power and authority to manage the full operations and activities of the BAC Group.

The Board and its sub committees have established charters outlining their responsibilities, and a policy framework that sets out the BAC Group position on key organisational matters and core corporate governance processes.

For more information regarding the role of our Board and its sub committees, please refer to the Directors' Report.

The Executive Leadership Team is accountable for strategically managing the commercial and operational activities of the BAC Group to ensure continuous and sustainable growth for community, customers, employees and shareholders by developing and driving the implementation of BAC's corporate vision and strategy.

Board and management responsibilities

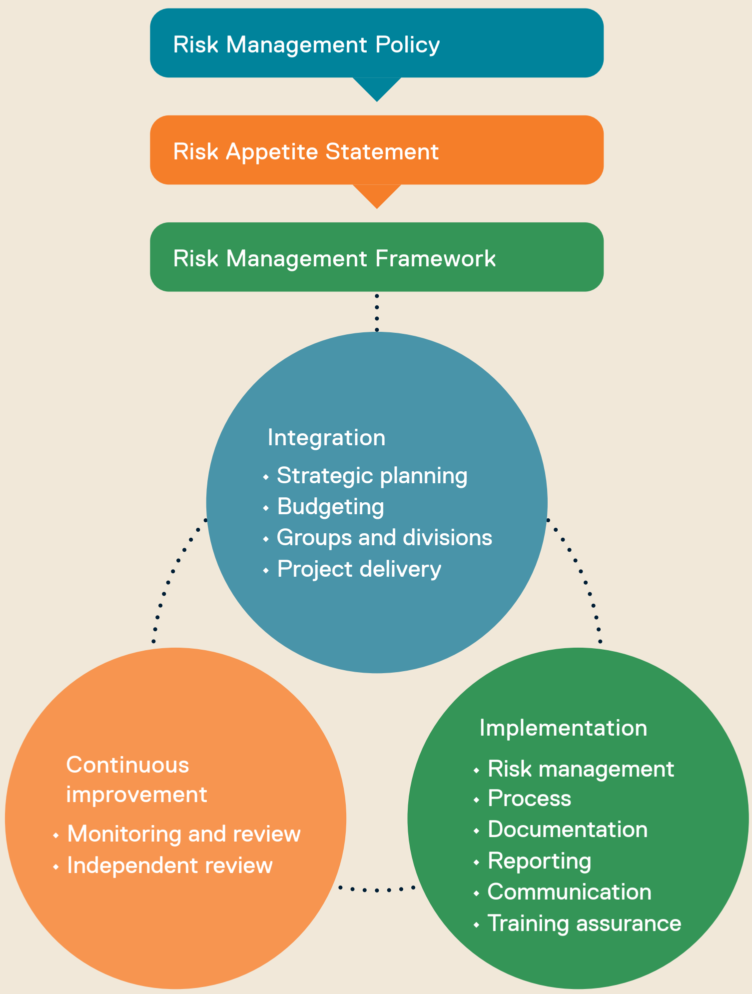
Board of Directors	• Accountability • Recruitment and relationship with the CEO • Vision statement and strategy • Overseeing risk management • Develop and approve key policies • Monitoring management.
Executive Leadership Team	• Set the vision and direction • Provide leadership and support • Drive company culture • Develop and implement business strategies and plans • Ensure all team members are adequately trained and adhere to compliance requirements.
Management	• Develop and implement division strategies • Provide leadership and support • Drive company culture • Ensure all team members are adequately trained and adhere to compliance requirements.

RISK AND OPPORTUNITY MANAGEMENT

Underpinned by the Board approved Risk Management Policy, the effective management of risk across BAC is supported and delivered through the Risk Appetite Statement and Risk Management Framework.

RISK APPETITE

BAC balances risks and opportunities to respectively protect and create value for our community, customers, employees and shareholders. To guide the business in risk-based decision-making, BAC has defined a 'Risk Appetite Statement' that outlines the amount and type of risk that BAC is willing to pursue or accept to achieve its objectives. Management and the Board have set 'key risk indicators' to monitor whether the business is working within, close to, or outside the risk appetite, as well as whether the business is driving value through the pursuit of opportunities, allowing for reassessment where required.



RISK MANAGEMENT FRAMEWORK

Overseen by the Board and the Finance, Audit and Risk Management Committee, BAC's Risk Management Framework supports the identification, assessment, management and reporting of risks that may have a negative impact on the achievement of strategic and operational objectives.

The goal of the Risk Management Framework is to improve decision-making by aligning and harmonising risk data at all levels of BAC, supporting business areas to apply risk management thinking and providing methodologies to all planned or projected activities.

All employees are responsible for making risk-based decisions within approved risk appetite limits.

The Board reviews BAC's material risks and Management's alignment with the risk appetite biannually and regularly assesses the effectiveness of BAC's Risk Management Framework.

Risks

The risks identified in this section have the potential to materially affect BAC's ability to meet its strategic and business objectives and impact its future financial prospects. These risks are not exhaustive and are not arranged in order of significance.

STRATEGIC RISKS

Strategic risks arise from internal and external uncertainties that can impact on the achievement of the business' strategic objectives. These risks are managed through continuous monitoring and review, ongoing planning and the allocation of resources, and evaluation from Management and the Board.

RISK	DESCRIPTION	MANAGEMENT CONTROLS
1. Climate change	Failure to appropriately respond to or prepare for the impacts of climate change (physical and transitional) resulting in impacts to infrastructure, operations and BAC's social licence to operate and grow.	BAC has undertaken a climate change risk assessment to identify the key climate risks to our assets and operations, as well as the risks and opportunities associated with transitioning to a low carbon economy. Management has developed a Climate Change Adaptation Plan to address the priority risks identified. BAC has undertaken a vulnerability assessment to identify assets that are most vulnerable to identified climate risks. Climate change resilience is a key focus area in the Sustainability Strategy and is incorporated into all strategic and master planning.
2. Regulatory policy	BNE operates in a multi-layered regulatory environment in which governmental changes in policy may impact our business, including federal and state level restrictions and policies, and changing regulatory focus.	BAC has a consultative relationship with all three levels of Government that regulate the airport and our stakeholders. We proactively engage with our stakeholders to reduce impacts on our local communities, and we highlight the considerable benefits to the economy, jobs and people of Queensland that result from Brisbane Airport's operations.
3. Volume and pace of change	To deliver our business plan and investment aspirations, it is fundamental that we maintain and enhance our current culture. The volume of new employees, contractors and deliverables provides both challenges and opportunities in ensuring our people feel engaged, supported, enabled and proud to work at BAC.	BAC continues to build a strong culture that attracts, retains, and develops high-performing employees. Our Employee Value Proposition continues to be enhanced to meet the needs of our employees, while our Learning and Development Strategy identifies and grows our talent, linking to succession planning.
4. Macroeconomic environment	Uncertain geopolitical conditions create an increased level of global instability which is driving further pressure on supply chain (cost, supply and time). It also creates the likely potential for travel demand to be suppressed to and from impacted regions. Economic and supply side factors are increasingly impacting the Australian political landscape.	BAC adopts a proactive approach to the management of macroeconomic risk. Financial forecasts are regularly revisited to reflect trends in revenue and expenditure to allow real-time adjustments to BAC's operational and investment decisions. This positions BAC to be responsive to changes in the environment that represent either risks or opportunities.

RISK	DESCRIPTION	MANAGEMENT CONTROLS
5. Project interface with airport operations	Major construction will be occurring over the next 10 years within the live environment of the International and Domestic Terminal precincts. During construction, these precincts must continue to operate 24/7, and provide a safe and secure environment for passengers, airlines, visitors, workers and contractors.	BAC undertakes extensive stakeholder engagement and planning particularly with airlines, tenants, BAC's aviation, commercial and security groups. This includes actively ensuring BAC's internal community, neighbours and the public are kept informed of changes that may impact them as a result of project deliverables. BAC engages experienced contractors to ensure adequate planning and safe construction occurs.

FINANCIAL RISKS

Financial risks are those that have the potential to impact BAC's financial position.

RISK	DESCRIPTION	MANAGEMENT CONTROLS
6. Financial management	BAC is exposed to a diverse array of financial risks including liquidity, interest rate, currency, refinancing and counterparty risks. Failure to establish and adhere to policies and practices that control and/or mitigate those risks could lead to a range of adverse consequences, including insufficient access to funding, significant increase in BAC's interest expense and/or debt liabilities, failure to receive monies owed and risk of credit rating downgrade.	BAC manages financial risks in accordance with the Board approved Financial Policies. These policies set out the delegated authority from the Board in respect of credit rating risk, financing and refinancing risk, interest rate risk, foreign exchange risk, credit and counterparty risk and distribution risk. BAC's risk appetite and capacity are reflected in the limits and other requirements set by the policy.

OPERATIONAL RISKS

Operational risks arise from inadequate or failed internal processes, people and systems or from external events.

RISK	DESCRIPTION	MANAGEMENT CONTROLS
7. Work Health & Safety (WHS)	BAC operates and maintains diverse and complex infrastructure and work environments over a large geographical area that are accessed daily by multiple parties including BAC workers, contractors, tenants, airline partners and members of the public. The complexity of these operations may expose these parties to potential risks to their health and safety.	BAC's WHS Policy is approved by the Board and documents our commitment to health and safety at BAC. The policy governs the WHS Strategy and sets the direction of BAC's health and safety management system, which is accredited to ISO 45001:2018 and is externally audited for legal compliance. BAC continues to create a proactive WHS culture that supports health and safety behaviours and decisions throughout the organisation and airport community. BAC has increased its focus on contractor safety management through 5 key pillars, flexing our capability in training, tools, assurance, reporting, and partnering.
8. Physical Security	An intentional or unintentional compromise of a physical, procedural or technical security measure may impact the secure operation of BAC and affect the security of people, assets or infrastructure. This may include attacks perpetrated through acts of terrorism, foreign interference or criminality, which may have catastrophic impacts to our aviation operations, commercial customers and BAC operational and social licences.	BAC's Transport Security Program is approved by the Australian Department of Home Affairs and regulated by the Cyber and Infrastructure Security Centre (CISC). BAC maintains regulatory compliance and assures the protection of people, assets and infrastructure through an intelligence driven, risk-based and outcomes-focused approach, coupled with an internal quality assurance and compliance program.
9. Cyber Security	A cyber security incident has the potential to cause a disruption to critical business processes, a breach to privacy, or compromise of commercially sensitive data, that may impact BAC, its operations and/or its customers.	BAC has a Cyber Security Program supported by BAC's Cyber Security Strategy which has Board oversight and is reported regularly. BAC's Cyber Security Program has independent assurance activities annually to test and confirm BAC's cyber controls are in place, including Financial Systems Audit, PCI Level 2 Merchant Certification, Cyber Insurance Annual Review, and Penetration Testing.
10. Resilience	Brisbane Airport's operations are dependent on the ability to maintain continuous business operations and to safeguard people, assets and infrastructure in the event of an unplanned disruption. Operations may be impacted by risks such as network or systems outages, natural disasters, aircraft accidents or potential terrorist attacks.	BAC manages disruption risks in accordance with the Board approved Resilience Policy. This policy outlines BAC's approach to prepare for, respond to and recover from a business disruption, ensuring the continued provision of critical business functions to its customers and stakeholders through a risk-based resilience Framework. The Framework comprises the core programs of Incident Management, Emergency Management, Crisis Management and Business Continuity Management.

RISK	DESCRIPTION	MANAGEMENT CONTROLS
11. Sustainability	An environmental incident or failure to consider and adequately mitigate the environmental, social and socio-economic impacts on the community and the environment has the potential to cause environmental impact, community action, regulatory intervention, legal action and impacts to reputation and revenue.	BAC manages ESG risks in accordance with its Board-approved Environmental Policy and Sustainability Policy. The Environmental Policy sets the direction for BAC's Environmental Management System to deliver continuous improvements in BAC's environmental performance. The Sustainability Policy outlines BAC's Sustainability Framework which is consistent to the three pillars within BAC's Sustainability Strategy. BAC is committed to growing responsibly and minimising our footprint through embedded sustainability principles and practices across our operations. BAC's sustainability controls include the implementation of the Sustainability Strategy, sustainable design guideline, procurement policy (including sustainability), participation in the Jet Zero Council, noise abatement procedures, and community engagement.
12. Legal and regulatory obligations	BAC operates in a regulated environment with a number of licence to operate obligations that may impact the environment in which we conduct our business.	BAC manages its broader legal risk in accordance with the Board-approved risk appetite and its non-compliance risk in accordance with the Board-approved Compliance Policy (as part of the broader Enterprise Risk Management Framework). BAC pursues its objectives and preserves its licence to operate by conducting its business and operations in accordance with its legal and regulatory obligations.

OPPORTUNITIES

BAC is an international aviation hub with a significant property portfolio. As we move out of the post-COVID recovery stage, BAC is seeking opportunities that provide forward momentum to its aviation, property and consumer strategies.

BAC has a maturing strategic risk management process, which includes the identification of both strategic and operational opportunities. Considering risk during the strategy planning and execution process supports BAC's ability to seize opportunities that have the potential to maximise value and to identify areas where it may wish to take more risk in the future. By integrating enterprise risk management into strategy and business planning, BAC is better positioned to create value through identifying opportunities for growth and preserving value for a sustainable future.

1. Value Optimisation	As we emerge from post-pandemic recovery, BAC has the opportunity to review and optimise how we create value for our community, customers, employees and shareholders. This includes enhancing current business models and finding innovative ways to do things differently to generate more value than we do today.	• Optimising retail and property revenue • Driving value in the aviation business – by developing infrastructure and services to meet the forecast demand in passenger, freight and cargo growth • Improving value in the property and retail business through identifying new opportunities.
2. Business Process Optimisation	Continued focus on operational excellence by driving efficiency and cost reduction, while still delivering quality services and products.	• Adjusting services to reduce cost whilst not detrimentally impacting overall experience • Leveraging resources across the organisation • Improved escalation processes for decision-making that takes into account the community, our customers, employees and shareholders to reduce delays • Reducing lead time from idea/project inception to execution phase.
3. Licence to Grow	BAC will engage with our stakeholders and community to identify issues, and propose changes that enable BAC to achieve growth in our 3 businesses of aviation, property and consumer products.	• Work with government and key stakeholders to ensure policy and regulatory settings affecting BAC are transparent, fit for purpose and support community confidence in airport operations • Collaborate with Airservices Australia to improve noise emissions through airspace management • Successfully manage expected operational impacts during terminal upgrades to minimise disruption to our passengers and stakeholders.
4. Destination BNE	Make BNE an attractive hub by delivering a diverse sustainable mix of businesses, entertainment and experiences for locals and visitors.	• Undertake progressive delivery of major strategic property projects that enable BAC to be a diversified, self-sufficient airport hub • Unlock the value of undeveloped and under-utilised parcels of land.

5. Sustained momentum	Maintain the increased velocity of property development by optimising sales, operations and project delivery.	• Undertake holistic precinct planning including Airport Central, Airport Industrial Park and Skygate precincts.
6. Shaping the future of parking and transport	Evolve the transport business to anticipate and meet customer needs, while maximising commercial returns.	• Development of a landside transport solution that provides passenger-driven transport options • Commence design and delivery of carpark capacity and landside access projects to support current passenger demand • Commence implementation of Electric Vehicle Strategy to promote sustainability choices.
7. Aspirational airport retail	Actively seek to revitalise and enhance our retail business through curation of product offerings and experiences that are uniquely BNE.	• Enhance terminal retail experiences to exceed our passenger expectations • Implement a Zero Waste plan across BAC's precincts to meet sustainability targets • Deliver outcomes of the International Terminal security and retail upgrade.

RESPONSIBLE BUSINESS

BAC conducts its business responsibly and respectfully, supporting our ongoing social licence to operate and grow through an Ethical Behaviour Framework comprising policies and programs focusing on:

- diversity and inclusion
- preventing corruption
- whistleblower protection
- supplier principles
- modern slavery
- Reconciliation Action Plan.

BAC's Conflict of Interest, Fraud and Corruption and Gifts, Benefits and Entertainment Policies support employees behaving lawfully and ethically in the workplace, including when dealing with existing stakeholders and business partners, and during procurement and supply practices.

BAC's Whistleblower Policy empowers employees, business partners and customers to report behaviour potentially damaging to our organisation.

This program is supported by an independent reporting service and BAC's Confidential Reporting Committee ensuring that appropriate protections are provided to eligible disclosers. To ensure a sustainable future, BAC seeks to work with suppliers who are ethical and socially responsible. BAC's expectation of its suppliers and service providers is provided through its Supplier Principles, which asks supply partners to commit to meeting particular standards in line with acting responsibly, respecting labour laws and human rights, maximising health and safety and minimising their environmental impact.

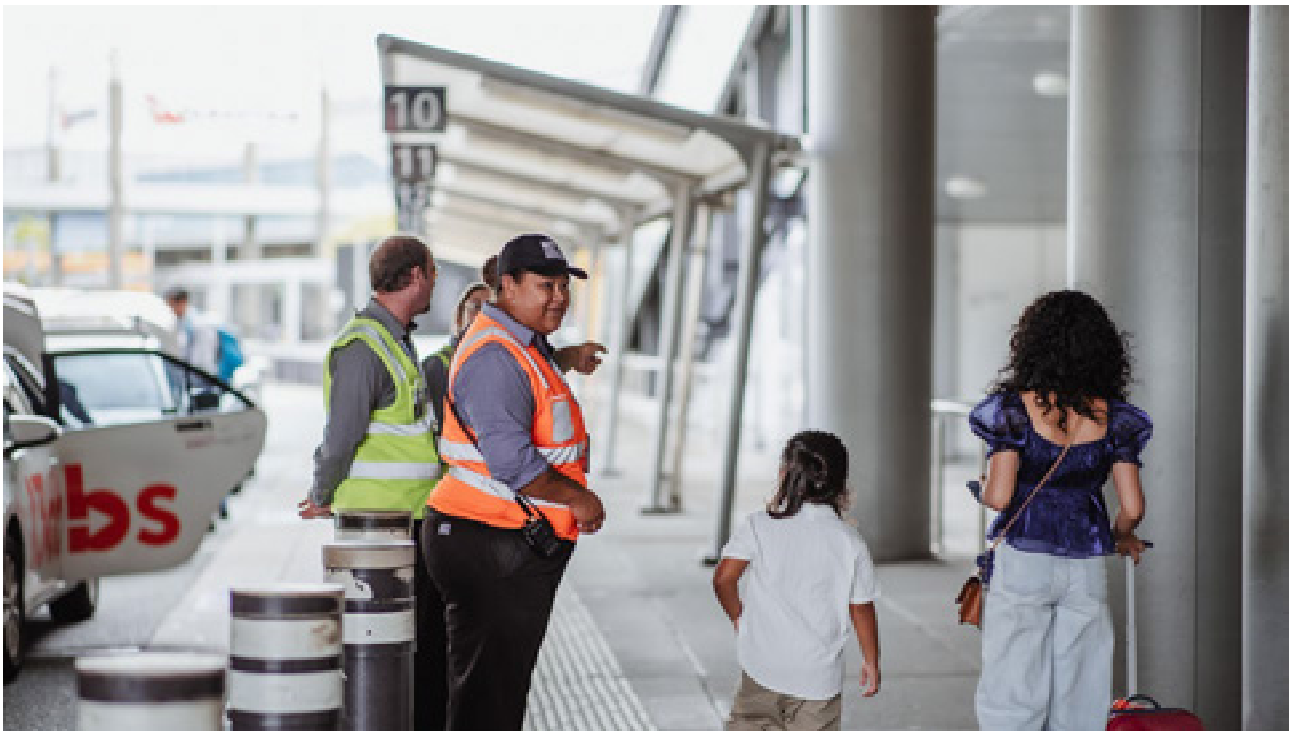
BAC commenced implementation of its three-year Modern Slavery strategy that builds a robust and repeatable approach to managing modern slavery risk in its supply chain and operations. While the focus for the last 3 years has been on BAC's supply chain and implementing supplier assessments, FY24 saw training provided for airport staff, including employees from BAC, airlines and terminal service providers, such as security and cleaning.

As a prominent entry and exit point to and from Australia, BAC recognises that our airport partners play a key role in eliminating Modern Slavery practices from BAC's operations. Training will include the dangers and indicators of human trafficking and slavery.

BAC preserves its licence to operate and grow by maintaining appropriate compliance with all laws, regulations and standards in accordance with the Board approved Compliance Policy. Compliance risks are addressed in the Risk Appetite Statement, and conformance to them is tracked via the compliance-based risk appetite metrics that are reported to the Finance Audit and Risk Management Committee and Board.

Privacy

Protection of personal information and transparency about our data handling is a vital part of BAC's relationship with our customers, tenants and other parties who interact with us. BAC's Privacy Policy describes how we handle and keep personal information safe, and aligns with the *Privacy Act 1988* (Cth) and the Australian Privacy Principles.



FINANCIAL PERFORMANCE

Underpinned by robust growth across both domestic and international passenger volumes, BAC delivered a strong set of results in financial year 2024. BNE welcomed 22.6 million passengers through its terminals in FY24 (up 12.5% year on year), and this has translated to strong performances across all revenue generating divisions of the company.

Total revenue increased by 18.7% year on year to $979.9 million, the largest in the company's history.

EBITDA was up 27.1% to $706.2 million with the company delivering an operating profit of $367.5 million.

Revenue from aviation (including mandated security) was up $89.7 million (22.7%) and finished the year at $484.6 million, representing approximately 49.5% of total revenue.

Landside transport services delivered $194.4 million in revenue in FY24, up $26.7 million (15.9%) on the prior year as travel numbers continued to return, with dynamic parking products delivering enhanced choice for customers as they continued to favour control of their own journeys over public transport and ride share.

Our retail division saw a 21.3% revenue increase (up $17.1 million) on prior year, with the continued return of passengers driving retail sales across both the Domestic Terminal and International Terminal, as well as new service outlets opening and ongoing strong performance of the Skygate precinct.

Revenue from investment property was up 11.0% year on year, supported by ongoing robust tenant demand, particularly in relation to industrial property. In addition, operating property revenue was up $1.5 million on the prior year.

Growth in revenue outpaced the increase in expenditure across the year. The company remained focused on cost discipline against inflationary pressures across operating expenditure categories. Total operating costs finished the year at $273.7 million.

The capital expenditure program delivered key investment property developments at the Export Park precinct. Operational assets benefited from upgraded passenger amenities and processing facilities at the Domestic and International Terminals.
The government-mandated security upgrade project was a key priority with construction commencing in FY24, and optimised staging shifting expenditure into FY25/FY26. Total capital expenditure for FY24 was $325.4 million.

Ongoing positive operating cash flow coupled with significant available liquidity in the form of cash and committed bank facilities strengthened the BAC Group's balance sheet.

Appropriate levels of liquidity have continued to be maintained throughout the year, with over $1.2 billion of available cash and undrawn bank lines providing a solid buffer for the business. During the year, the company completed a $500m AUD 10-year bond issuance, maturing in March 2034.

Confidence in the BAC Group's financial performance and outlook, strong liquidity position and robust credit metrics underpinned the decision to uplift distributions to shareholders in FY24, with the payment of $35.9 million (gross) in Redeemable Preference Share dividends and $250 million of ordinary dividends.

ECONOMIC

Total revenue

2024
$979.9m ↑ 18.7%

2024	
2023	$825.2m
2022	$500.6m
2021	$447.2m

Operating expenses

2024
$273.7m ↑ 1.4%

2024	
2023	$269.8m
2022	$194.5m
2021	$228.6m

EBITDA

2024
$706.2m ↑ 27.2%

2024	
2023	$555.4m
2022	$306.1m
2021	$218.7m

Net operating cash flow

2024
$444.5m ↓ 4.2%

2024	
2023	$463.9m
2022	$242.4m
2021	$126.5m

Capital expenditure

2024
$325.4m ↑ 52.3%

2024	
2023	$213.7m
2022	$120.7m
2021	$57.4m

Net debt

2024
$3,285.2m ↑ 4.3%

2024	
2023	$3,150.6m
2022	$3,214.4m
2021	$3,522.3m

Gearing

2024
41.5% ↑ 2.5%

2024	
2023	40.5%
2022	45.7%
2021	47.1%

Debt service coverage ratio

2024
3.66x ↓ 23.1%

2024	
2023	4.76x
2022	3.98x
2021	1.65x

EBITDA margin (%)

2024
72.1% ↑ 7.1%

2024	
2023	67.3%
2022	61.1%
2021	48.9%

ENVIRONMENTAL

Scope 1 emissions (tCO2e)

2024
785.0 ↑ 3.0%

2024	
2023	762.0
2022	1,564.1
2021	1,450.0

Scope 2 emissions (tCO2e)

2024
37,648.0 ↑ 13.2%

2024	
2023	33,270.4
2022	33,848.2
2021	29,164.0

Onsite renewable energy (GWh)

2024
8.7 ↓ 3.3%

2024	
2023	9.0
2022	8.7
2021	9.3

Waste to landfill (t)

2024
2,629.0 ↑ 13.2%

2024	
2023	2,321.8
2022	1,399.0
2021	1,247.5

Recycling (% of total waste)

2024
23.0% ↓ 9.8%

2024	
2023	25.5%
2022	20.0%
2021	12.5%

Recycled water (% of total)

2024
38.0% ↑ 53.2%

2024	
2023	24.8%
2022	30.0%
2021	36.0%

COMMUNITY

Reputation of Brisbane Airport (% satisfactory, good & excellent)

2024
87.0% ↓ 2.0%

2024	
2023	89.0%
2022	88.0%
2021	88.0%

HEALTH AND SAFETY

Notifiable incidents

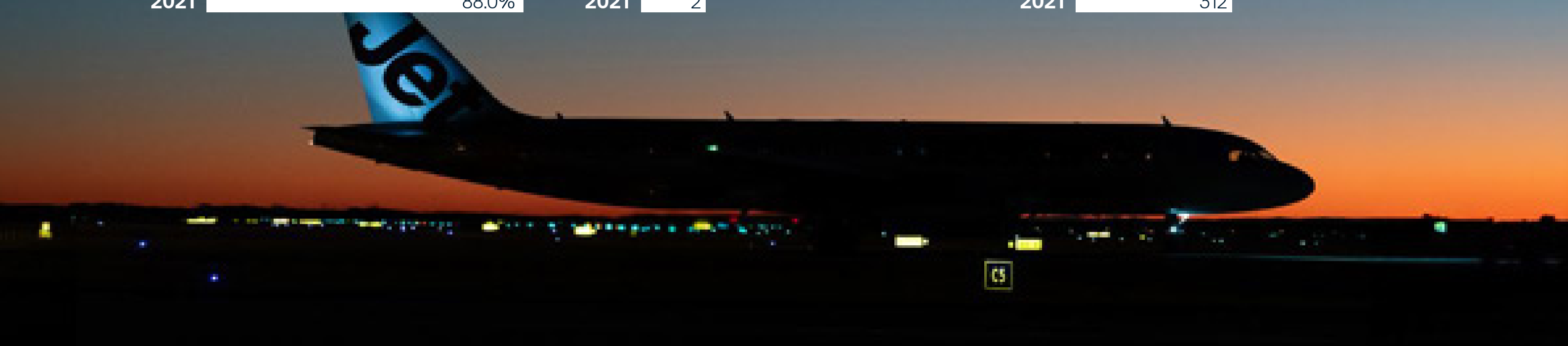
2024
5 ↑ 25.0%

2024	
2023	4
2022	10
2021	2

H&S interactions by BAC Leadership Team

2024
590 ↓ 3.1%

2024	
2023	609
2022	643
2021	312



EMPLOYEES

Total employees

2024
422 ↑ 8.5%

2024	
2023	389
2022	327
2021	333

Women

2024
35.5% ↑ 1.4%

2024	
2023	35%
2022	38%
2021	35%

Men

2024
64.5% ↓ 0.8%

2024	
2023	65.0%
2022	62.0%
2021	65.0%

Full time

2024
94.5% ↑ 1.6%

2024	
2023	93.0%
2022	93.0%
2021	95.0%

Part time

2024
5.5% ↓ 21.4%

2024	
2023	7.0%
2022	7.0%
2021	5.0%

Aged <30 years

2024
7.6% ↑ 26.7%

2024	
2023	6.0%
2022	7.0%
2021	8.0%

Aged 30–50 years

2024
65.4% ↓ 2.4%

2024	
2023	67.0%
2022	68.0%
2021	66.0%

Aged >50 years

2024
27.0% 0.0%

2024	
2023	27.0%
2022	25.0%
2021	26.0%

Identified as First Nations (No.)

2024
7 0.0%

2024	
2023	7
2022	7
2021	6

AVIATION

Aviation encompasses the operation of the runways, taxiways and broader airfield, passenger terminals for domestic and international operations, airside standards and safety, airline commercial and pricing agreements, as well as business development, marketing and partnerships.

Key FY24 results

DOMESTIC TERMINAL

Passengers 16,995,462

↑ 5.7% vs FY23

INTERNATIONAL TERMINAL

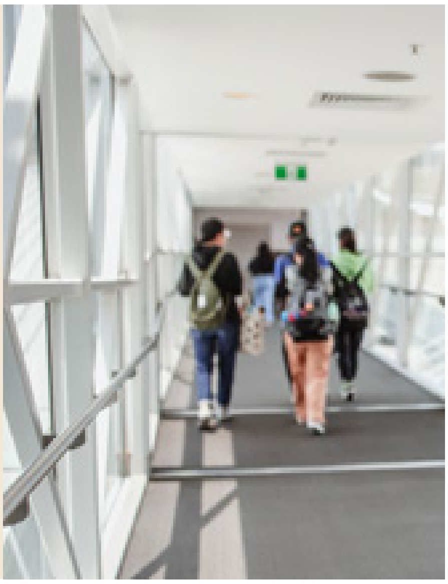
Passengers 5,603,777

↑ 39.4% vs FY23

TOTAL

Passengers 22,599,239

↑ 12.5% vs FY23



GROWTH FACTORS:

- New direct routes from Brisbane into China and Japan
- Airline capacity growth through aircraft upgrades
- Major events driving high passenger demand
- Strong AUD vs Japanese Yen providing great value travel options in Japan

CHALLENGES:

- Continued capacity constraints for the key markets of Europe, USA and China
- Significant weather events leading to cancellations and low travel demand
- Bilateral agreements not meeting passenger or airline demand
- Passenger confidence in Pacific travel damaged by Air Vanuatu entering voluntary administration and unrest in New Caledonia

FY24 – NEW INTERNATIONAL ROUTE LAUNCHES

- **China Southern Airlines** to Guangzhou, China
- **China Eastern Airlines** to Shanghai, China
- **Jetstar** to Tokyo, Japan
- **Jetstar** to Osaka, Japan
- **Jetstar** to Seoul, South Korea
- **Qantas** to Wellington, New Zealand
- **Qantas** to Honiara, Solomon Islands
- **United Airlines** to Los Angeles, USA (seasonal service)
- **Solomon Airlines** to Munda, Solomon Islands
- **Air Vanuatu** to Espiritu Santo, Vanuatu
- **Nauru Airlines** to Palau

INTERNATIONAL ROUTES ANNOUNCED IN FY24 TO COMMENCE IN FY25

- **American Airlines** to Dallas Fort Worth, USA
- **Delta Air Lines** to Los Angeles, USA
- **Qantas** to Manila, Philippines
- **Qantas** to Port Vila, Vanuatu
- **Jetstar** to Bangkok, Thailand

FY24 – NEW DOMESTIC ROUTE LAUNCHES

- **Regional Express** to Adelaide
- **Regional Express** to Cairns
- **Virgin Australia** to Uluru
- **Jetstar** to Melbourne Avalon
- **National Jet Express** to Moranbah (charter)
- **National Jet Express** to Emerald (charter)
- **National Jet Express** to Gladstone (charter)
- **National Jet Express** to Orange (charter)
- **Qantas** to Port Hedland (seasonal)

2024: celebrated significant milestones of flights to Brisbane

20
Years
Emirates
China Airlines
Jetstar

30
Years
Korean Airlines
EVA Air

40
Years
Singapore Airlines

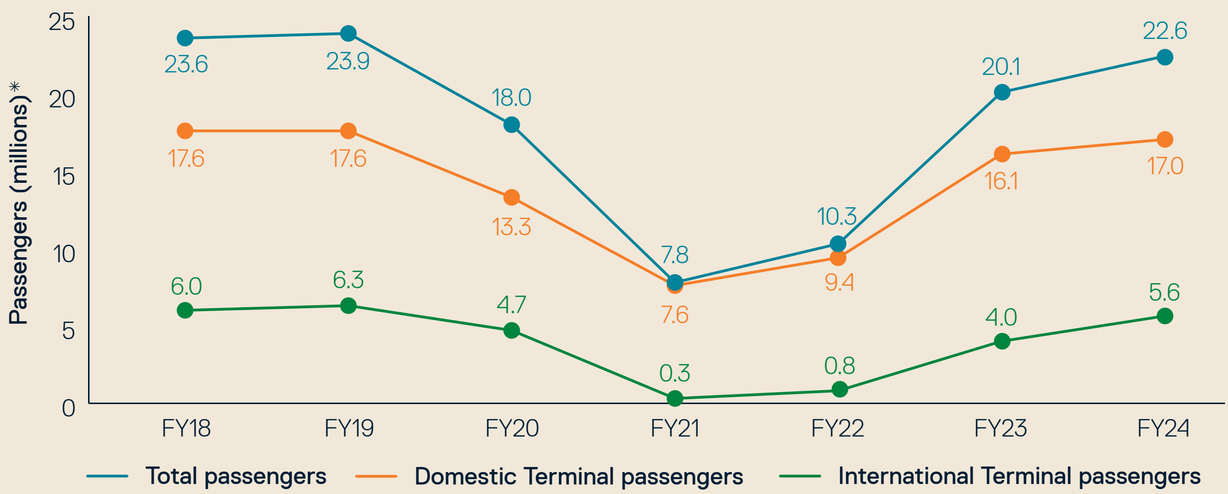
NORTH AMERICAN GROWTH

In late 2024, Brisbane Airport will welcome direct flights from American Airlines and Delta Air Lines. They will join Qantas, Air Canada and United Airlines in flights across the Pacific, meaning BNE will have better connections to North America than ever before. This is a huge boost for inbound and outbound travel, as well as business, trade and cargo.

OVERALL PASSENGER RESULTS

FY24 was a year of passenger growth at Brisbane Airport with 22.6 million passengers, an increase of 2.5 million passengers (+12.5%) compared to the prior year. In terms of pre-COVID recovery, Brisbane reached 95% of FY19 passenger levels in FY24.

Brisbane Airport passengers per year



*Rounded

CURRENT AIRLINE PARTNERS

25 INTERNATIONAL PARTNERS

- American Airlines (AA)
- Air Canada (AC)
- EVA Air (BR)
- China Airlines (CI)
- Cathay Pacific Airways (CX)
- China Southern Airlines (CZ)
- Delta Air Lines (DL)
- Emirates (EK)
- Fiji Airways (FJ)
- Solomon Airlines (IE)
- Jetstar Airways (JQ)
- Korean Air (KE)
- China Eastern Airlines (MU)
- Air New Zealand (NZ)
- Batik Air Malaysia (OD)
- Nauru Airlines (ON)
- Philippine Airlines (PR)
- Air Niugini (PX)
- Qantas Airways (QF)
- Qatar Airways (QR)
- Aircalin (SB)
- Singapore Airlines (SQ)
- United Airlines (UA)
- Virgin Australia International (VA)
- Vietjet (VJ)

9 DOMESTIC PARTNERS

- Aerlink (HT)
- Alliance (QQ)
- Jetstar (JQ)
- Link Airways (FC)
- National Jet Express (NC)
- Qantas (QF)
- Qantas Link (QF)
- Regional Express (ZL)
- Virgin Australia (VA)

AA AC BR CI CZ CX
DL EK FC FJ HT IE
JQ KE MU NC NZ OD
ON PR PX QF QQ QR
SB SQ UA VA VJ ZL

DOMESTIC TERMINAL — RESULTS AND INSIGHTS

The Brisbane Domestic Terminal saw 17 million passengers in FY24, an increase of 920,000 (+5.7%) compared to last year.

Fleet changes within the Qantas group are a significant factor in the growth of domestic passenger numbers. Jetstar domestic passengers increased by 430,000 (+17%) compared to last year, driven largely to the introduction of the A321 in late FY23 and FY24.

Qantas has also been investing in its fleet, plus wet-lease arrangements with Alliance Airlines, resulting in an additional 320,000 passengers (+5% for Qantas Domestic) with expanded E190 and A220 flying.

Passengers	16,995,462
↑ 5.7% vs FY23	
Seats	21,365,790
↑ 4.4% vs FY23	
Load factor	79.5%
↑ 1pts vs FY23	

FY24 Passengers at BNE Domestic terminal for the top 5 airlines (FY24 Passengers)

FY24 demonstrated the significant impact that events have on driving passenger demand, with football finals and Taylor Swift concerts resulting in near-record daily passenger levels.

In September, both the Brisbane Lions (AFL) and the Brisbane Broncos (NRL) made it to the Grand Finals. Combined with increased school holiday demand, the finals fever led to the Domestic Terminal experiencing a new post-pandemic record of 61,061 passengers.

Similarly, extraordinary demand for Taylor Swift concerts in February saw an extra 64 flights scheduled from Brisbane and up to 40,000 additional passengers travelling from (or via) BNE for the concerts.

Conversely, significant weather events caused subdued traffic through the Domestic Terminal in December and January following Tropical Cyclones Jasper and Kirrily in Tropical North Queensland, as well as storm activity in Brisbane, Sydney and Melbourne.

FY24 ended on a high, with two year-round routes launched in June – Virgin Australia to Uluru and Jetstar to Melbourne-Avalon.

PASSENGERS

Busiest Day 61,061

Fri 29 September 2023

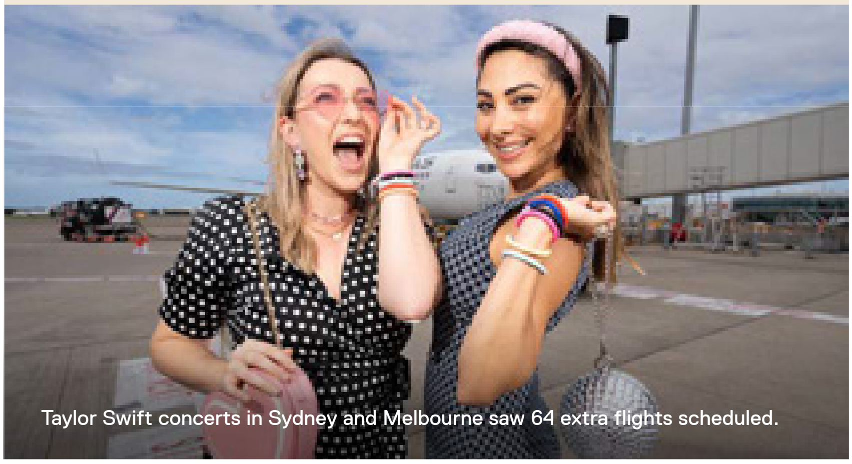
AFL and NRL Grand Final weekend

PASSENGERS

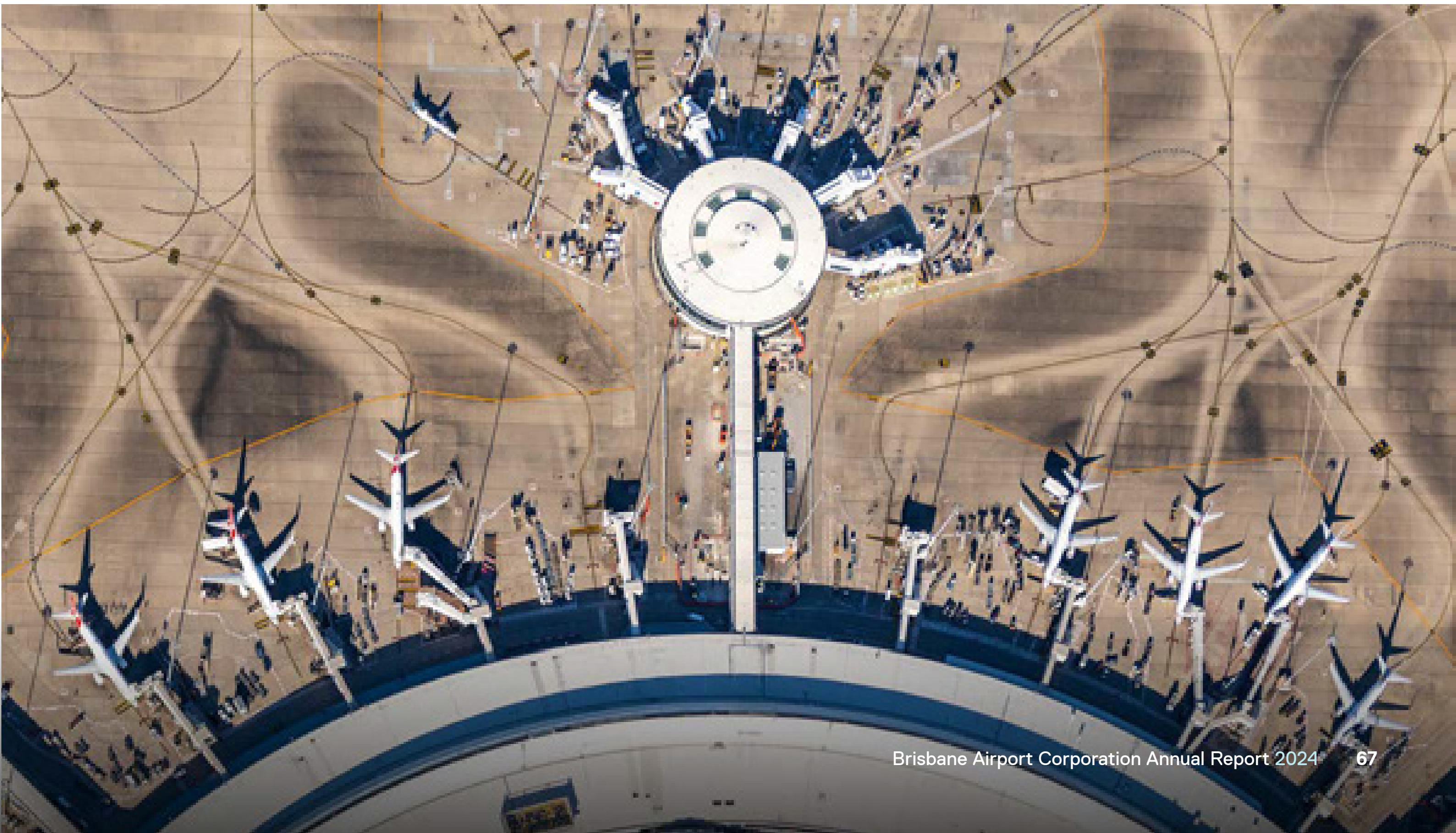
Quietest Day 26,583

Sat 27 January 2024

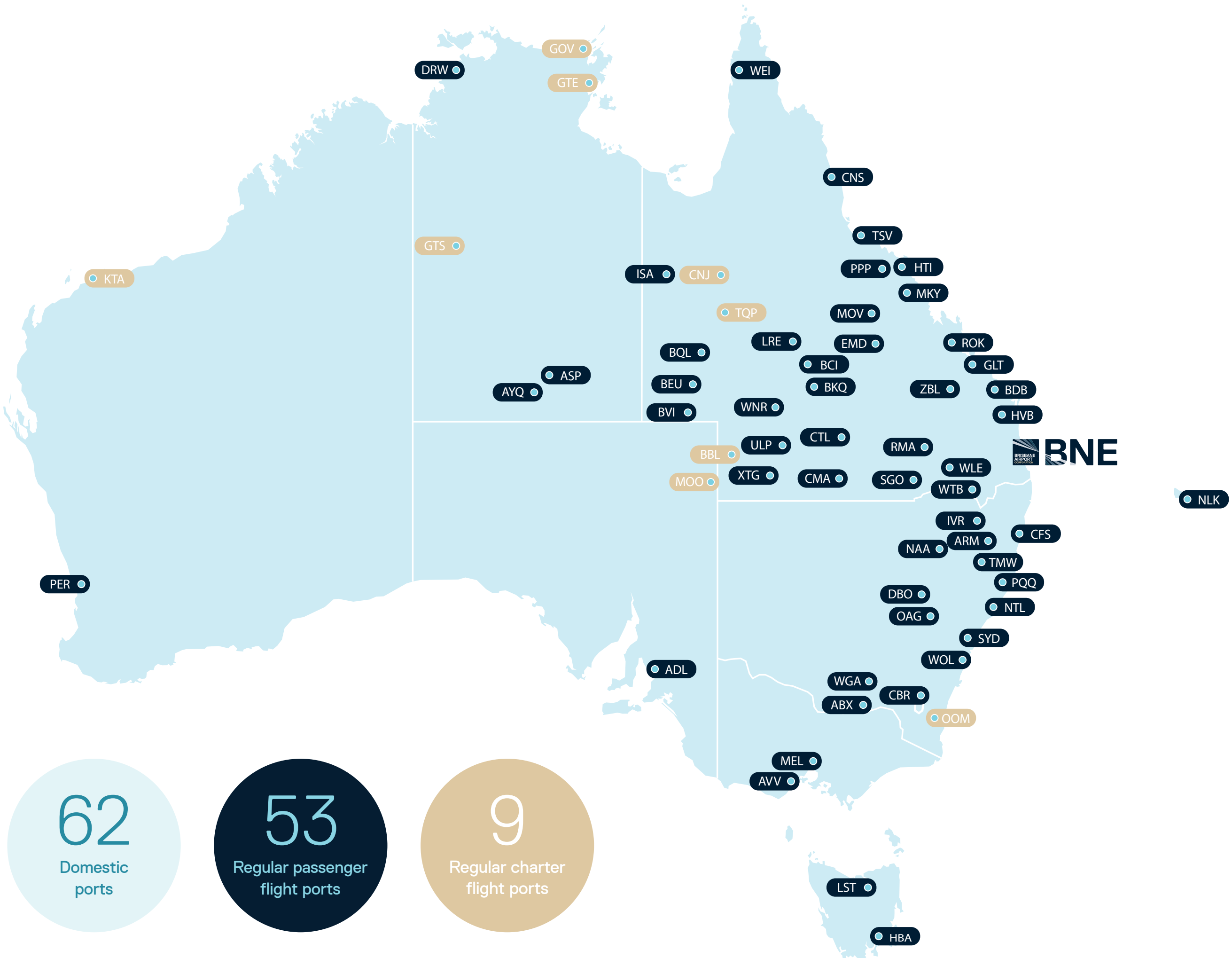
Australia Day long weekend



Taylor Swift concerts in Sydney and Melbourne saw 64 extra flights scheduled.



LARGEST DOMESTIC NETWORK IN AUSTRALIA



62
Domestic ports

53
Regular passenger flight ports

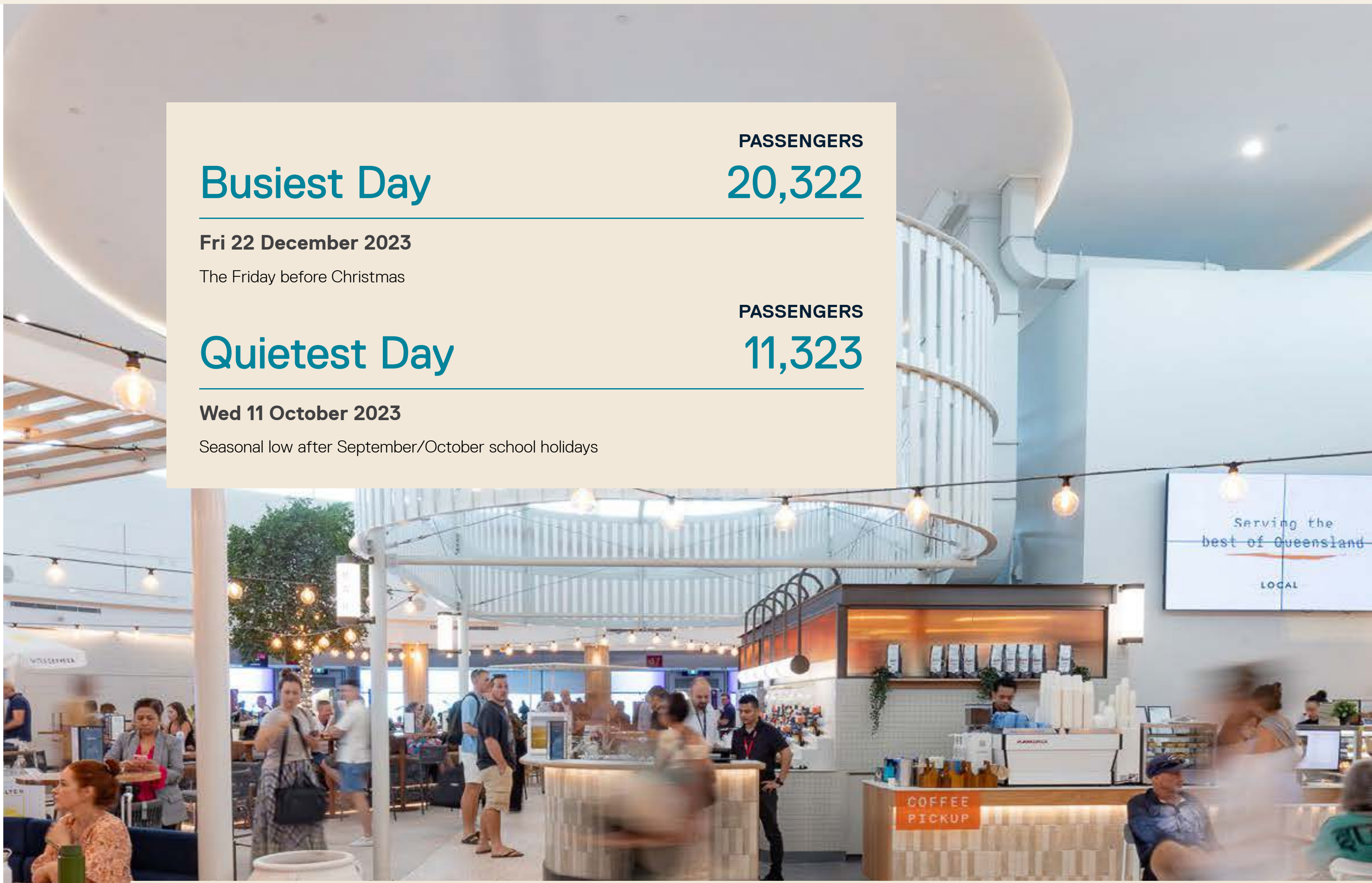
9
Regular charter flight ports

INTERNATIONAL TERMINAL — RESULTS AND INSIGHTS

The International Terminal saw 5.6 million passengers in FY24, an increase of 39.4% compared to last year, resulting in the recovery to 89% of pre-COVID (FY19) passengers.

During FY24 there were significant international capacity increases, with 43% growth in seats and 11 route launches. As expected, airline load factors reduced slightly after being elevated post-COVID due to limited capacity.

Passengers	**5,603,777**
↑ 39.4% vs FY23	
Seats	**7,125,676**
↑ 39.4% vs FY23	
Load factor	**78.6%**
↓ 2.0pts vs FY23	



	PASSENGERS
Busiest Day	**20,322**

Fri 22 December 2023

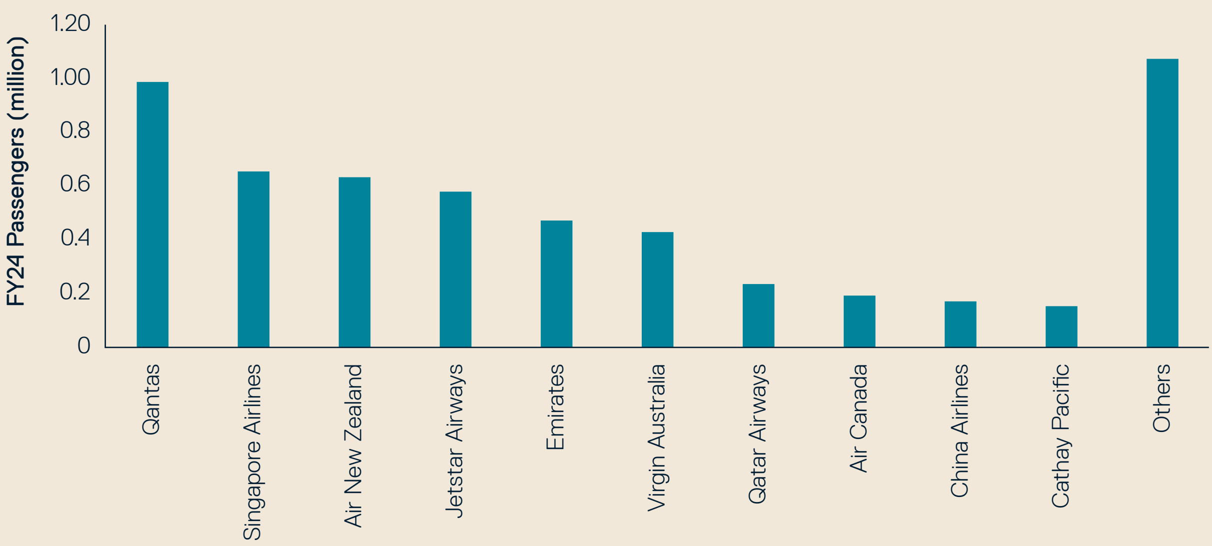
The Friday before Christmas

	PASSENGERS
Quietest Day	**11,323**

Wed 11 October 2023

Seasonal low after September/October school holidays

Relative size of the top 10 airlines at BNE International Terminal (FY24 Passengers)



The airlines that had the most growth in FY24 compared to the prior year include:

Jetstar: +346,000 passengers

The signing of a landmark partnership in June 2023 between Jetstar and Brisbane Airport, facilitated the launch of Jetstar B787 services to Tokyo, Osaka and Seoul, as well as significant growth in services to Auckland. Jetstar became the 4th largest international airline at BNE and is poised to move to 2nd position in FY25.

Qantas: +227,000 passengers

Qantas now operates to 12 cities in 9 different countries and is the largest international airline at BNE with 18% of passengers. Significant growth occurred on flights to New Zealand, Japan, Singapore and the Pacific.

Virgin Australia: +152,000 passengers

Virgin Australia operates to 5 international destinations and was the 6th largest international airline in FY24. The majority of growth was to Vanuatu, Queenstown and Fiji.

Emirates: +126,000 passengers

The addition of a 2nd daily flight to Dubai in June 2023 has proven to be successful, with high levels of demand throughout FY24. Emirates has announced an upgauge of its 2nd daily service from a B777 to the A380 aircraft commencing in October 2024. In a further show of confidence in Brisbane, Emirates opened its newly renovated lounge in February.

Notable growth stories in specific international markets include:

New Zealand remains the largest international market for Brisbane with 93% restoration vs FY19. Qantas launched Wellington services in October 2023, and there was significant growth from all five airlines that serve the market: Qantas, Air New Zealand, Jetstar, Virgin Australia, and China Airlines.

UK / Europe demand has been exceptionally strong and is at 95% of pre-COVID volumes despite seat capacity via Singapore and the Middle East still being less than 2019 levels. Passengers benefited from the capacity growth from Qantas, Emirates and Singapore Airlines. The UK remains the top destination with 38% of passengers, while Italy has risen to 2nd place (from 3rd in FY19) with 11% of passengers, followed by France with 9% of passengers.

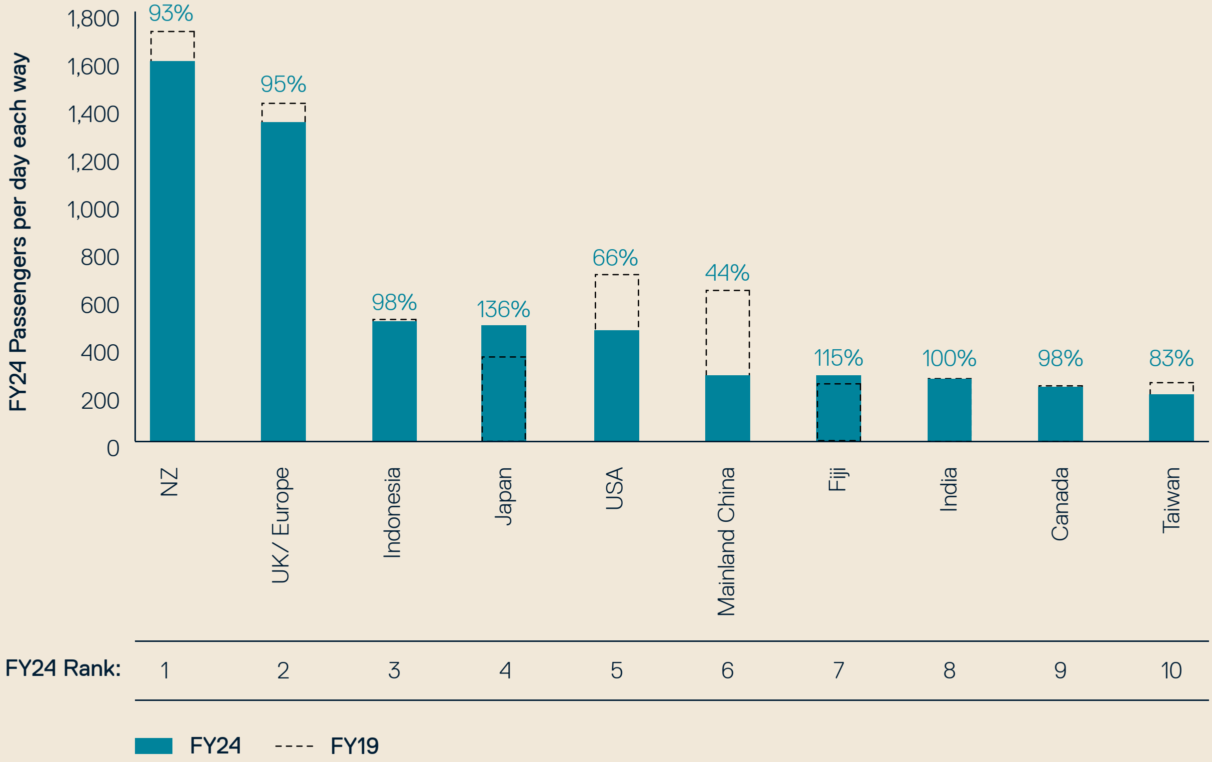
Japan has risen to the 4th largest market with the launch of flights from Jetstar to Tokyo and Osaka. There are now 18 flights departing each week to Japan, (up from 7 flights per week in FY19) with passenger numbers expected to continue to grow. The strong Australian Dollar exchange rate to the Japanese Yen makes this route particularly appealing to outbound travellers at present.

The **United States** is currently the 5th largest market in FY24 (down from 3rd in FY19) due to continued capacity restrictions compared to FY19. In FY24 there was substantial capacity growth from United Airlines with a new seasonal service to Los Angeles, as well as increased services to San Francisco. This market is expected to recover beyond pre-COVID levels by December 2024, with the launch of flights from American Airlines (Dallas Fort Worth) and Delta Air Lines (Los Angeles).

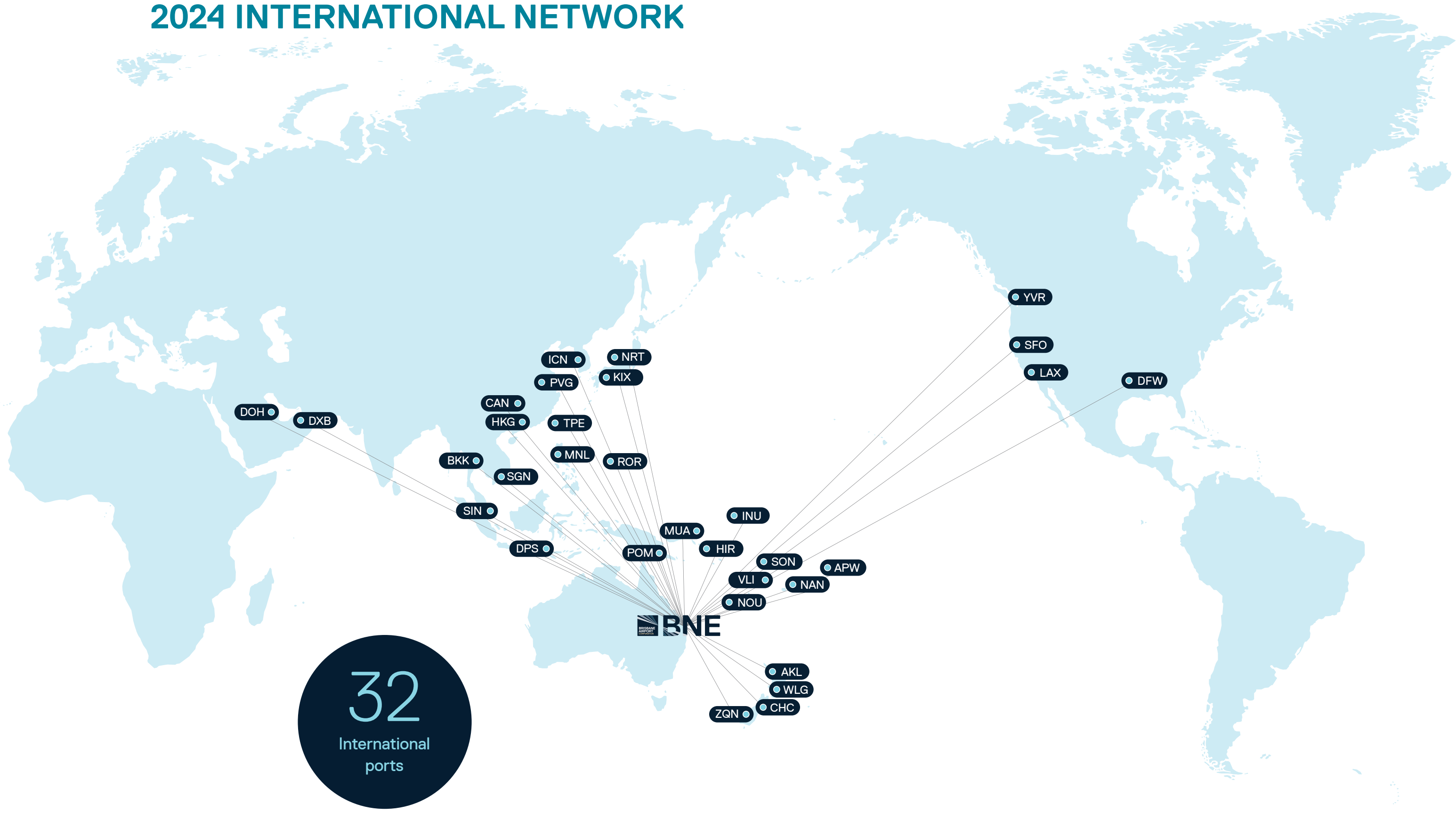
The return of direct flights to **Mainland China** was a significant milestone in FY24. In October 2023 China Eastern Airlines commenced 3 per-week services to Shanghai, quickly followed by China Southern Airlines launching 4 per-week direct flights to Guangzhou in November. Due to strong demand, both airlines quickly ramped up to daily services (7 per-week) for the summer peak travel period. In FY24, China was ranked as the 6th largest market (4th in FY19). The China market is expected to move back up the rankings in FY25, with a full year of direct flights and further capacity growth from both airlines already confirmed.

At the end of FY24, passengers could purchase tickets to 32 non-stop international destinations, with flights to Dallas Fort Worth commencing in October 2024 and Bangkok direct flights commencing in December 2024.

Restoration of top 10 International markets (Passengers per day each way) FY24 vs FY19



2024 INTERNATIONAL NETWORK



MIDDLE EAST

Doha (DOH)
Dubai (DXB)

ASIA

Bangkok (BKK)
Denpasar (DPS)
Guangzhou (CAN)
Ho Chi Minh City (SGN)
Hong Kong (HKG)
Manila (MNL)
Osaka (KIX)
Seoul (ICN)
Shanghai (PVG)
Singapore (SIN)
Taipei (TPE)
Tokyo (NRT)

SOUTH PACIFIC

Apia (APW)
Espiritu Santo (SON)
Honiara (HIR)
Munda (MUA)
Nadi (NAN)
Nauru (INU)
Noumea (NOU)
Palau (ROR)
Port Moresby (POM)
Port Vila (VLI)

NEW ZEALAND

Auckland (AKL)
Christchurch (CHC)
Queenstown (ZQN)
Wellington (WLG)

NORTH AMERICA

Dallas Fort Worth (DFW)
Los Angeles (LAX)
San Francisco (SFO)
Vancouver (YVR)

FREIGHT

83,661 tonnes

Total freight volume in FY24

49,272 tonnes

Exports

34,389 tonnes

Imports

Brisbane Airport facilitates major freight movements of both exports and imports via the cargo holds onboard passenger aircraft and dedicated cargo flights. In FY24, there were 49,272 tonnes of exports, and 34,389 tonnes of imports.

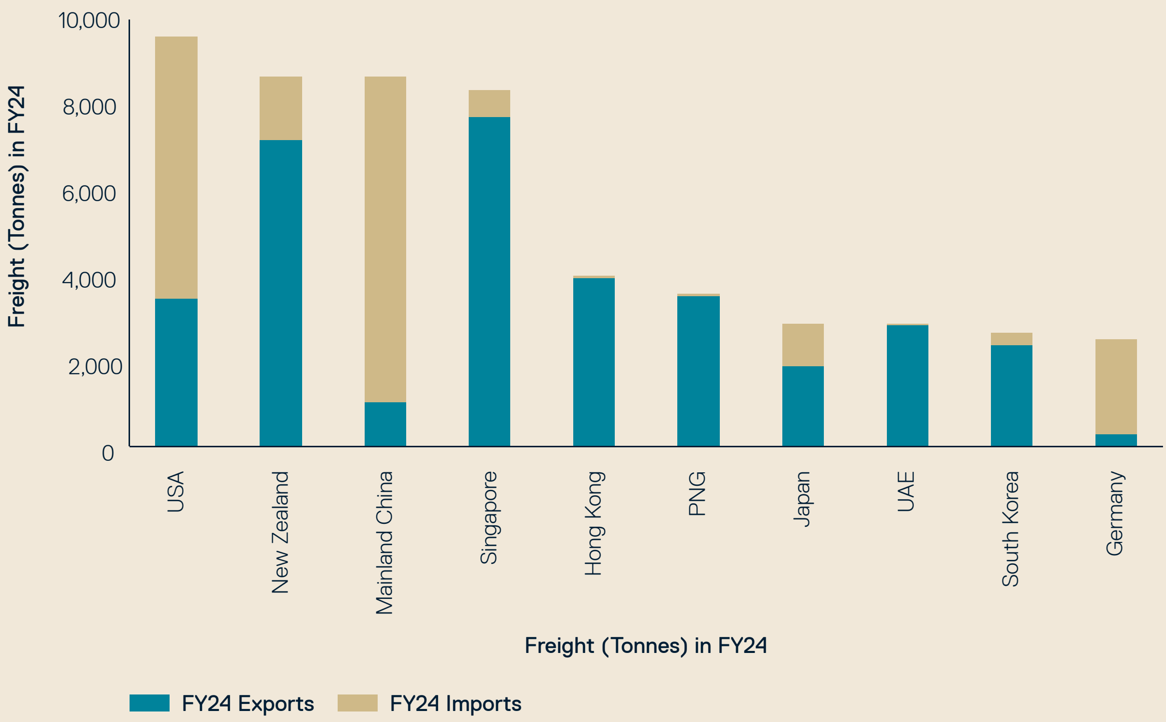
BNE is Australia's largest exporting airport for beef, with 50% of Australia's beef exports by air travelling through Brisbane (12,500 tonnes), destined for the markets of Hong Kong, Singapore, USA, South Korea, Taiwan and the Middle East.

In FY24, the United States was the top trading partner with 6,200 tonnes of imports and 3,500 tonnes of exports. The freight capability of the USA market will grow substantially in FY25, with additional capacity from United Airlines and the commencement of flights with American Airlines and Delta Air Lines.

New Zealand was the second largest trading partner (primarily exports of fruit and vegetables), while China was third (primarily imports of clothing and electronics) and is also expected to grow substantially in FY25 as flight capacity grows. Singapore was 4th (primarily exports of pork and beef) and is also expected to grow with more capacity being added in FY25 by Singapore Airlines and Qantas.

Upcoming enhancements to the logistics apron will support increased freight and layover operations, bolstering the airport's role as a key logistics hub.

Top 10 Freight trading countries with BNE International Terminal



Top 5 export and import categories at BNE International Terminal in FY24

RANK	EXPORT CATEGORY	TONNES
1	Beef, pork, fish, dairy and other animal products	19,177
2	Fruit, vegetables and nuts	12,819
3	Base metals (steel and stainless steel), metal products (e.g. tubes and pipes) and tools	4,878
4	Construction and mining equipment, and other machinery and electrical equipment	2,905
5	Pharmaceuticals and medicines, vitamins, cosmetics and sunscreen	890
	Other	8,603
	Total Exports from BNE in FY24	**49,272**

RANK	IMPORT CATEGORY	TONNES
1	Machinery and electrical equipment (construction and mining equipment, mobile phones, electronics)	11,046
2	Clothing and textiles	4,397
3	Pharmaceuticals, cosmetics, chemicals for mining industry and other chemical products	3,270
4	Cut flowers, fresh fruit and vegetables	2,248
5	Cars, car engines and car parts	2,138
	Other	11,290
	Total Imports to BNE in FY24	**34,389**

AIRSIDE OPERATIONS

At Brisbane Airport, our primary focus will always be on safety.

For the eighth straight year, the annual Civil Aviation Safety Authority audit and Annual Technical Inspection did not result in any safety finding recommendations. We are very proud of this record.

In FY24, we:

- Began transitioning the fleet to electric vehicles, with the first electric airside safety vehicle in Australia deployed
- Continued progressing the Airport Operating Licence from version 2 to 3
- Started planning for the move to an Integrated Operations Centre (IOC) model, for the future running of airside operations
- Works progressed to deliver the Ground Service Equipment (GSE) Electrification project
- The team participated in an emergency exercise with our response partners
- We continue to expand our proactive habitat management program to reduce wildlife risk to aircraft across Brisbane Airport to ensure passenger safety.

COMMERCIAL

Brisbane Airport's commercial team is responsible for sustainable property development, developing the retail portfolio across the terminals and the Skygate precinct, as well as managing parking and ground transport.

PROPERTY

Our vision to connect the world and create the future drives us to be more than an airport. We are a place where business grows, a place where people come even when they are not flying.

We are a destination that creates jobs for generations to come in a sustainable way. Making Brisbane Airport an attractive hub by delivering a diverse, sustainable mix of businesses, entertainment and experiences for locals and visitors continues to be a focus for FY25, and part of our five-year strategy.

Momentum continues post-COVID with an increase in the velocity of property development both in terms of the size of the land in development and the scale of investment.

Industrial development projects live in FY24 totalled $217 million ($434 million including the project to expand the Aeromedical Precinct).

Brisbane Airport Land Use Zones


VDQ-HV

AIRPORT INDUSTRIAL DEVELOPMENT

Momentum within the industrial sector has continued post-COVID across South East Queensland as many businesses look to future-proof their long-term accommodation requirements. Logistics demand particularly in ecommerce, has increased the scale of industrial properties as businesses consolidate multiple asset holdings under one roof.

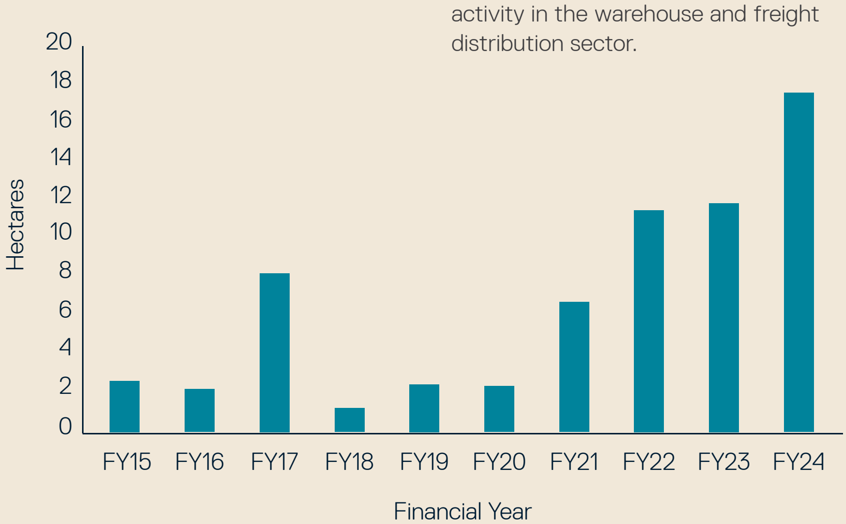
Demand for Industrial property at BNE has continued at elevated levels with 7 developments under delivery during FY24, with a combined total value of $434 million.

To increase the supply of industrial land on the airport estate, BAC is continuing to plan for and deliver new land parcels for future development.

The 100 hectare Airport Industrial Park will continue to be a focal point for new industrial land supply, given its strategic location and access to air, road and sea (via the Port of Brisbane) infrastructure. This expansion of Airport Industrial Park reflects increasing activity in the warehouse and freight distribution sector.

Stage 1 (23 hectares) of Airport Industrial Park is 90% leased or under construction, with only one lot remaining for lease. Stage 2 (25 hectares) is well advanced in the construction phase, with Stage 3 currently in the planning and approval phase.

Industrial property development has also continued in other airport precincts with a focus on in-fill developments to ensure maximum coverage across these established precincts. These include both proactive and tenant-led opportunities.



Accelerating development

The strategy to accelerate development which began in FY20 has moved BAC from an average of 6 hectares of land development per year, to over 10 hectares of land development per year (17 hectares in FY24 including the new Aeromedical Precinct).

Key achievements

Construction commenced for two Airport Industrial Park proactive developments with a third in design. Construction commenced on a purpose-built, temperature-controlled 8,000 sqm distribution centre for **Martin Brower ANZ**, a leading global supply chain solutions provider, and a state-of-the-art 33,800 sqm parcel facility for **Australia Post** (the second largest in Queensland). On completion, this Australia Post facility will become Brisbane Airport's largest industrial facility.

A purpose-built facility, the size of three and a half football fields, was completed for **Aramex Australia**. Aramex is the anchor tenant for the first stage of the new Airport Industrial Park land delivery project.

Commitment was gained to further expand the Aeromedical Hub to an **Aeromedical Precinct,** with greater investment from BAC and tenants: Royal Flying Doctor Service, LifeFlight, Retrieval Services Queensland and Queensland Police Service Aviation Capability Group.

3MW of solar has now been installed in warehouse projects equating to nearly 9000 solar panels. This generates approximately 13,000kwh of electricity each day. BAC's largest industrial building, Aramex Australia, has 1.2MW of solar installed, enough to power around 300 homes.

Seven developments under contract targeting 5 Star Green Star.

Key Metrics

$2.3 billion property portfolio

Capex investment in property development FY20-24 = **$291.5 million**

Forecast property capex investment over next 5 years = $829.5 million

121 tenants

450 hectares of land available for commercial development

283 property leases

0.05% vacancy rate for commercial development

0% vacancy rate for industrial portfolio.

Challenges

Managing construction price escalation.

RETAIL

BAC's retail team manages the retail, commercial and advertising portfolio across the Skygate precinct, Domestic Terminal and International Terminal. This includes the duty free concession which is the single largest lease revenue agreement in the portfolio.

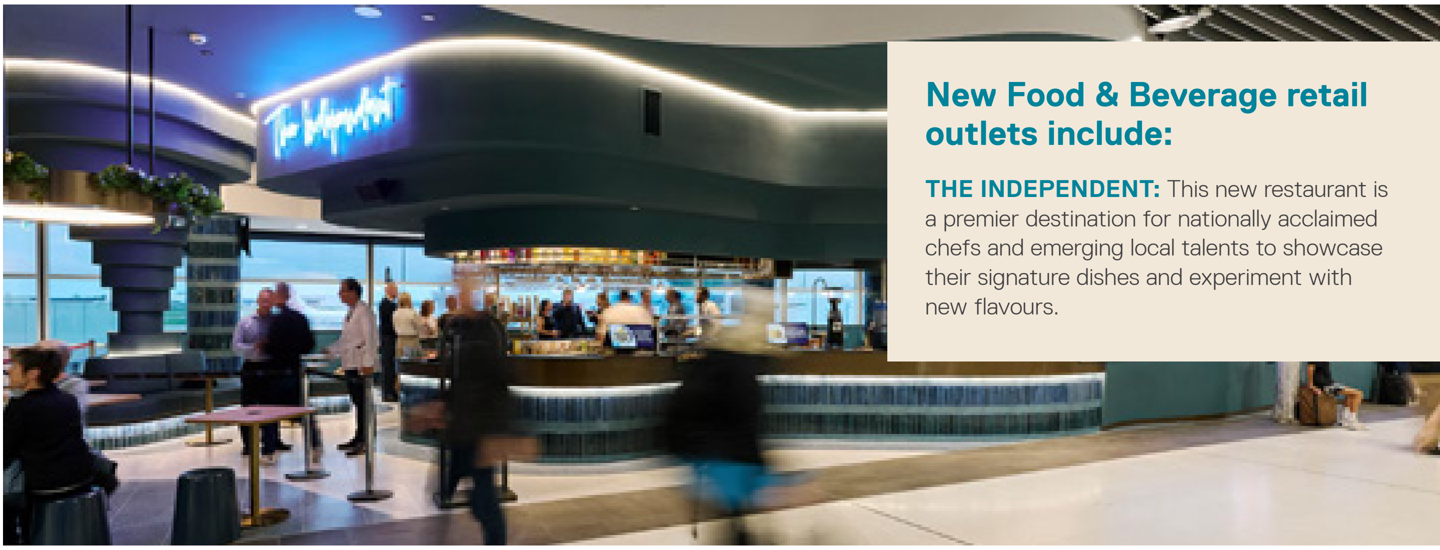
BAC's retail team works with our partners to continually evolve the retail environment and to deliver an exceptional customer experience. With the retail redevelopment of the Domestic Terminal now complete, BAC has commenced a project that will significantly transform the International Terminal.

This will see all security and border processing moved from Level 3 to Level 4, allowing the walk-through Duty Free Departures store to double in size. All speciality, travel essentials, foreign exchange and food and beverage concessions will evolve as part of this transformation.

FOOD BEGINS HERE DOMESTIC TERMINAL RETAIL UPGRADE

BAC has invested $7.8 million in new and refreshed dining experiences, as well as upgrades to lounge seating and furniture for passengers to enjoy while they wait for their flight.

All 10 food and beverage venues at the southern end of the terminal (predominantly servicing Virgin passengers) have now been completed. This is the final stage of the Domestic Terminal Retail Redevelopment, which included 50 new and refurbished retail outlets in the northern and central terminal areas.



New Food & Beverage retail outlets include:

THE INDEPENDENT: This new restaurant is a premier destination for nationally acclaimed chefs and emerging local talents to showcase their signature dishes and experiment with new flavours.

THE LOCAL: This new 360 degree restaurant is a love letter to Queensland's vibrant food culture.

Key achievements

10 new Food and Beverage concepts delivered at the southern end of the Domestic Terminal

BAC and Lotte Duty Free celebrated the renewal of their contractual partnership for a further ten years

BNE's highest ever value Retail Request for Proposal was released inviting top-tier food and beverage and retail operators to bid for over 32 opportunities within the International Terminal

59 leases were agreed

Key Metrics

$760 million of retail sales across the International, Domestic and Skygate Precincts (inc. DFO)

More than **565 leased sites** managed

Challenges

Securing over 32 new premium retail concepts and commencing construction of the International Terminal Retail Upgrade project

Expansion of the Duty Free Departures store to 3,900m^2

Supporting Domestic Terminal tenants though the Security Upgrade Project works.

PARKING AND GROUND TRANSPORT

The Parking and Ground Transport team delivers excellence in customer service and stakeholder management through investment in world class infrastructure and systems for passengers, customers and airport workers. This includes facilitating all modes of transport for both passengers and airport workers. The team also manages all non-terminal parking including our commercial precinct and the Skygate precinct.

Key achievements

Domestic car park upgraded and reconfigured to improve the passenger journey including simplified locations, expansion of premium parking, new entrances and wayfinding.

Highest occupancy of 18,800 cars in our public parking in June 2024

Construction of the Domestic P2X expansion project commenced. The project will deliver much need additional parking capacity for domestic travellers.

Key Metrics

2.1 million users in FY24

$93.9 million in online sales

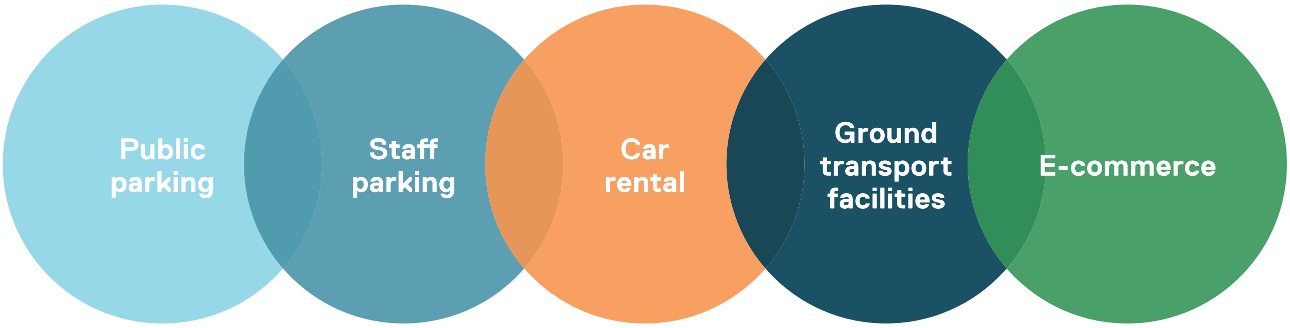
938,000 online transactions

115,000 ITB ParkValet and DTB Park&Fly customers

Challenges

Managing demand for available capacity whilst balancing customer experience.

Minimising customer disruption while delivering Future BNE projects.



FINANCIAL REPORT 2024

Contents

DIRECTORS' REPORT

The Directors present their report along with the consolidated financial statements of BAC Holdings Limited (BACH) and its subsidiaries, BAC Holdings No. 2 Pty Limited and Brisbane Airport Corporation Pty Limited (BAC) (collectively, the Group or BAC Group) for the year ended 30 June 2024, to comply with the provisions of the *Corporations Act 2001* (Cth).

1. Principal activities

The principal activity of the BAC Group during the year was the operation and development of Brisbane Airport.

2. Operating and financial review

Strong growth in passenger volumes across both domestic and international routes supported the delivery of a robust financial result for the Group in FY24. The year was characterised by the ongoing expansion of the domestic and international network and growth across the 'volume linked' commercial divisions of retail and landside transport. FY24 also saw the continued growth of the investment property business with a number of key new developments adding to the performance of the portfolio.

Passenger numbers reached 22.5 million in FY24, or 95% of pre-COVID FY19 levels with notable growth in international travel, which increased by 40% year on year. Growth in the domestic market also continued (up 6% year on year) with passenger numbers reaching approximately 97% of pre-COVID levels.

Despite these strong growth figures, supply side challenges including airline capacity, operational constraints and labour shortages continued to impact services.

Reflecting the growth in volumes, passenger driven revenue streams delivered year-on-year performance up $89.7 million for aeronautical (including mandated security), $26.7 million in landside transport and $17.1 million in retail. Total revenue from ordinary activities increased by $154.6 million (18.7%) to $979.9 million (relative to FY23).

Strong ongoing demand for carparking underpinned a robust result in terms of revenue generation for landside transport, delivering $194.4 million in FY24, up 15.9% on the prior year. The trend established during COVID-19 for a consumer preference to drive and park as opposed to alternative methods of transport continues to drive demand for BAC Group's diverse range of carpark products.

Revenue for investment property increased year-on-year by $13.0 million (11.0%). In addition, operating property was up $1.5 million (4.7%) on the prior year.

Total operating expenses increased by $3.9 million (1.4%), compared to the prior year, as a result of overall higher level of activities across the organisation. This increase includes the release of the PFAS environmental remediation ($11.2 million) in accordance with updated draft guidelines and probability of any possible or present obligation to remediate the Skygate North site. The BAC Group maintained strong cost discipline with key increases in maintenance and contract services ($7.5 million, exclusive of the PFAS environmental remediation release) and staffing ($5.0 million). Government mandated security costs were $71.7 million, an increase of $16.6 million or 30.2% reflecting the ongoing passenger recovery.

FY24 resulted in an operating profit of $367.5 million (profit from ordinary activities before the redeemable preference shares ('RPS') dividend, change in fair value of investment property, and income tax expense) for BAC Group, an increase of $112.9 million from FY23.

The BAC Group balance sheet strengthened in FY24, supported further by ongoing positive operating cash flow and significant available liquidity in the form of cash and committed undrawn bank facilities. The BAC Group was in a net current liability position of $527.4 million at 30 June 2024 (30 June 2023: net current liability of $176.3 million) although this shortfall was well covered via undrawn committed bank facilities of $1,170.0 million (2023: $1,018.0 million).

The BAC Group's robust financial performance and outlook, strong liquidity position and credit metrics enabled the Group to make continued distributions to Shareholders throughout the year, in the form of $35.9 million of gross RPS dividends and $250.0 million in ordinary dividends.

At 30 June 2024, the BAC Group recorded an increase in fair value on investment property of $49.4 million, compared to an increase of $1.0 million in the prior year. In terms of total portfolio value (2024: $2,286.8 million) this year's uplift of $174.5 million was mainly comprised of a valuation increase of $57.4 million, and capital expenditure of $109.3 million. While the Group continues to observe strong performance in its industrial portfolio, the valuation considers general and economic factors, including sales and leasing transactions of comparable properties.

The year-on-year movement in the change in fair value of derivatives of $35.9 million is predominantly attributable to fair value hedge ineffectiveness and amortisation of de-designated legacy hedges, mainly on restructured swaps.

The financial performance of BAC Group reflects the recovery of the aviation industry from the COVID-19 pandemic. Profit before income tax was $379.3 million (2023: $207.8 million), an increase of $171.5 million on prior year.

	2024 $000	2023 $000
Revenue from ordinary activities	**979,864**	**825,227**
Operating expenses	**(273,674)**	**(269,809)**
Revenue from ordinary activities less operating expenses	**706,190**	**555,418**
Depreciation and amortisation	(150,921)	(153,822)
Profit/(loss) on asset disposals	(901)	(10,774)
Impairment	(2,122)	(7,589)
Finance costs	(184,746)	(128,667)
Operating results	**367,500**	**254,566**
RPS dividend	(37,640)	(47,708)
Change in fair value of investment property	49,419	961
Profit before income tax	**379,279**	**207,819**
Income tax expense	(113,896)	(62,422)
Profit for the year	**265,383**	**145,397**

3. Dividends

Dividends and distributions declared and paid by BACH during the current financial year were $285.9 million in the form of RPS dividends and Ordinary Dividends (2023: $222.4 million).

The RPS dividend declared of $35.9 million (2023: $172.4 million) and ordinary share dividends of $250.0 million (2023: $50.0 million) were paid by BACH during financial year 2024.

4. Changes in state of affairs

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

5. Events subsequent to reporting date

In July 2024 BAC Group completed the refinancing of $171 million of bank facilities which were due to mature in November 2024. The new two-year facilities will now mature in July 2026.

Since the end of the financial year to the date of signing, there were no other subsequent events to report.

6. Directors

The Directors of the BAC Group at any time during FY24 or up to the date of this Report are set out below[1]:

Name, qualifications, and any special responsibilities	Experience and other directorships
 **DAVID PEEVER BEC, MSC (MINERAL ECONOMICS)** Board Chair, Non-Executive Director and member of the Human Resources and Remuneration Committee and the Property Committee Appointed: 05/05/2017	David is also a Non-Executive Director of the Australian Investment Company Services and Australian Foundation Investment Company. He was previously: • A member of the Foreign Investment Review Board; • Chair of the Naval Group; • Chair of Cricket Australia and World Twenty20 2020 Ltd; • A Director of the International Cricket Council; • A Director of The Stars Foundation; • Chair of the Minister of Defence's First Principles Review of Defence (until July 2017) and following the acceptance of the review by Government of the Oversight Board which helped guide implementation of the Review's recommendations; • A Director of the Business Council of Australia; and • Vice Chair of the Minerals Council of Australia. David retired as Managing Director of Rio Tinto Australia in October 2014 after 27 years with Rio Tinto. During his career with Rio Tinto, David worked across a range of disciplines including strategy and planning, industrial relations, operations, sales and marketing, business improvement, shipping, and policy. David worked in many parts of Australia and across most of Rio Tinto's commodity suites. His Rio Tinto career also saw him live in Singapore, Los Angeles and London. He travelled extensively with Rio Tinto and has done business in most parts of the world.
 **DIRK (DICK) BENSCHOP** Non-Executive Director Appointed: 01/04/2019	Dick was appointed President and Chief Executive Officer (CEO) of the Royal Schiphol Group in 2018. He held this role until November 2022. Dick studied History at the Vrije University in Amsterdam and worked in various functions in the Dutch Parliament and in the Dutch Labour Party. In 1994, Dick founded his own consultancy firm before returning to politics as Deputy Minister for Foreign Affairs in the Dutch Government from 1998 to 2002. Dick joined Shell in 2003 and worked for Shell Energy Europe before moving to Kuala Lumpur in 2006 overseeing the Gas & Power business in Malaysia. In 2009, he took up the role of Vice President Strategy for the Royal Dutch Shell Group. From 2011 to 2016, he was President Director of Shell Netherlands, followed by Vice President Non-Operated Ventures in Shell International. Dick holds multiple Board roles, including at the Mission Possible Partnership.

1 Directors were in office for the entire period unless otherwise stated.

Name, qualifications, and any special responsibilities	Experience and other directorships
 **ROBERT CARSOUW** Non-Executive Director Appointed: 01/04/2021	Robert is Executive Vice President and Chief Financial Officer of Royal Schiphol Group. Prior to starting his journey at Schiphol, Robert worked at Procter & Gamble and for 23 years at McKinsey & Company in various roles, since 2011 as a Senior Partner. He served clients mainly in the public sector and in the mobility/logistics sector. In addition, Robert worked with clients on digital transformations across a wide range of sectors. Robert was co-founder and Chair of the Supervisory Board of Social Enterprise NL and co-founder and Vice-Chair of LittleBitz. Robert is a graduate of the Erasmus University in Rotterdam and has a master's degree in Econometrics/Computer Science.
 **BRAD GEATCHES** **BCOM, MAICD** Non-Executive Director and Chair of the Terminal 3 Precinct Program Committee and member of the Property Committee Appointed: 22/11/2018	Brad has over 30 years of senior executive experience in underground mining, airports, and seaports, including 16 years as CEO of four corporations. From 2007 to 2016, Brad was CEO of Perth Airport and in that capacity led a $1.1 billion capital investment program that greatly expanded the airport's capacity and transformed the airport's customer experience. Prior to this, Brad was CEO of Cairns Port Authority, the operator of the Cairns airport and seaport. Through these capacities, Brad has developed expertise in governance, financial and risk management, land use and infrastructure planning, capital development and life cycle asset management of complex facilities with high levels of public engagement. Brad is currently a Director of MATES in Construction WA, a charity providing mental health and suicide prevention services to workers in the construction and mining industries. He is also Director of Canberra Airport and is Deputy Chair Pilbara Ports Authority, having served as Chair from May 2019 to June 2024, He has previously served as a Director of Perth Zoo Authority and Genotyping Australia Pty Ltd.
 **BELINDA GIBSON** **BEC, LLB, LLM, FAICD, FGIA** Non-Executive Director and member of the HRR Committee Appointed: 05/05/2017	Belinda is a Director of Humbli and the Yalari group of companies. She also serves as a member of the ASX Cash Equities Clearing and Settlement Advisory Group and as Chair of the Professional Conduct Oversight Committee of Chartered Accountants Australia and New Zealand. Belinda previously served as a Director of Ausgrid (representing the NSW State interests in the Ausgrid partnership) and the Chair of the Power of Engineering Inc. Advisory Committee. Since April 2024, she has served as President of Power of Engineering Inc. and remains a member of the Advisory Committee. She was a Corporate and Securities Partner with the global law firm Mallesons Stephen Jaques for 20 years. She particularly focused on transaction strategies, partnerships and joint venture arrangements and governance issues. In 2007, she was appointed Commissioner and then Deputy Chair of the Australian Securities and Investments Commission ('ASIC'), with primary responsibility for oversight of the capital markets. In 2013, she left ASIC and established her independent corporate advisory and legal business. She is a former Director of Airservices Australia, the air traffic control agency, GetSwift Limited, Chief Executive Women Inc, The Sir Robert Menzies Memorial Foundation, Thorn Group Ltd and Citigroup Australian retail bank.

Name, qualifications, and any special responsibilities	Experience and other directorships
 **DAVID KENNY LLB, BCOM, MBA** Non-Executive Director and Chair of the FARM Committee Appointed: 25/08/2023	David is a Senior Principal in the Global Infrastructure Division at Queensland Investment Corporation (QIC). David has extensive airport sector experience, having served on the boards of several capital city and regional airports in Australia, the United Kingdom and Turkey. David also represents QIC as a Director of Powerco, the second-largest gas and largest electricity distributor in New Zealand. David holds a Bachelor of Laws and Bachelor of Commerce from the University of Melbourne, and Master of Business Administration degrees from Tulane University (USA) and Universidad de Chile.
 **MARIGOLD LOOK BACC, CFA, GDIPAPPFIN, GAICD** Non-Executive Director and member of the FARM Committee Appointed: 28/04/2023	Marigold is an Executive Director at IFM Investors and has over 20 years of experience in investment evaluation, asset management, corporate finance, and valuations. Marigold is responsible for managing IFM Investors' low carbon infrastructure assets. Since joining IFM Investors in September 2006, Marigold has been involved in executing and managing various investments in Australia and globally across a broad range of infrastructure sectors including energy, transportation (airports, ports, toll roads) and social infrastructure. Prior to joining IFM Investors, Marigold held roles with stockbroking firm Wilsons as an equities research analyst, and with PwC specialising in corporate valuations and strategy consulting. Marigold has previously represented IFM Investors on the Boards of Airport Development Group (NT Airports), where she was also Chair of the Risk and Audit Committee, as well as Axiom Education (NSW Schools PPP) and Eastern Distributor (M1 toll road).
 **LYELL STRAMBI** Non-Executive Director and member of the of the HRR Committee and the Terminal 3 Precinct Program Committee Appointed: 10/10/2023	Lyell has a wealth of experience in the aviation sector both in Australia and abroad, spanning 40 years. In June 2022, Lyell concluded his tenure as CEO and Managing Director of Australia Pacific Airports Corporation (APAC). Having been appointed in September 2015, during his time at APAC he was responsible for the operation and development of both the Melbourne and Launceston airports and for overseeing a direct workforce of 300 staff and assets valued in excess of $10 billion. Prior to his role at APAC, Lyell was the Chief Executive Officer of Qantas Airways Domestic, a role he held for three years following four years as the airline's Group Executive Operations. Between 2001 and 2008 Lyell was based in London, working in senior roles at Virgin Atlantic that included Executive Director — Airline Services and followed by six years as Chief Operating Officer. Lyell is also a director of the Aurizon group and has been appointed Chair of Aurizon Network Pty Ltd since October 2021.

Name, qualifications, and any special responsibilities	Experience and other directorships
 **ALAN WU** **MCOM, CFA, GAICD** Non-Executive Director and member of the FARM Committee and Terminal 3 Precinct Program Committee Appointed: Alternate Director 03/11/2014 to 18/02/2022 Non-Executive Director: 18/02/2022	Alan is Director at Igneo Infrastructure Partners (Igneo). He is responsible for the management of transport and utilities infrastructure assets, as well as sourcing, evaluating and securing investment opportunities within the infrastructure team. He currently serves as a Director on the Boards of Adelaide Airport Group and coNEXA Infrastructure Partners. He has previously served as a Director of Bankstown and Camden Airports and the International Parking group of companies. Alan has been involved in the investment, management and divestment of infrastructure assets, as well as portfolio management since 2000. Prior to being appointed Director, Alan held various roles within the team including Head of the Analytics. Alan was also actively involved in the establishment and growth of Igneo's flagship infrastructure funds in Australia.
 **PAUL DESOUZA** **BCOM,** **BBUS (ACC) (HONS), CA** Alternate Director for David Kenny Appointed: Non-Executive Director 16/02/2017 to 25/08/2023 Alternative Director 25/08/2023	Paul is a Partner in the QIC Global Infrastructure team, having been with QIC since 2006. Within QIC Global Infrastructure, Paul is a member of the Infrastructure Investment Committee and is the Chair of the Investment Management Committee. Paul has more than 25 years of experience in investment management, banking and finance and professional services, including more than 16 years in the infrastructure sector where he has been involved in a broad range of transactions in Australia, Europe, Asia and North America across the transport, energy and utility and social infrastructure sectors. Prior to joining QIC, Paul was a Director in the Infrastructure Advisory and Lending team at ING Bank in London and worked in the Corporate Finance and Audit divisions of Deloitte, both in London and Australia. Paul is on the board of the Evolution Healthcare Group. Paul is also an Alternate Director of the Titles Queensland group. Paul previously served for more than six years on the board of the Port of Brisbane group of entities (including being the Chair of the Audit and Risk Committee). Paul has also been a Director (or Alternate Director) of the Epic Energy Group of entities, the Nexus Hospitals group, MI Longbeach LLC (the project vehicle for the Long Beach Courthouse PPP project), Portobar Capital (investment entity for Grup Maritim TCB, a container terminal developer and operator) Westlink M7 toll road group of entities in Sydney, the Titles Queensland, and the Sea Swift groups.

Name, qualifications, and any special responsibilities	Experience and other directorships
 **TONY HARRINGTON AM** Alternate Director for Dirk Benschop and member of the Property Committee Appointed: 01/01/2015	Tony has a distinguished career in financial and professional services, with over 35 years of business and strategic leadership experience, in Australia and internationally. Tony was the Chief Executive of leading legal and consulting firm MinterEllison and represents Schiphol as an Alternate Director for Hobart Airport. Prior to this, he was Managing Director of the fast-growing and innovative global investment bank, Moelis & Company. He also held a number of senior roles at PwC including Global Managing Partner, Strategy and Transformation and was a member of the PwC Global Executive Leadership Team. From 2000 to 2008, Tony was Australian Senior Partner and Chief Executive of PwC, coming into the position not long after the merger of Price Waterhouse with Coopers & Lybrand, and oversaw the successful cultural integration and significant growth of the merged firm in Australia. At Coopers & Lybrand, Tony was Deputy Chair of the firm and National Managing Partner of Taxation Services. He was appointed a Member of the Order of Australia (AM) in 2011 in recognition of his charitable work.
 **CALVIN KER** **CA, BBUS, GAICD** Alternate Director for Marigold Look Appointed: 28/04/2023 Alternate Director for John Borghetti Appointed: 14/08/203 to 12/09/2023 Alternate Director for Lyell Strambi Appointed: 10/10/2023	Calvin is a Vice President at IFM Investors and has over eight years of experience across the infrastructure sector. Calvin is responsible for the origination, execution and management of infrastructure investments with a focus on aviation, technology and social infrastructure. Prior to joining IFM Investors, Calvin held roles with EY's Financial Services Team and IBM Australia.

Name, qualifications, and any special responsibilities	Experience and other directorships
 **GERHARD VORSTER BSC (CIVIL ENGINEERING), MBA (CUM LAUDE), MAICD** Alternate Director for Robert Carsouw and Chair of the HRR Committee and member of the Terminal 3 Precinct Program Special Committee Appointed: 01/01/2019	Gerhard is the Managing Director of Quidni Advisory, a boutique strategy advisory firm. Working directly with boards and senior leaders, Gerhard guides businesses to reposition them in pragmatic yet unexpected ways. Previously, Gerhard was the Chief Strategy Officer for Deloitte Australia and Asia-Pacific, a position he held for five years. Prior to that, Gerhard was the Managing Partner (Consulting) for the South African, East Asian, Australian, and Asia-Pacific practice regions. He has broad sector experience with a specific focus on growth, innovation, technology, and leadership. He is published widely on these topics. Gerhard trained and practised as a professional engineer and spent some time at an investment bank prior to joining Deloitte in 1987. In addition to his MBA, he also completed several executive education programs at Harvard, Stanford, Kellogg, INSEAD, IESE and IMD. Gerhard is the Chair of the Advisory Board of Bio Capital Impact Fund, a member of the Advisory Board of Intersective, a Director of Seeing Machines Limited and the Patron Emeritus of Good Design Australia. He was a Director of Georgiou Group and the inaugural Chair of the RMIT University College of Business Advisory Board.

Director appointment cessations during the 2024 financial year

Name and qualifications	Appointment details and any special responsibilities
 **JOHN BORGHETTI AO**	Non-Executive Director and Chair of HRR Committee Appointed: 01/03/2020 Resigned: 12/09/2023
 **CHRIS FREEMAN AM** **BCOM, FAICD, FFIN, FDIA**	Non-Executive Director and Chair of the Property Committee Appointed: 01/03/2014 Resigned: 30/08/2024 Following Mr Freeman's resignation, he will continue as the member of the Property Committee.
 **JOHN WARD** **BSC, FAICD, FCILT, FRAES**	Non-Executive Director, member of the Finance, Audit and Risk Management Committee and member of the T3 Precinct Program Committee Appointed: 24/11/1997 Ceased: 17/08/2024 John was first appointed to the BAC Group Board in 1997 and has played an integral role in shaping Brisbane Airport's history and its future. He was interim Chair of the Board from 30 January 2009 to 25 September 2009 and was also a member of the T3 Precinct Program Committee and FARM Committee, previously holding the position of FARM Committee Chair for 13 years. John passed away on 17 August 2024, leaving a lasting legacy for Brisbane Airport.

Name and qualifications	Appointment details and any special responsibilities
 **KATHERINE MCCAWE** **BCOM (HONS), CFA**	Alternate Director for Alan Wu Appointed: 22/02/2022 Resigned: 15/02/2024
 **WARREN MUNDY** **BSC (HONS UNSW), DIPEC(SYD),** **MPHIL PHD(CANTAB),** **GRADCERTAPPFIN(MACQ),** **MENVLAW(HONS, ANU)** **FAICD FRAES**	Alternate Director for Alan Wu Appointed: 15/02/2024 Resigned: 20/08/2024
 **LIAM TIERNEY** **BCOM, BSC, CFA**	Alternate Director for Brad Geatches Appointed: 23/05/2019 Resigned: 13/11/2023

7. Company Secretary

During the financial year, each of the following individuals held the role of Company Secretary:

- Raechel Paris (BA, LLB, GAICD) is Executive General Manager Governance and was appointed as Company Secretary on 26 March 2020. Raechel has more than 20 years' experience in legal, commercial and governance roles, with national and international accountability, and brings a wealth of corporate governance knowledge to the business.
- Melissa Hill (LLB, BEnvSc, GAICD) is General Counsel and Head of Legal Services and was appointed as Company Secretary on 19 November 2021. Melissa has more than 20 years' experience as a corporate/commercial lawyer and prior to her role at the BAC Group, Melissa worked in private practice and in house legal roles supporting a broad range of clients.
- Brady Dennis (LLB, BBus) was appointed Group Company Secretary on 18 February 2022. Brady joined the BAC Group in June 2021 following 11 years working within the franchising sector where he has developed a passion for corporate governance and the impact that good governance practice has toward the execution of organisational objectives.

8. Directors' meetings

The number of Directors' meetings (including meetings of Board sub committees of Directors) and the number of meetings attended by each of the Directors during the financial year were:

Director	Board meetings		FARM Committee meetings		HRR Committee meetings		BAC Property Committee meetings		Terminal 3 Precinct Program Special Committee meetings	
Total meetings held	**9**		**8**		**6**		**9**		**5**	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
D Peever (Board Chair)	9	9	2#	–	6	6	9	9	2#	–
D Benschop	2	9	–	–	–	–	–	–	–	–
J Borghetti	1	3	–	–	0	1	–	–	–	–
R Carsouw	0	9	–	–	–	–	–	–	–	–
P DeSouza	3	3	1	1	–	–	–	–	1*	–
C Freeman	8	9	–	–	–	–	9	9	5#	–
B Geatches	9	9	–	–	–	–	8	9	5	5
B Gibson	9	9	–	–	6	6	–	–	3*	3
D Kenny	6	6	7	7	–	–	–	–	–	–
M Look	8	9	8	8	3#	–	–	–	–	–
L Strambi	5	5	–	–	5*	4	3#	–	3*	2
J Ward	9	9	8	8	–	–	–	–	5	5
A Wu	9	9	8	8	–	–	–	–	5	5
P DeSouza (Alternate Director for D Kenny)	0	6	–	–	–	–	–	–	–	–
C Ker (Alternate Director for M Look, J Borghetti and L Strambi)	2	9	–	–	–	–	–	–	–	–
T Harrington (Alternate Director for D Benschop)	8*	9	–	–	–	–	9	9	–	–
K McCawe (Alternate Director for A Wu)	0	6	–	–	–	–	–	–	–	–
W Mundy (Alternate Director for A Wu)	0	3	–	–	–	–	–	–	–	–
L Tierney (Alternate Director for B Geatches)	0	5	–	–	–	–	–	–	–	–
G Vorster (Alternate Director for R Carsouw)	9	9	–	–	6	6	–	–	5	5

A Number of meetings attended.
B Number of meetings held during the year where the Director held office or was a member of the relevant Committee.
Attended the relevant committee meetings as an invitee.
* In capacity of invitee for one meeting.

If any Circulating Written Resolutions of Directors were passed during the year, these are included in the number of Board meetings held and attended.

9. Indemnification and insurance of officers and auditors

BACH on behalf of the BAC Group has entered into Deeds of Indemnity, Insurance, and Access (Deeds) with each Director, Alternate Director, Company Secretary, and each member of BAC's Executive Leadership team (collectively, Officers) within the Group.

BACH has agreed to indemnify and maintain insurance in favour of each Officer with respect to certain liabilities which the Officer may incur acting as an Officer in accordance with the terms of the Deeds.

During the year, the BAC Group paid insurance premiums in respect of a Directors' and Officers' Liability Insurance Contract for current and former Directors and Officers, including Officers of the BAC Group.

To the extent permitted by law, the BAC Group has agreed to indemnify its external auditor, Deloitte Touche Tohmatsu (Deloitte), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Deloitte during or since the end of the year.

10. Environmental regulation

Environmental management of BAC's operations is primarily governed by the *Airports Act 1996* (Cth) and associated *Airports Regulations 2024* (Cth) and the *Airports (Environment Protection) Regulations 1997* (Cth), which address soil, air, water, preservation of habitat, and excessive ground-based noise regulation.

Airport Environment Officers employed by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts assist with the administration of the *Airports (Environment Protection) Regulations 1997* (Cth) and have a number of specific statutory functions under the *Airports Act 1996* (Cth) and the *Airports Regulations 2024* (Cth). The *Environment Protection and Biodiversity Conservation Act 1999* (Cth) also applies to federally leased airports and is administered by the Department of Climate Change, Energy, the Environment and Water. Biosecurity risk at Brisbane Airport is managed in accordance with the *Biosecurity Act 2015* (Cth) administered by the Department of Agriculture, Fisheries and Forestry. Environmental matters not specifically dealt with by Commonwealth legislation are regulated by the applicable State legislation and local government by-laws.

BAC takes all reasonable and practicable measures to comply with its general environmental duty to avoid or minimise pollution. BAC also exercises its rights under tenant lease agreements to require entities responsible for pollution to monitor and remediate contamination on Brisbane Airport.

There have been no significant breaches by the BAC Group of any applicable environmental regulations.

11. Non-audit services

The BAC Group's external auditor, Deloitte may perform certain other services in addition to their statutory duties in accordance with BAC's External Audit Policy. This policy ensures controls are placed on all non-audit related services, including quarterly reporting to the Finance, Audit and Risk Management (FARM) Committee, as required.

In addition to providing an annual declaration on its compliance with independence requirements, the External Audit Policy requires the external auditor to maintain a quality control system to provide assurance that its independence will not be impaired.

Details of the amounts paid to the auditor of BACH, Deloitte, and its related practices for services provided during FY24, are set out in note 2.4 to the financial statements.

12. Auditor's independence declaration

The auditor's independence declaration is included on page 154.

13. Sustainability reporting

The BAC Group has undertaken preparatory steps for the mandatory adoption of International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards and associated requirements. As a Tier 1 reporting structure, BAC Group will be required to report climate-related risks and opportunities and their financial impacts for the financial year commencing 1 July 2025 onwards.

14. Consolidated entity disclosure statement

Subsection 295(3A) of the *Corporations Act 2001* applies to BACH.

		Body corporates		Tax residency	
	Entity type	Place formed or incorporated	% of share capital held	Australian or foreign	Foreign jurisdiction
BAC Holdings No 2 Pty Limited	Body Corporate	Australia	100%	Australian	No
Brisbane Airport Corporation Pty Limited	Body Corporate	Australia	100%	Australian	No

15. Future developments

The BAC Group's future developments and operations are included in the Brisbane Airport 2020 Master Plan. Published every five years, the Master Plan includes 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. The next Master Plan will be submitted by 9 March 2026 for Ministerial approval, however the 2020 Master Plan actions are still on track for completion by 9 March 2025.

The 2020 Master Plan was approved by the Australian Government on 10 March 2020.

16. Rounding off of amounts

BACH is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that instrument amounts in the financial report and the Directors' Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in Sydney on 20 September 2024 in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).

David Peever
Director

CORPORATE GOVERNANCE

BACH is an unlisted, public company limited by shares, primarily subject to the corporate governance requirements of the BACH Shareholders' Agreement, the BACH Constitution, the Corporations Act 2001 (Cth) and common law principles.

The Directors are committed to embracing good corporate governance policies, practices and procedures, where practicable to do so.

Role of the Board

The Board is responsible for the overall corporate governance of the BAC Group, including participation in charting its strategic direction, business planning, strategic and financial objective and priority setting, policy guidelines, goals for management and monitoring of the achievement of these matters.

It actively engages in and guides the development of strategy, as well as the approval of the Business Plan, operating and capital budgets each financial year. The Board also reviews matters of a major or unusual nature which are not in the ordinary course of business.

In conjunction with setting the BAC Group's strategic direction, the Board delegates management responsibility to the Chief Executive Officer. The Board has also established a risk management framework including a system of internal control, a business risk management process and a delegation of authority policy.

To augment the roles, responsibilities and functions of the Board and individual Directors, as described in the Constitution and the BACH Shareholders' Agreement, the Board has a complementary Board Charter and BAC Code of Conduct.

The Board generally holds no less than six scheduled meetings each year, in addition to an annual strategy workshop and any extraordinary meetings as may be necessary to address specific significant matters that may arise outside the normal Board meeting schedule. In addition, the Board utilises Circulating Written Resolutions of Directors pursuant to the Constitution and *Corporations Act 2001* (Cth) as required.

Board sub committees

To assist in the execution of its responsibilities, the Board has established a number of Board sub committees including the:

- Finance, Audit and Risk Management (FARM) Committee
- BAC Property Committee[2]
- Human Resources and Remuneration (HRR) Committee

The Board also establishes various Board sub committees as the needs of the business require from time to time, including the Terminal 3 Precinct Program Committee. Each Board sub committee is governed by its respective Committee Charter that sets out the Board sub committees' respective responsibilities and governance arrangements.

Risk management

BAC Group's approach to managing its risk and governance is guided by the effective principles established within the policies and procedures that have been endorsed by the Board.

2 The BAC Property Committee is a Board sub committee of Brisbane Airport Corporation Pty Ltd only.

CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2024

In this financial report ...

The note disclosures have been grouped into five sections: basis of preparation, results, operating assets and liabilities, capital structure and financing costs and other. Each section sets out the accounting policies applied in producing the relevant notes, along with any key estimates and judgements used.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Note	2024 $000	2023 $000
Revenue from ordinary activities			
Aeronautical		403,065	338,001
Landside transport		194,443	167,712
Investment property		131,071	118,053
Retail		97,252	80,186
Operating property		34,034	32,515
Government mandated security		81,545	56,882
Interest		7,236	6,047
Other		31,218	25,831
Total revenue from ordinary activities	2.1	**979,864**	**825,227**
Operating expenses			
Maintenance and contract services		(70,735)	(63,230)
Government mandated security		(71,748)	(55,121)
Staff		(64,935)	(59,966)
Utilities		(27,057)	(28,547)
Corporate and administration		(47,976)	(50,851)
Doubtful debt expense	4.3(a)	(2,469)	(12,094)
Environmental remediation	3.8	11,246	-
Total operating expenses		**(273,674)**	**(269,809)**
Revenue from ordinary activities less operating expenses		**706,190**	**555,418**
Depreciation and amortisation		(150,921)	(153,822)
Loss on asset disposals		(901)	(10,774)
Impairment loss	3.4	(2,122)	(7,589)
Finance costs	2.2	(184,746)	(128,667)
Operating profit		**367,500**	**254,566**
Redeemable preference shares dividend	4.1	(37,640)	(47,708)
Change in fair value of investment property	3.6	49,419	961
Profit before income tax		**379,279**	**207,819**
Income tax expense	2.5	(113,896)	(62,422)
Profit for the year		**265,383**	**145,397**
Items that will not be reclassified subsequently to profit or loss			
Defined benefit superannuation fund actuarial loss, net of tax		(312)	(427)
Items that may be reclassified subsequently to profit or loss			
Hedge reserve, net of tax		9,286	9,708
Total other comprehensive income		**8,974**	**9,281**
Total comprehensive income		**274,357**	**154,678**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 $000	2023 $000
Current assets			
Cash and cash equivalents	3.1	102,429	154,648
Trade receivables and other	3.2	96,914	82,809
Inventories		2,427	2,309
Derivative instruments	4.3(d)	50,258	76,199
Total current assets		**252,028**	**315,965**
Non-current assets			
Trade receivables and other	3.2	34,594	40,583
Intangible assets	3.3	823,014	823,014
Property, plant and equipment	3.4	3,583,440	3,500,882
Investment property	3.6	2,286,843	2,112,326
Derivative instruments	4.3(d)	148,691	189,866
Total non-current assets		**6,876,582**	**6,666,671**
Total assets		**7,128,610**	**6,982,636**
Current liabilities			
Trade payables and other current liabilities	3.8	198,207	147,023
Interest-bearing liabilities and borrowings	4.1	534,934	292,672
Current tax payable		46,289	52,602
Total current liabilities		**779,430**	**492,297**
Non-current liabilities			
Interest-bearing liabilities and borrowings	4.1	3,298,475	3,465,093
Deferred tax liabilities	2.6	855,081	823,359
Derivative instruments	4.3(d)	170,284	201,472
Other liabilities	3.10	68,775	68,207
Total non-current liabilities		**4,392,615**	**4,558,131**
Total liabilities		**5,172,045**	**5,050,428**
Net assets		**1,956,565**	**1,932,208**
Equity			
Issued capital		78,388	78,388
Reserves		10,763	1,789
Retained earnings		1,867,414	1,852,031
Total equity		**1,956,565**	**1,932,208**

The consolidated statement of financial position 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			
Cash receipts from customers		1,060,757	907,441
Cash paid to suppliers and employees		(361,556)	(341,719)
Cash generated from operating activities		**699,201**	**565,722**
Interest paid		(169,408)	(107,694)
Interest received		7,081	5,861
Income and other taxes paid		(92,333)	-
Net cash flows from operating activities	3.1	**444,542**	**463,889**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		416	79
Acquisition of property, plant and equipment		(222,648)	(95,399)
Acquisition of investment property		(113,350)	(118,383)
Net cash flows used in investing activities		**(335,582)**	**(213,703)**
Cash flows from financing activities			
Proceeds from interest-bearing liabilities and borrowings		855,846	259,000
Repayments of interest-bearing liabilities and borrowings		(664,000)	(183,060)
Repayments of derivative structured products		(66,614)	(31,490)
Repayments of lease liabilities		(519)	(1,527)
Redeemable preference share dividend paid		(35,892)	(168,988)
Dividends paid		(250,000)	(50,000)
Net cash flows used in financing activities		**(161,179)**	**(176,065)**
Net increase/(decrease) in cash and cash equivalents		**(52,219)**	**74,121**
Cash and cash equivalents at 1 July		154,648	80,527
Cash and cash equivalents at 30 June	3.1	**102,429**	**154,648**

The consolidated statement of cash flows 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	Defined benefit superannuation fund deficit reserve $000	Hedge reserve $000	Retained earnings $000	Total equity $000
Balance at 1 July 2023	**78,388**	**(405)**	**2,194**	**1,852,031**	**1,932,208**
Profit for the year	-	-	-	265,383	265,383
Other comprehensive income					
Defined benefit superannuation fund actuarial loss, net of tax	-	(312)	-	-	(312)
Hedge reserve, net of tax	-	-	9,286	-	9,286
Total other comprehensive income	**-**	**(312)**	**9,286**	**-**	**8,974**
Total comprehensive income	**-**	**(312)**	**9,286**	**265,383**	**274,357**
Dividends	-	-	-	(250,000)	(250,000)
Balance at 30 June 2024	**78,388**	**(717)**	**11,480**	**1,867,414**	**1,956,565**
Balance at 1 July 2022	**78,388**	**22**	**(7,514)**	**1,756,634**	**1,827,530**
Profit for the year	-	-	-	145,397	145,397
Other comprehensive income					
Defined benefit superannuation fund actuarial gain, net of tax	-	(427)	-	-	(427)
Hedge reserve, net of tax	-	-	9,708	-	9,708
Total other comprehensive income	**-**	**(427)**	**9,708**	**-**	**9,281**
Total comprehensive income	**-**	**(427)**	**9,708**	**145,397**	**154,678**
Dividends	-	-	-	(50,000)	(50,000)
Balance at 30 June 2023	**78,388**	**(405)**	**2,194**	**1,852,031**	**1,932,208**

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

NOTES TO THE FINANCIAL STATEMENTS

SECTION 1: BASIS OF PREPARATION

In this section …
This section sets out the BAC Group accounting policies that relate to the financial statements as a whole. Where an accounting policy is specific to one note, that policy is described in the note to which it relates.

Keeping it simple …
Notes to the financial statements provide information required by accounting standards to explain a particular feature of the financial statements. The notes also provide explanations and additional disclosures to assist readers' understanding and interpretation of the financial statements.

1.1 Defined terms

Entity names

BACH	BAC Holdings Limited
BACH No. 2	BAC Holdings No. 2 Pty Limited
BAC	Brisbane Airport Corporation Pty Limited
BAC Group or Group	The consolidated entity comprising BACH, BACH No. 2 and BAC
Company	BACH

1.2 Reporting entity

BACH is an unlisted, public company limited by shares incorporated and domiciled in Australia. The financial statements comprise the consolidated financial statements of the BAC Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The BAC Group is primarily involved in the operation and development of Brisbane Airport which is its principal activity.

The BAC Group's registered office address is shown on page 156.

1.3 Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001* (Cth), Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and comply with other requirements of the law.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with International Financial Reporting Standards as issued by the IASB.

The financial statements were approved by the Board of Directors on 20 September 2024.

1.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the consolidated statement of financial position which are measured at fair value:

- investment property – note 3.6;
- defined benefit obligation – note 3.9; and
- derivative financial instruments – note 4.2.

SECTION 1: BASIS OF PREPARATION (Continued)

1.5 Presentation currency and rounding

These financial statements are presented in Australian Dollars (AUD or $).

BACH is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that instrument amounts in the financial report and the Directors' Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

1.6 Recovery from COVID-19

The legacy impacts of COVID-19 continue to require further judgement and consideration across the financial statements. Changes to the judgements and outcomes that have been applied throughout the financial statements will be accounted for as they arise in future reporting periods with the exception of adjusting events providing evidence of conditions that existed at the reporting date.

In the preparation of these financial statements, management applied the following judgements:

- consideration of all potential impacts to the business from both internal and external factors;
- evaluation of any additional areas of judgement or estimation;
- updating the 20-year business plan as part of the annual process based on scenario analysis of future economic conditions;
- assessment of the impact of COVID-19 on the carrying values of the company's assets and liabilities and the ability to continue as a going concern; and
- consideration of additional financial disclosures required in the financial statements.

The following disclosures continued to have expanded disclosures reflecting the residual impacts and recovery from COVID-19:

- property, plant and equipment – note 3.4;
- investment property – note 3.6;
- impairment – note 3.7;
- financial risk management – note 4.3; and
- events subsequent to reporting date – note 5.4.

1.7 Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The BAC Group was in a net current liability position of $527.4 million at 30 June 2024 (2023: net current liability position of $176.3 million), however this deficit was comfortably covered by undrawn bank facilities of $1,170 million (2023: $1,018 million).

The Directors have reviewed detailed cash flow projections prepared by management covering a period of at least 12 months after the date of signing this financial report.

These projections take into account forecast passenger numbers and the extent and timeframe by which these passenger numbers will recover, forecast revenue, forecast operating cash flows, forecast capital expenditure and the Group's liquidity position.

Cash flow forecasts indicate a net positive cash flow position, and this position is additionally supported by the availability of significant amounts of committed undrawn bank facilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 1: BASIS OF PREPARATION (Continued)

1.7 Going concern (continued)

On the basis of the cash flow forecasts prepared, the Directors have concluded that BACH and the BAC Group have the ability to pay their debts in full as and when they become due and payable for the period of at least 12 months from the date of signing this financial report, and that it is appropriate to apply the going concern basis of accounting.

Refer to note 4.1 for details of the BAC Group's finance facilities.

1.8 Use of estimates and judgements

The financial statements are subject to the use of estimates and judgements. The estimates and judgements that could have a significant impact on the financial statements are as follows:

- taxation – note 2.5;
- depreciation and amortisation – note 3.4;
- investment property – note 3.6;
- impairment – note 3.7;
- environmental remediation – note 3.8;
- derivative financial instruments – note 4.2; and
- financial risk management – note 4.3.

The BAC Group acquired Brisbane Airport in 1997 under a 50-year lease with the option to extend 49 years. The investment property valuation, depreciation and impairment modelling are based on the assumption that the BAC Group intends to exercise this option.

1.9 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has a right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.10 Foreign currency translation

Functional and presentation currency

Both the functional and presentation currency of BACH and each controlled entity is AUD.

Transactions and balances

Transactions in foreign currencies are translated to AUD at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at the reporting date. Foreign currency differences on translation are recognised in the consolidated statement of profit or loss, or where hedge accounting is applied the cash flow hedge reserve/statement of other comprehensive income.

SECTION 1: BASIS OF PREPARATION (Continued)

1.11 Prior period presentation

Changes, if any, to the presentation of transactions and balances during the current year were also made to the prior year in order to facilitate comparisons.

1.12 New and amended accounting standards

Keeping it simple …
New and revised accounting standards were issued by the Australian Accounting Standards Board (AASB) during the year. The BAC Group intends to adopt new standards, amendments to standards and interpretations when mandatory. This section describes those standards which have been adopted during the financial year.

Accounting policies and disclosures

The BAC Group has adopted new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2023 as outlined below. The adoption did not have any material impact on the financial position or performance of the BAC Group at adoption date or period end. Several other amendments apply for the first time from 1 July 2023, however, these do not impact the annual financial statements. All other accounting policies adopted are consistent with those of the previous financial year.

AASB No.	**AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred tax related to Assets and Liabilities arising from a Single Transaction***
Nature of change	The AASB issued targeted amendments to AASB 112 *Income Taxes* to specify how companies should account for deferred tax on transactions (such as leases and decommissioning obligations), where at the time of the transaction an equal taxable and deductible temporary difference arises.
Impact	There is no impact on the BAC Group's financial report.
Mandatory application date	The amendments are effective for annual periods beginning on or after 1 January 2023.

AASB No.	**AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback***
Nature of change	The new amendments to AASB 16 *Leases* add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 *Revenue from Contracts with Customers* to be accounted for as a sale. The amendments illustrate the initial and subsequent measurement of the lease liability including with consideration of leaseback transactions that may include variable payments that do not depend on an index or rate.
Impact	There is no impact on the BAC Group's financial report.
Mandatory application date	The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 1: BASIS OF PREPARATION (Continued)

1.12 New and amended accounting standards (continued)

AASB No.	**AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current – Deferral of Effective Date* and AASB 2020-6 *Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants***
Nature of change	The amendments to AASB 101 *Presentation of Financial Statements* clarify that covenants of loan arrangements will not affect the classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. An entity will need to make additional disclosures if they have a non-current liability that is subject to covenants which the entity must comply with within 12 months of the reporting date.
Impact	These changes are not expected to have a material effect on the BAC Group's financial report.
Mandatory application date	The new amendments are effective for annual reporting periods beginning on or after 1 January 2024 and override the previous amendments.

Accounting standards and interpretations issued or amended but not yet effective

The accounting standards which have not been early adopted for the financial year ended 30 June 2024 but will be applicable to the BAC Group in future reporting periods are detailed below:

AASB No.	**AASB 18 *Presentation and Disclosure in Financial Statements***
Nature of change	The amendments to AASB 18 *Presentation and Disclosure in Financial Statements* aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. An entity will need to change how it presents its results on the face of the income statement and disclose information in the notes to the financial statements.
Impact	These changes are not expected to have a material effect on the BAC Group's financial report.
Mandatory application date	The new amendments are effective for annual reporting periods beginning on or after 1 January 2027 and override the previous amendments.

1.13 Determination of fair values

A number of the BAC Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability. Assets and liabilities for which a determination of fair value is required are as follows:

- investment property – note 3.6;
- defined benefit obligation – note 3.9; and
- derivative financial instruments – note 4.2.

Fair value measurements hierarchy

In fair value measurement, the BAC Group uses the following fair value measurements hierarchy levels 1 to 3 that are based on the degree to which the fair value is observable, being fair value measurements derived from:

- Level 1: quoted prices (unadjusted) in an active market for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: valuation techniques using inputs that are not based on observable market data (unobservable inputs).

SECTION 2: RESULTS

In this section …
This section sets out the disclosures explaining the BAC Group revenue, finance costs, leases and taxation.

Keeping it simple …
This section explains how revenue is recognised for each of the BAC Group's key revenue streams and the recognition and composition of finance costs. It also details lease commitments and explains how the BAC Group is structured for tax purposes and how deferred and current taxes are treated.

2.1 Revenue

Aeronautical revenue

Aeronautical revenue comprises runway and terminal charges. Domestic and international flights are ordinarily charged on a per passenger basis for landings and departures. General aviation aircraft and dedicated freight flights are charged based on the maximum take-off weight of aircraft on landings only. Revenue is recognised over time when the performance obligation is satisfied (i.e. when the service is provided). Accrued aeronautical revenue is recognised as a contract asset.

Incentives are provided through incentive agreements with individual airlines and are generally based on passenger numbers, flight frequency and/or new routes. Revenues from passenger charges therefore have variable consideration and are estimated monthly. Variable revenue is only recognised when it is highly probable the revenues will not reverse.

Landside transport revenue

Landside transport revenue comprises revenue from public and staff car parks, ground facilities fees and car rental operators. Revenue for public and staff car parks and ground facilities fees are recognised over time when the performance obligation is satisfied (i.e. when the service is provided). Car rental operation revenue is recognised on a straight-line basis over the term of each lease.

Property revenue

Investment property revenue comprises rental revenue from the BAC Group's owned buildings and leased areas held for investment (note 3.6).

Operating property revenue comprises rental revenue from the BAC Group's owned terminals, buildings and other leased areas.

Property rental revenue is accounted for on a straight-line basis over the term of each lease.

Retail revenue

Retail revenue comprises rental income from retail tenants whose sale activities include duty free, newsstands, food and beverage, banking and currency, and advertising services. Base rent revenue is recognised on a straight-line basis over the term of each lease and turnover revenue is recognised on an accrual basis from tenant statements.

Where formal acceptance in writing for rental abatements offered in response to COVID-19 have not been received from tenants, full revenue with an offsetting expense through (ECL) provision is recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 2: RESULTS (Continued)

2.1 Revenue (continued)

Government mandated security revenue

The BAC Group is required by the Australian Government to undertake certain security measures, the costs of which are generally recoverable from the airlines. Government mandated security revenue comprises recharges of expenditure incurred by the BAC Group in respect of security services such as passenger and checked baggage screening. Revenue and expenses are disclosed separately.

Interest revenue

Interest received from other parties is recognised as it accrues, taking into account the effective yield of the financial asset.

Other revenue

Other revenue comprises recharge revenue from tenants and includes items such as utilities and rates. Revenue is recognised over time when the performance obligation is satisfied (i.e. when the service is provided).

Timing of revenue recognition

Revenue can be categorised as follows:

	2024 $000	2023 $000
Total services revenue from contracts with customers transferred over time	674,125	552,967
Revenue not related to contracts with customers transferred over time	305,739	272,260
Total revenue	**979,864**	**825,227**

Revenue from contracts with customers consists of aeronautical, government mandated security, other revenue and a portion of landside transport revenue (2024: $158.3 million, 2023: $132.1 million).

2.2 Finance costs

Accounting policies

Finance costs comprise interest payable on borrowings and finance leases and are calculated using the effective interest basis. Borrowing costs are either capitalised and amortised over the life or expensed as incurred and included in net financing costs unless they are capitalised to capital work in progress for qualifying assets.

RPS dividends are recognised in the profit or loss as a finance cost (disclosed as a separate line item) and calculated on an effective interest basis.

	2024 $000	2023 $000
Interest costs	196,581	113,988
Amortisation of deferred borrowing costs	3,859	6,252
Interest on lease liabilities	391	435
Other finance costs	(7,118)	325
Total finance costs excluding hedge ineffectiveness and other hedge accounting impacts	**193,713**	**121,000**
Hedge ineffectiveness and other hedge accounting impacts	(8,967)	7,667
Total finance costs	**184,746**	**128,667**

SECTION 2: RESULTS (Continued)

2.3 Leases

BAC Group as the lessor

The BAC Group has entered into commercial property leases on its property portfolio. Future minimum lease receipts under non-cancellable operating leases, excluding the recovery of outgoings, were as follows:

	2024 $000	2023 $000
Less than 1 year	168,996	156,222
1 to 5 years	489,804	476,265
More than 5 years	910,807	933,934
	1,569,607	**1,566,421**

Finance lease receivable

The finance lease receivable relates to an asset held under a finance lease recognised at the net present value of future lease payments at inception of the lease. The lease is due to expire in 2047.

	2024 $000	2023 $000
Less than 1 year	2,488	2,488
1 to 5 years	12,440	12,440
More than 5 years	42,503	44,991
Undiscounted lease payments	**57,431**	**59,919**
Future finance charges	(36,660)	(38,962)
Net investment in the lease	**20,771**	**20,957**

BAC Group as the lessee

The BAC Group recognises right of use assets (ROUA) as a lessee. As at 30 June, the following amounts relating to ROUA were included in plant and equipment:

	2024 $000	2023 $000
Cost		
At beginning of year	9,230	10,355
Additions/adjustments	(138)	(1,125)
At end of year	**9,092**	**9,230**
Accumulated depreciation		
At beginning of year	2,396	1,729
Depreciation/adjustments	549	667
At end of year	**2,945**	**2,396**
Carrying amount at 30 June	**6,147**	**6,834**

Lease liabilities of $0.4 million current and $1.8 million non-current have been recognised in the consolidated statement of financial position (2023: $0.7 million current and $2.1 million non-current).

Right of use assets are recognised on commencement of the lease as the net present value of future lease payments less any incentives received, and any initial direct costs and make good provision. The cost is depreciated over the life of the underlying asset. Lease liabilities are measured by the net present value of lease payments and are allocated between lease liability and finance cost.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 2: RESULTS (Continued)

2.4 Auditor's remuneration

	2024 $	2023 $
Amounts received or due and receivable by the auditor for:		
Audit services		
Audit fees	482,446	437,745
Other regulatory/contract audit services	166,743	142,755
	649,189	**580,500**
Other services		
Other	287,582	-
Total remuneration	**936,771**	**580,500**

2.5 Taxation

Accounting policies

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except where it relates to items recognised in other comprehensive income or directly in equity.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between carrying amounts of assets and liabilities for financial reporting purposes, and amounts applicable for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates applicable at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets where they relate to income taxes levied, and the entities intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Tax consolidation

BACH is the head entity in the tax-consolidated group including all wholly owned subsidiaries, being BACH No. 2 and BAC. The implementation date for the tax-consolidated group was 30 June 2004.

The tax-consolidated group has entered into a tax sharing and funding agreement that requires wholly-owned subsidiaries to make contributions to the head entity for:

- deferred tax balances recognised on implementation date, including the impact of any relevant reset tax cost bases; and
- current tax assets and liabilities and deferred tax balances arising from external transactions occurring after the implementation of tax consolidation.

Under the tax sharing and funding agreement, contributions are calculated on a 'stand-alone basis' so that the contributions are equivalent to the tax balances generated by external transactions entered into by wholly-owned subsidiaries. The contributions are payable as set out in the agreement and reflect timing of the entity's obligations to make tax liability payments to the relevant tax authorities. The assets and liabilities arising under the agreement are recognised as inter-company assets and liabilities with a consequential adjustment to income tax benefit/(expense).

2.5 Taxation (continued)

Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST is not recoverable from the Australian Taxation Office (ATO), it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO are classified within operating cash flows.

Taxation recognised in profit or loss and other comprehensive income

	2024 $000	2023 $000
Current tax expense		
Current year expense	(88,194)	(52,602)
Amendments relating to prior years	2,174	-
	(86,020)	**(52,602)**
Deferred tax expense		
Origination and reversal of temporary differences	(25,701)	(9,844)
Amendments relating to prior years	(2,175)	24
	(27,876)	**(9,820)**
Total income tax expense recognised in profit or loss	**(113,896)**	**(62,422)**
Defined benefit superannuation fund actuarial gain	134	183
Hedge reserve	(3,980)	(4,161)
Total income tax expense recognised in other comprehensive income	**(3,846)**	**(3,978)**

The reconciliation between income tax expense and pre-tax accounting profit is as follows:

	2024 $000	2023 $000
Profit for the year	265,383	145,397
Income tax expense	113,896	62,422
Profit before income tax	**379,279**	**207,819**
Income tax using the corporate tax rate of 30%	(113,785)	(62,347)
Increase in income tax due to:		
Other non-deductible expenses	(110)	(99)
(Under)/over provided in prior years	(1)	24
Income tax expense on pre-tax accounting profit	**(113,896)**	**(62,422)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 2: RESULTS (Continued)

2.6 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024 $000	2023 $000	2024 $000	2023 $000	2024 $000	2023 $000
Property, plant and equipment	-	-	(870,373)	(839,031)	(870,373)	(839,031)
Finance lease receivable	-	-	(2,186)	(2,242)	(2,186)	(2,242)
Derivatives	-	-	(239,714)	(233,101)	(239,714)	(233,101)
Lease incentive asset	-	-	(4,196)	(5,856)	(4,196)	(5,856)
Inventories	-	-	(728)	(693)	(728)	(693)
Employee benefits	3,265	1,981	-	-	3,265	1,981
Other provisions	18,557	15,305	-	-	18,557	15,305
Interest-bearing liabilities and borrowings	235,792	235,478	-	-	235,792	235,478
Accruals	4,502	4,800	-	-	4,502	4,800
Total deferred tax assets/(liabilities)	**262,116**	**257,564**	**(1,117,197)**	**(1,080,923)**	**(855,081)**	**(823,359)**

The movement in temporary differences during the year is as follows:

	Balance at 1 July 2023 $000	Recognised in profit or loss $000	Recognised in other comprehensive income $000	Balance at 30 June 2024 $000
Property, plant and equipment	(839,031)	(31,342)	-	(870,373)
Finance lease receivable	(2,242)	56	-	(2,186)
Derivatives	(233,101)	(2,634)	(3,980)	(239,714)
Lease incentive asset	(5,856)	1,660	-	(4,196)
Inventories	(693)	(35)	-	(728)
Employee benefits	1,981	1,151	134	3,265
Other provisions	15,305	3,253	-	18,557
Interest-bearing liabilities and borrowings	235,478	313	-	235,792
Accruals	4,800	(298)	-	4,502
Total deferred tax liabilities	**(823,359)**	**(27,876)**	**(3,846)**	**(855,081)**

SECTION 2: RESULTS (Continued)

2.6 Deferred tax assets and liabilities (continued)

The movement in temporary differences during the previous year is:

	Balance at 1 July 2022 $000	Recognised in profit or loss $000	Recognised in other comprehensive income $000	Balance at 30 June 2023 $000
Property, plant and equipment	(840,763)	1,732	-	(839,031)
Finance lease receivable	(2,292)	50	-	(2,242)
Derivatives	(231,580)	2,640	(4,161)	(233,101)
Lease incentive asset	(6,131)	275	-	(5,856)
Inventories	(762)	69	-	(693)
Employee benefits	1,495	303	183	1,981
Other provisions	11,819	3,486	-	15,305
Interest-bearing liabilities and borrowings	235,079	399	-	235,478
Accruals	2,894	1,905	-	4,800
Tax losses[3]	20,679	(20,679)	-	-
Total deferred tax liabilities	**(809,562)**	**(9,819)**	**(3,978)**	**(823,359)**

[3] $68.9 million of tax losses carried forward as at 30 June 2022 were fully utilised as of 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 3: OPERATING ASSETS AND LIABILITIES

In this section …
This section shows the assets used to generate the BAC Group trading performance and the liabilities incurred as a result. Liabilities relating to the BAC Group financing activities are addressed in section 4. Deferred tax assets and liabilities are shown in note 2.6.

Keeping it simple …
Operating assets and liabilities are those that relate to the trading activities of the BAC Group. These include property, plant and equipment, investment property, inventories as well as trade and other receivables and payables. In this section, further information can be found regarding the elements of operating assets and liabilities.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and term deposits, balances of which at reporting date are as follows:

	2024 $000	2023 $000
Cash in bank and on hand	102,429	154,648
Cash and cash equivalents	**102,429**	**154,648**

The reconciliation of cash flows from operating activities is as follows:

	Note	2024 $000	2023 $000
Profit for the year		**265,383**	**145,397**
Adjustments for:			
Depreciation and amortisation		150,921	153,822
Impairment	3.4	2,122	7,589
Capitalised interest		(8,253)	(1,107)
Change in fair value of investment property	3.6	(49,419)	(961)
Hedge ineffectiveness and other hedge accounting impacts		(8,967)	7,667
Amortisation of borrowing costs		3,859	6,252
Finance lease interest		(43)	435
Loss on sale of property, plant and equipment		901	10,774
RPS dividend	4.1	37,640	47,708
Income tax expense	2.5	113,896	62,422
Cash flow before changes in working capital and provisions		**508,040**	**439,998**
Increase in trade receivables and other		(8,117)	(10,837)
Decrease/(increase) in inventories		(118)	232
Increase in trade payables and other		37,070	34,496
Income taxes paid		(92,333)	-
Net cash from operating activities		**444,542**	**463,889**

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.2 Trade receivables and other

Accounting policies

Trade receivables and other are recognised initially at fair value and subsequently stated at their amortised cost less impairment losses. Trade receivables are normally settled within 34 days.

Trade receivables and other are as follows:

	Note	2024 $000	2023 $000
Current			
Trade receivables and accrued income		52,093	40,303
Provision for expected credit losses	4.3(a)	(864)	(1,782)
Contract assets	2.1	35,539	36,136
Prepayments		5,523	4,319
Sundry receivables		4,415	3,647
Finance lease receivable		208	186
		96,914	**82,809**
Non-current			
Finance lease receivable		20,563	20,771
Sundry receivables		10,320	15,973
Prepayments		837	464
Employee benefits	3.9	2,874	3,375
		34,594	**40,583**

3.3 Intangible assets

Accounting policies

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested annually for impairment (note 3.7).

The cost and carrying amount of goodwill is as follows:

	2024 $000	2023 $000
Goodwill	**823,014**	**823,014**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.4 Property, plant and equipment

Keeping it simple …
This section shows the physical assets used by the BAC Group and includes runways, roads, taxiways, car parks, aprons, terminals, and equipment to operate Brisbane Airport. The cost of these assets is the amount initially paid for them, with the exception of items adjusted as a result of the transition to Australian equivalent IFRS. Depreciation and amortisation are charged to the consolidated statement of profit or loss to reflect annual wear and tear and the reduced value of the asset over time. Depreciation and amortisation are calculated by estimating the number of years the BAC Group expects the asset to be used. This section also explains the accounting policies followed by the BAC Group.

Accounting policies

Owned assets

Items of property, plant and equipment (PPE) are stated at cost less accumulated depreciation and amortisation.

Where significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leased land

Leased land represents prepaid rental payments on land leased by the BAC Group from the Australian Government. The leased land is amortised over the life of the lease.

Capital work in progress

Capital work in progress is measured at cost and includes all expenditure directly attributable to specific projects not yet commissioned and includes contractor charges, materials, and direct labour and related overheads. The most significant current project is the Standard 3 Security Upgrade project.

Borrowing costs are capitalised to qualifying assets as set out in note 4.1.

Maintenance

Pavement surfacing costs incurred on runways, taxiways and aprons are capitalised and depreciated over the period between surfacing projects. This recognises that the benefit relates to both current and future years.

Airfield pavements, roads, leasehold improvements, plant and equipment are required to be maintained on a periodic basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred. Other routine operating maintenance, repair and minor renewal costs are expensed as incurred.

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.4 Property, plant and equipment (Continued)

Depreciation and amortisation

Depreciation and amortisation are charged to profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment.

The annual depreciation and amortisation rates used for each class of asset in the current and prior year are as follows:

Item	Rate %
Runways, taxiways, and aprons	
Runways, taxiways and aprons	1.0 – 8.3
Expansion, extension, line marking, earthworks and overlay	2.5 – 20.0
Runway overlay	2.5 – 8.4
Minor assets less than $1,000	100.0
Roads and car parks	
Roads and car park infrastructure	1.0 – 10.0
Security, signage, lighting and other	2.5 – 15.0
Buildings	
Passenger terminal buildings and other permanent buildings	2.5 – 4.2
Fit-out, finishing, services, heating, ventilation and air-conditioning	2.5 – 20.0
Security, signage, lighting and other	5.0 – 20.0
Minor assets less than $1,000	100.0
Plant and equipment	
Mains services and fences and gates	1.3 – 20.0
Mobile plant and equipment (including motor vehicles)	6.7 – 25.0
Computer equipment and software	10.0 – 33.3
Furniture and fittings, office equipment and artwork	1.3 – 33.3
Minor assets less than $1,000	100.0
Leased land	
Operating land	1.0 – 1.3

The residual value, useful life, depreciation and amortisation methods applied to assets are reassessed annually.

A review of capital work in progress at 30 June 2024 was undertaken resulting in the provision for impairment increasing to $20.0 million (2023: $18.8 million) for projects which were deferred or are expected to change significantly.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.4 Property, plant and equipment (continued)

	Runways, taxiways and aprons $000	Roads and car parks $000	Buildings $000	Plant and equipment $000[4]	Leased land $000	Capital work in progress $000[5]	Total $000
Cost or deemed cost							
At 1 July 2023	1,918,275	691,789	1,162,494	1,108,057	118,115	138,737	5,137,467
Additions/transfers	4,365	3,951	4,822	34,066[6]	(160)	188,414	235,458
Disposals	-	-	(1,280)	(4,724)	-	(550)	(6,554)
At 30 June 2024	**1,922,640**	**695,740**	**1,166,036**	**1,137,399**	**117,955**	**326,601**	**5,366,371**
Accumulated depreciation, amortisation and impairment							
At 1 July 2023	268,124	198,347	594,221	535,077	21,973	18,843	1,636,585
Depreciation and amortisation	33,829	18,581	49,335	47,828	1,346	-	150,919
Disposals	-	-	(1,212)	(4,475)	-	(1,008)	(6,695)
Impairment	-	-	-	-	-	2,122	2,122
At 30 June 2024	**301,953**	**216,928**	**642,344**	**578,430**	**23,319**	**19,957**	**1,782,931**
Cost or deemed cost							
At 1 July 2022	1,882,688	686,603	1,150,417	1,090,553	118,499	113,567	5,042,328
Additions/transfers	35,587	5,186	12,082	17,827	(384)	28,601	98,899
Disposals	-	-	(5)	(323)	-	(3,431)	(3,759)
At 30 June 2023	**1,918,275**	**691,789**	**1,162,494**	**1,108,057**	**118,115**	**138,737**	**5,137,467**
Accumulated depreciation, amortisation and impairment							
At 1 July 2022	234,559	179,959	545,127	483,992	20,611	14,204	1,478,452
Depreciation and amortisation	33,565	18,388	49,095	51,403	1,362	-	153,813
Disposals	-	-	(1)	(318)	-	(2,951)	(3,269)
Impairment	-	-	-	-	-	7,589	7,589
At 30 June 2023	**268,124**	**198,347**	**594,221**	**535,077**	**21,973**	**18,843**	**1,636,585**
Carrying amounts							
At 30 June 2024	**1,620,687**	**478,812**	**523,692**	**558,969**	**94,636**	**306,644**	**3,583,440**
At 30 June 2023	1,650,151	493,442	568,273	572,980	96,142	119,894	3,500,882

There were $3.9 million borrowing costs capitalised to PPE capital work in progress (2023: nil).

[4] Plant and equipment include right of use assets with a carrying value of $6.1 million (2023: $6.8 million) as detailed in note 2.3.
[5] Impairment of capital work in progress (WIP) is a provision for projects at risk of not proceeding.
[6] Includes reclassification of sand to investment property ($8.6 million) as detailed in note 3.6.

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.5 Capital commitments

Capital expenditure commitments can be analysed as follows:

	2024 $000	2023 $000
Less than 1 year	404,681	175,554
1 to 5 years	219,746	30,801
	624,427	**206,355**

3.6 Investment property

Keeping it simple …
Investment property is held to earn rental income or for capital appreciation, but not for sale. Investment property includes aircraft maintenance facilities, aviation training and education centres, freight facilities, distribution warehouses, offices, and all other non-aviation facilities, such as retail, entertainment and leisure facilities. The basis of the valuation of the properties is fair value, with the valuations based on independent assessments made by an accredited independent valuer annually.

Accounting policies

Investment properties are initially measured at cost and subsequently stated at fair value with any further change recognised in profit or loss. When the use of property changes such that it is reclassified as property, plant and equipment including capital work in progress, its fair value at the date of reclassification becomes its cost for subsequent accounting.

An external, independent valuation company, with an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio annually. The basis of the valuation of the properties is fair value, being the amount for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and same condition being subject to similar leases. The determination of fair value is therefore more heavily supported by market evidence as opposed to other factors. The 2024 valuation was based on independent assessments made by CBRE, an accredited independent valuer (2023: CBRE).

In undertaking their valuation, CBRE utilised the following valuation approaches:

- discounted cash flow analysis;
- straight-line present value assessment;
- single rate capitalisation approach;
- dual rate capitalisation approach; and
- direct comparison approach (used for vacant unleased land).

CBRE used these calculation methods concurrently and then applied its professional judgement to determine the adopted fair value.

Fair market value has been adopted, taking into consideration such influencing elements as the current approved master plan, head lease tenure and conditions, location, quality of building structures, lease covenants, lease terms and conditions, fair market rental, recent transactions and the size of the market for the asset type.

Any gain or loss arising from a change in fair value is recognised in profit or loss under change in fair value of investment property.

The valuation was prepared on a leasehold basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.6 Investment property (continued)

Capital work in progress

Capital work in progress is measured at cost unless a fair value of developments can be determined reliably and includes all expenditure directly attributable to specific projects not yet commissioned and includes contractor charges, materials and direct labour and related overheads.

Borrowing costs are capitalised to qualifying assets as set out in note 4.1.

The movement in investment property is as follows:

Basis of measurement	Completed investment property $000 Fair value	Capital work in progress $000 Fair value	Capital work in progress $000 Cost	Total $000
2024				
Balance at 1 July	1,996,896	110,839	4,591	2,112,326
Additions/(transfers)[7]	19,953	76,892	12,493	109,338
Disposals	-	(439)	(9)	(448)
Reclassified from property, plant and equipment	8,662	-	(435)	8,227
Fair value adjustments	26,621	30,779	-	57,400
Balance at 30 June	**2,052,132**	**218,071**	**16,640**	**2,286,843**
2023				
Balance at 1 July	1,848,267	155,819	4,250	2,008,336
Additions/(transfers)	148,975	(45,268)	916	104,623
Disposals	-	(9,789)	(575)	(10,364)
Reclassified from property, plant and equipment	1,152	-	-	1,152
Fair value adjustments	(1,498)	10,077	-	8,579
Balance at 30 June	**1,996,896**	**110,839**	**4,591**	**2,112,326**

There was $1.7 million of borrowing costs capitalised to capital work in progress in 2024 (2023: $1.1 million).

Investment property comprises commercial properties that are leased or are intended to be leased to third parties. Contractual obligations to purchase, construct or develop investment property are included within note 3.5.

Investment property is measured at fair value and its categorisation in the fair value hierarchy is as follows:

Input		2024 $000	2023 $000
Level 1	Quoted prices in active markets for identical assets	-	-
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset	-	-
Level 3	Inputs for the asset that are based on unobservable market data	2,270,203	2,107,735
		2,270,203	**2,107,735**

Significant unobservable inputs

Annual net property income (price per square metre): the annual rent per square metre at which space could be let in the market conditions prevailing at the date of valuation.

[7] Net additions/transfers to investment property at fair value comprises land transfers to capital work in progress for works commencing in 2024 ($58.1 million) and fair value gain ($30.7 million), offset by capitalised work in progress ($12.2 million)

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.6 Investment property (continued)

Capitalisation rate: the rate at which net property income is capitalised to determine the value of a property. The rate is determined with regard to market evidence. The rates used in the valuation range between 5.25% and 8.5% (2023: 4.75% and 8.5%).

Discount rate: the rate used to discount the net cash flows generated from rental and investment activities during the period of analysis. The rates used in the valuation range between 6.25% and 9.5% (2023: 6.25% and 9.5%), having regard to the cash flow risk of each property.

Sensitivity to changes in significant unobservable inputs

The relationship between the significant unobservable inputs and fair value is as follows:

- annual net property income: the higher the income, the higher the likelihood of a higher valuation;
- capitalisation rate: the lower the capitalisation rate, the higher the likelihood of a higher valuation; and
- discount rate: the lower the discount rate, the higher the likelihood of a higher valuation.

Reconciliation of change in fair value

The gain on change in fair value has been adjusted in profit or loss for lease straight lining and incentives relating to investment properties. The reconciliation of the amounts is as follows:

	2024 $000	2023 $000
Fair value adjustment from valuation by CBRE	57,400	8,579
Less: straight lining of lease income and lease incentives	(7,981)	(7,618)
Fair value recognised in profit or loss	**49,419**	**961**

3.7 Impairment

Accounting policies

The carrying amounts of the BAC Group's non-current assets, other than investment property (note 3.6), derivatives (note 4.2) and deferred tax assets (note 2.6) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated on an annual or more frequent basis as may be required.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (cash-generating unit or CGU). The BAC Group is treated as a single CGU and goodwill has been allocated for impairment on this basis.

Key assumptions used in value in use calculation

The BAC Group undertakes an annual assessment of the recoverable amount of the CGU based on a value in use calculation, which uses cash flow forecasts for 10 years (from its business plan) with key assumptions of a terminal growth rate of 2.5% (2023: 2.5%) and a post-tax discount rate of 7.5% (2023: post-tax discount rate 7.61%) per annum. The assessment represents management's view of the most probable outcome with respect to future cash flows based on externally verified passenger forecasts.

Sensitivity to changes in assumptions

With regard to the assessment of value in use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of goodwill to materially exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.7 Impairment (continued)

With consideration to the impact of current economic conditions and recovery of international travel, a downside cash flow scenario was considered as part of the impairment testing. This was consistent with the sensitivity scenarios adopted for the BAC Group's 20-year business plan. In addition, scenarios reflecting higher than expected inflation in the near future were considered. These factors then flow to associated impacts on various passenger related income streams and cost projections.

These scenarios did not have a materially different impact on the impairment result, providing management with additional comfort in the base assumptions.

3.8 Trade payables and other current liabilities

Accounting policies

Trade payables and other current liabilities are stated at their amortised cost. Trade payables are non-interest-bearing and are normally settled on 31-day terms. Trade payables and other current liabilities are as follows:

	Note	2024 $000	2023 $000
Trade payables and accruals		156,479	93,758
RPS dividend		17,826	17,826
Employee benefits	3.9	10,371	9,254
Unearned lease revenue		9,710	8,852
Contract liabilities		979	2,219
Retentions and deposits held on behalf of third parties		2,438	3,120
Lease liabilities		404	748
Environmental remediation	3.8(a)	-	11,246
		198,207	**147,023**

The RPS dividend payable reflects the actual amount due to the Shareholders and is not impacted by the interest expense movement recognised in the consolidated statement of profit or loss due to the remeasurement of the carrying value (refer to note 4.1).

Contract liabilities reflect unearned revenue under contracts with customers. The amount of revenue recognised during the year relating to contract liabilities totalled $2.2 million (2023: $8.8 million).

(a) Environmental remediation

During the year ended 30 June 2024, the BAC Group revised the estimates for the environmental remediation provision in respect of Per- and Polyfluoroalkyl Substances (PFAS) at the Skygate North Site. Following a period of continual monitoring in conjunction with liaison with the Department of Environment, Science and Innovation (DESI) (State) and Airport Environment Officer (AEO) (Cth), and with consideration of the published guidelines and ecological protections at the time, the results of the monitoring indicate sufficient uncertainty has arisen regarding the probability of any possible or present obligation to remediate the Skygate North Site. As such, the provision originally raised in the financial year ended 30 June 2021 has been released.

A contingent liability, as disclosed in note 3.11, has been recognised and BAC continues to remain committed to the management and monitoring of contamination at the site to minimise risk, as far as reasonably practicable, for the appropriate protection of human health and the environment.

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.9 Employee benefits

Keeping it simple …
The BAC Group has 13 employees in a defined benefit superannuation fund. In a defined benefit superannuation fund, members receive cash payments when they retire and during their retirement, the value of which are dependent on factors such as salary and length of service. In the event of poor returns for the fund, the BAC Group needs to address this through a combination of increased levels of contribution or by making adjustments to the fund. Under defined contribution superannuation funds, the BAC Group pays fixed contributions into a separate fund on behalf of the employees and has no further obligations to the employees. The risks and rewards associated with this type of fund are assumed by the members rather than the BAC Group. It is the member's responsibility to make investment decisions relating to their retirement benefits.

Accounting policies

Defined contribution superannuation funds

Obligations in respect of defined contribution superannuation funds are recognised as an expense in profit or loss as incurred.

Defined benefit superannuation funds

The BAC Group's obligation in respect of defined benefit superannuation funds is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any fund assets are deducted. The discount rate is the yield at the reporting date on Australian corporate bonds that have maturity dates approximating the terms of the BAC Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

Actuarial gains and losses are recognised in other comprehensive income in the year in which the actuarial gains or losses arise.

Long term service benefits

The BAC Group's net obligation in respect of long-term service benefits, other than defined benefit superannuation funds, is the amount of future benefit that employees have earned in return for their service in the current and prior years. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates and is discounted using the rates attached to Australian corporate bonds at the reporting date which have maturity dates approximating the terms of the BAC Group's obligations. Remeasurements are recognised in profit or loss in the period in which they arise.

In determining the liability, consideration has been given to the BAC Group's experience with staff departures.

Wages, salaries and annual leave

Liabilities for wages and salaries (including non-monetary benefits and annual leave) in respect of employees' services up to the reporting date which are expected to be settled within 12 months of the reporting period, are recognised in other payables and accruals. They are measured at the amounts expected to be paid when the liabilities are settled. The obligation for non-accumulated sick leave is recognised when the leave is taken and is measured at the rates paid or payable.

Executive long-term incentive plan (ELTIP)

The cost of cash settled transactions is measured initially at fair value. The fair value is expensed over the period until the vesting date, with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in staff expenses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.9 Employee benefits (continued)

Liabilities/(assets) for employee benefits can be analysed as follows:

	Note	2024 $000	2023 $000
Current			
Wages and salaries accrued		2,274	1,953
Liability for annual leave		3,560	3,029
Liability for long service leave		4,537	4,272
	3.8	**10,371**	**9,254**
Non-current			
Present value of unfunded obligation		4,695	4,297
Fair value of plan assets		(7,569)	(7,672)
Recognised asset for defined benefit obligation	3.2	**(2,874)**	**(3,375)**
Liability for annual leave		636	636
Liability for long service leave		2,446	2,041
ELTIP		1,064	359
	3.10	**4,146**	**3,036**
Net non-current employee benefits		**1,272**	**(339)**

3.10 Other non-current liabilities

Keeping it simple …
Other non-current liabilities consist of non-current employee benefits, finance lease payable and unearned revenue resulting from prepaid property rentals.

Other non-current liabilities can be analysed as follows:

	Note	2024 $000	2023 $000
Unearned revenue		58,643	58,789
Employee benefits	3.9	4,146	3,036
Lease liabilities		1,838	2,057
Make-good provision		4,148	4,325
		68,775	**68,207**

3.11 Contingent liabilities

Per- and Polyfluoroalkyl Substances (PFAS) at Skygate North was reported to the Department of Environment, Science and Innovation (DESI) (State) and the Airport Environment Officer (Commonwealth) during FY2021, in accordance with the published guidelines and ecological protections at the time. A $10 million provision for remediation at the site was recognised by BAC as at 30 June 2021 and has been indexed by CPI annually. As described in note 3.8(a), this provision for PFAS environmental regulation has been released as at 30 June 2024.

BAC has taken steps to actively monitor this site, and others, in line with Commonwealth draft default water quality values (DGVs) as a part of the PFAS National Environmental Management Plan (NEMP) 2.0. The results of ongoing monitoring activities have provided further information on the PFAS impacts in off-site waterways, both up- and down- hydraulic gradient of the site. These results indicate that it is not expected that inputs from the site would result in a discernible increase in concentrations in off-site waterbodies and therefore sufficient uncertainty has arisen regarding the probability of any possible or present obligation to remediate the Skygate North Site.

SECTION 3: OPERATING ASSETS AND LIABILITIES (Continued)

3.11 Contingent liabilities (continued)

Any estimated future outflow of resources cannot be measured reliably as it is primarily dependent on the future development decisions in respect of the site, which if developed, would be subject to BAC's standard contamination practices.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS

In this section …
Capital structure is how the BAC Group finances its overall operations and growth by using different sources of funding. This section outlines the BAC Group's capital structure and related financing costs, including balance sheet liquidity.

Keeping it simple …
The BAC Group borrows money from financial institutions and debt investors in the form of bank loans and bonds in a combination of AUD and USD, with bonds held for a fixed term. The interest payable on these instruments is recorded in the consolidated statement of profit or loss unless it relates to qualifying assets which are capitalised to the cost of the asset.

4.1 Interest-bearing liabilities and borrowings

Accounting policies

Interest-bearing liabilities and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing liabilities and borrowings are stated at amortised cost with any difference between cost and redemption value (i.e. transaction costs) recognised in profit or loss over the period of the borrowings on an effective interest basis.

Finance costs include interest, amortisation of deferred borrowing costs, and finance charges on capitalised leases. Establishment costs incurred in connection with the arrangement of borrowings are capitalised and recognised on an effective interest basis over the anticipated term of the applicable borrowings.

Finance costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which generally take a substantial period of time to prepare for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets using a weighted average capitalisation rate.

	2024 $000	2023 $000
Current		
Secured bank loan transaction costs	(110)	-
Secured domestic bond issues	350,000	-
Secured domestic bond issue transaction costs	(610)	-
Secured USPP bond issues	127,514	226,080
Secured USPP bond issue transaction costs	(78)	-
Derivative structured products	58,227	66,614
Derivative structured product transaction costs	(9)	(22)
Total current	**534,934**	**292,672**
Non-current		
Secured bank loan	-	152,000
Secured bank loan transaction costs	(2,927)	(4,428)
Secured domestic bond issues	1,239,469	1,073,681
Secured domestic bond issue transaction costs	(7,624)	(5,572)
Secured USPP bond issues	1,539,657	1,665,040
Secured USPP bond issue transaction costs	(4,765)	(3,741)
Derivative structured products	80,465	135,729
Derivative structured product transaction costs	(55)	(123)
Shareholder loans	454,255	452,507
Total non-current	**3,298,475**	**3,465,093**
Total interest-bearing liabilities and borrowings	**3,833,409**	**3,757,765**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Interest-bearing liabilities and borrowings (continued)

Annual nominal interest rate	Financial year of maturity	Face value 2024 $000	Carrying amount 2024 $000	Face value 2023 $000	Carrying amount 2023 $000
Bank loan – AUD					
BBSY + margin - Tranche J	2025	-	(110)	102,000	101,626
BBSY + margin - Tranche K	2026	-	(782)	50,000	48,666
BBSY + margin - Tranche L	2027	-	(1,659)	-	(2,144)
BBSY + margin - Tranche M	2029	-	(486)	-	(576)
		-	(3,037)	152,000	147,572
Domestic bonds – AUD					
Fixed 3.9%	2025	350,000	349,390	350,000	348,657
Fixed 3.1%	2026	250,000	249,438	250,000	249,157
Fixed 4.5%	2031	600,000	486,533	600,000	470,295
Fixed 5.9%	2034	500,000	495,873	-	-
		1,700,000	1,581,234	1,200,000	1,068,109
USPP bonds – AUD					
BBSW + margin	2026	100,000	99,802	100,000	99,864
Fixed 8.3%	2027	98,863	98,598	98,863	98,642
Fixed 4.4%	2029	130,000	129,573	130,000	129,669
Fixed 5.6%	2030	152,550	151,920	152,550	152,031
Fixed 5.5%	2037	50,000	49,796	50,000	49,849
Fixed 3.5%	2030	26,000	25,898	26,000	25,921
Fixed 3.7%	2032	24,000	23,915	24,000	23,934
		581,413	579,502	581,413	579,910
USPP bonds – USD					
Fixed 5.3%	2024	-	-	226,244	226,080
Fixed 3.6%	2025	90,470	90,059	37,707	36,879
Fixed 4.0%	2025	37,696	37,377	90,498	87,956
Fixed 3.7%	2027	98,010	95,390	98,039	95,024
Fixed 3.8%	2027	150,784	142,324	150,830	141,093
Fixed 4.2%	2028	117,612	112,535	117,647	112,199
Fixed 3.9%	2029	150,784	139,510	150,830	139,595
Fixed 3.9%	2030	37,696	36,274	37,707	36,428
Fixed 4.1%	2032	150,784	135,673	150,830	137,764
Fixed 3.6%	2030	161,339	147,706	161,388	147,418
Fixed 3.7%	2032	162,847	145,979	162,896	147,077
		-	-	-	(44)
		1,158,022	1,082,827	1,384,616	1,307,469
Derivative structured products					
Fixed 2.3%	2025	14,378	14,371	14,043	14,033
Fixed 1.6%	2027	16,270	16,263	16,006	15,995
Fixed 1.7%	2027	6,059	6,056	5,959	5,955
Fixed 2.0%	2025	43,850	43,829	42,995	42,964
Fixed 2.1%	2024	-	-	54,847	54,808
Fixed 2.1%	2027	-	-	11,767	11,758
Fixed 2.7%	2027	21,565	21,555	20,992	20,977
Fixed 0.8%	2027	2,051	2,050	2,034	2,033
Fixed 2.6%	2027	3,808	3,807	3,778	3,775
Fixed 0.8%	2028	30,711	30,697	29,922	29,900
		138,692	138,628	202,343	202,198
Redeemable Preference Shares					
Fixed 7.6%	2048	470,494	454,255	470,494	452,507
		4,048,621	**3,833,409**	**3,990,866**	**3,757,765**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.1 Interest-bearing liabilities and borrowings (continued)

RPS are subject to an annual dividend rate and accounted for using an effective interest rate of 8.37% (2023: 8.37%) per annum. The fixed annual dividend rate is 7.6% per annum. The holders of RPS are entitled to fixed rate dividends, declared semi-annually (in arrears) in relation to the prior financial year, and on redemption. In the event that RPS dividends are not paid, any unpaid dividend will accrue interest using the dividend rate for that year (2024: 7.6%). RPS rank equally with each other, but in priority over ordinary shares for the payment of dividends and repayment of capital. Holders of RPS are not entitled to voting rights except in the event of winding up of BACH, or any resolution impacting on the rights applicable to RPS. The percentage of RPS held by a Shareholder must be equal at all times to the percentage of ordinary shares held.

The redeemable preference shares gross dividends declared of $35.9 million including withholding tax (2023: $172.4 million) were paid by BACH in FY24. The resulting shift in forecast cashflows associated with these instruments (whilst maintaining a fixed effective interest rate) has resulted in a change to the carrying value of RPS to $454.3 million (2023: $452.5 million) impacting the RPS dividend expense in the consolidated statement of profit or loss.

	2024 $000	2023 $000
Redeemable preference shares dividends		
Dividend	35,758	35,758
Interest on unpaid dividends	134	9,908
Change in fair value	1,748	2,042
RPS dividend recognised in the consolidated statement of profit or loss	**37,640**	**47,708**

Finance facilities

The BAC Group has bank facilities of $1,170 million (2023: $1,170 million), of which $1,170 million is undrawn (2023: $1,018 million). $191 million expires in November 2024, $442 million expires in November 2025, $437 million expires in November 2027, and $100 million expires in November 2029.

Security for financing arrangements

The bank loan and the domestic and international bond issues are secured by a first ranking mortgage over the airport lease and a fixed and floating charge over the BAC Group's other assets and undertakings.

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.2 Derivative financial instruments

Keeping it simple …
A derivative is a type of financial instrument typically used to manage risk. A derivative's value changes over time in response to underlying variables such as interest rates or exchange rates and is entered into for a fixed period. A hedge is where a derivative is used to manage an underlying exposure. The BAC Group is exposed to changes in interest rates and foreign exchange rates on its borrowings and uses derivatives to hedge these underlying exposures.

Derivative financial instruments are measured at their marked to market value at each reporting date. The BAC Group applies hedge accounting which allows the value movement in these instruments to be allocated across both the consolidated statement of financial position and the consolidated statement profit or loss and other comprehensive income.

Accounting policies

The BAC Group uses derivative financial instruments to hedge its exposure to interest rate and foreign currency risk.

Derivative financial instruments are recognised initially at fair value, with any directly attributable transaction costs recognised in profit or loss as they are incurred. Subsequent to initial recognition, derivative financial instruments are stated at fair value and changes therein are recognised in profit or loss, unless hedge accounting is adopted.

The fair value of interest rate and cross currency swaps is the estimated amount that the BAC Group would receive or pay to terminate the swap at the reporting date, taking into account current interest and foreign exchange rates and the current creditworthiness of the swap counterparties.

Current versus non-current classification

The BAC Group applies the maturity date approach to classify derivative financial instruments. Derivative financial instruments held as economic hedges are classified as non-current, except for those instruments that mature less than 12 months from the balance date which are classified as current.

Hedge accounting

The BAC Group designates all economic hedges into hedge accounting relationships and documents the nature of the economic hedge relationship, the risk management objective and strategy for undertaking the hedge. Hedge relationships are assessed on an ongoing basis to determine that they are effective throughout the financial reporting periods for which they were designated.

Cash flow hedges

Where a derivative financial instrument is designated to hedge the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or the forecast transaction becomes a firm commitment for which fair value hedge accounting is applied, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period.

Hedge accounting is discontinued prospectively if the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised. If the forecast transaction is no longer expected to occur, the amount accumulated in equity is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.2 Derivative financial instruments (continued)

Fair value hedges

Where a derivative or financial instrument is designated as hedging the change in fair value of a recognised asset or liability, the gain or loss on the derivative is recognised in profit or loss immediately, together with the gain or loss on the hedged asset or liability that is attributable to the hedge risk.

Cross currency interest rate swaps[8]

	Average pay fixed rate %	Average pay floating rate	Average foreign exchange rate	Notional maturity profile USD$000
Less than 1 year	5.3480	BBSW3m + 269 bps	0.9759	85,000
1 to 5 years	5.4497	BBSW3m + 204 bps	0.8345	343,000
More than 5 years	5.6440	BBSW3m + 171 bps	0.7332	340,000

Interest rate swaps

	Average pay fixed rate[9] %	Average pay floating rate[10]	Notional maturity profile AUD$000
Less than 1 year	0.5726	-	350,000
1 to 5 years	5.0914	-	2,175,000
More than 5 years – Pay Fixed	3.9335	-	3,603,000[11]
More than 5 years – Pay Float	-	BBSW3m + 365 bps	600,000

[8] Cross currency interest rate swaps are used for the purpose of swapping USD notional principal and interest for AUD notional principal and fixed/floating interest in relation to the BAC Group's non-AUD borrowings.

[9] Interest rate swaps convert floating rate interest exposure to fixed rate obligation.

[10] Interest rate swaps convert fixed rate exposure into floating rate obligation.

[11] Various interest rate swaps commencing on 1 July 2026 and maturing on 30 June 2032 have a profiled notional value structure. The notional value for the first quarter of the relevant interest rate swaps has been expressed in this table.

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.2 Derivative financial instruments (continued)

2024	Fair value hedges – Interest bearing liabilities – Interest rate swap $000	Fair value hedges – Interest bearing liabilities – Cross currency interest rate swap[13] $000	Cash flow hedges – Interest rate risk on highly probable floating rate debt – Interest rate swap $000	Cash flow hedges – Interest bearing liabilities – Cross currency interest rate swap and interest rate swap[12] $000	Total $000
Carrying amount of hedging instruments					
Assets	-	109,371	72,486	35,069	216,926
Liabilities	(112,685)	(28,009)	(46,136)	(1,432)	(188,262)
	(112,685)	**81,362**	**26,350**	**33,637**	**28,666**
At 30 June 2024					
Cumulative fair value adjustment on hedged item[13]	(110,532)	(72,263)	N/A	N/A	(182,795)
Effective portion recognised in reserves[14]	-	127	14,126	2,146	16,399
During the year					
Change in fair value of the hedging instrument for effectiveness testing	15,807	(59,793)	(47,658)	3,731	(87,913)
Change in fair value of the hedged item	(15,787)	65,904	57,724	2,416	110,257
Effective portion of hedging instrument recognised in cash flow hedge reserve[13]	-	(148)	(47,393)	3,848	(43,693)
Change in effective portion of discontinued hedges recognised in cash flow hedge reserve	-	-	56,959	-	56,959
Hedge ineffectiveness recognised in profit or loss[15]	20	6,259	(265)	-	6,014
Amount recognised in profit or loss for discontinued hedges	-	-	(56,959)	-	(56,959)
Unwind of inception fair values recognised in profit or loss	135	-	50,257	1,220	51,612
Amount reclassified from hedging reserves to profit or loss	-	-	8,195	58,404	66,599

[12] Cross currency interest rate swaps are split designated in cash flow and fair value hedge relationships in order to hedge against risks associated with USD borrowings.
[13] The cumulative fair value adjustment is included in the BAC Group's interest-bearing liabilities.
[14] Hedging reserves includes both cash flow hedge reserve and cost of hedging reserve. Cost of hedging reserve at 30 June 2024 amounts to $0.5 million (loss), a $1.7 million (loss) movement for the financial year.
[15] Hedge ineffectiveness, reclassification of cash flow hedge reserve for continued and discontinued hedges and unwinding of inception fair value has been recognised within line item of "Hedge ineffectiveness & other hedge accounting impacts" of "Finance costs" on the face of the statement of profit and loss account. Key sources of hedge ineffectiveness for the BAC Group are (1) changes in credit risks inherent within the hedging instruments' fair values that are not offset by the fair value movement of the hedged item; and (2) designating the non-zero fair values hedging instruments in hedge accounting relationships post trade date (late designations). The non-zero fair value at inception is a source of ineffectiveness.

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.2 Derivative financial instruments (continued)

	Fair value hedges		Cash flow hedges		Total
	Interest bearing liabilities	Interest bearing liabilities	Interest rate risk on highly probable floating rate debt	Interest bearing liabilities	
2023	Interest rate swap	Cross currency interest rate swap[15]	Interest rate swap	Cross currency interest rate swap and interest rate swap[16]	
	$000	$000	$000	$000	$000
Carrying amount of hedging instruments					
Assets	-	169,195	79,643	29,625	278,463
Liabilities	(128,627)	(27,404)	(56,884)	(954)	(213,869)
	(128,627)	**141,791**	**22,759**	**28,671**	**64,594**
At 30 June 2023					
Cumulative fair value adjustment on hedged item[17]	(126,318)	(74,909)	-	-	(201,227)
Effective portion recognised in reserves[18]	-	275	4,560	(1,701)	3,134
During the year					
Change in fair value of the hedging instrument for effectiveness testing	(14,968)	(32,326)	(48,650)	12,978	(82,966)
Change in fair value of the hedged item	13,528	33,672	7,324	(17,108)	37,416
Effective portion of hedging instrument recognised in cash flow hedge reserve[17]	-	(451)	(40,735)	(1,752)	(42,938)
Change in effective portion of discontinued hedges recognised in cash flow hedge reserve	-	-	56,806	-	56,806
Hedge ineffectiveness recognised in profit or loss[19]	(1,440)	1,797	(7,914)	718	(6,839)
Amount recognised in profit and loss for discontinued hedges	-	-	(56,806)	-	(56,806)
Unwind of inception fair values recognised in profit or loss	135	-	49,982	340	50,457
Amount reclassified from hedging reserves to profit or loss	-	-	(25,206)	64,989	39,783

[16] Cross currency interest rate swaps are split designated in cash flow and fair value hedge relationships in order to hedge against risks associated with USD borrowings.
[17] The cumulative fair value adjustment is included in the BAC Group's interest-bearing liabilities.
[18] Hedging reserves includes both cash flow hedge reserve and cost of hedging reserve. Cost of hedging reserve at 30 June 2023 amounts to $1.2 million (gain), a $2.9 million (gain) movement for the financial year.
[19] Hedge ineffectiveness, reclassification of cash flow hedge reserve for continued and discontinued hedges and unwinding of inception fair value has been recognised within line item of "Hedge ineffectiveness and other hedge accounting impacts" of "Finance costs" on the face of the statement of profit and loss account. Key sources of hedge ineffectiveness for the BAC Group are (1) changes in credit risks inherent within the hedging instruments' fair values that are not offset by the fair value movement of the hedged item; and (2) designating the non-zero fair values hedging instruments in hedge accounting relationships post trade date (late designations). The non-zero fair value at inception is a source of ineffectiveness.

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.3 Financial risk management

Keeping it simple …
The BAC Group activities expose it to a variety of financial risks: credit, liquidity, and market risk (including interest rate, foreign exchange and price risk). The BAC Group seeks to minimise potential adverse effects on its financial performance and uses derivative financial instruments to manage certain risk exposures. The BAC Group does not use derivatives to speculate.

Overview

The BAC Group's principal financial instruments comprise receivables, payables, bonds, bank loans, cash and short-term deposits and derivatives.

The BAC Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

The BAC Group manages its exposure to key financial risks, including interest rate and currency risk, in accordance with the BAC Group's financial risk management policies. The objective of these policies is to support the delivery of the BAC Group's financial targets, while protecting future financial security and reducing volatility on financial performance.

Risk management policies are established to identify and analyse the risks faced by the BAC Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the BAC Group's activities.

The FARM Committee oversees how management monitors compliance with the BAC Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the BAC Group. The FARM Committee is assisted in its oversight role by regular internal audits conducted by KPMG. The internal audit reviews risk management controls and procedures and the results are reported to the FARM Committee.

The BAC Group's policy is not to enter, issue or hold derivative financial instruments for speculative trading purposes. Derivative transactions are entered into to hedge the risks relating to underlying physical positions arising from business activities.

(a) Credit risk

Credit risk is the risk of financial loss to the BAC Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the BAC Group's receivables from customers.

The BAC Group has policies in place to ensure that transactions are made with commercial customers with an appropriate credit history. However, as an operator of large infrastructure assets, the BAC Group is exposed to credit risk with its financial counterparties through undertaking financial transactions intrinsic to its business. These include funds held on deposit, cash investments, bank loans and the market value of derivative transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.3 Financial risk management (continued)

The BAC Group assesses the credit strength of potential financial counterparties using objective ratings provided by multiple independent rating agencies. Board approved limit allocation rules allow higher limits to be granted to higher rated counterparties. The BAC Group also seeks to mitigate its total credit exposure to counterparties by only dealing with counterparties meeting certain credit criteria, limiting the exposure to any one counterparty, minimising the size of the exposure where possible through netting offsetting exposures, diversifying exposures across counterparties, closely monitoring changes in total credit exposures and changes in credit status, and taking mitigating action when necessary.

Trade and other receivables

The BAC Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographic of the customer base, including default risk of the industry and country in which the customer operates, has less of an influence on credit risk.

The BAC Group Board has established a credit policy under which customers are analysed individually for creditworthiness before the standard payment terms and conditions are offered. The review of creditworthiness includes external ratings, when available, and/or the possible requirement of bank guarantees or cash deposits of up to six months' rent plus outgoings in the case of property tenants. The majority of customers have been transacting with the BAC Group for over 10 years and losses have been incurred infrequently. In monitoring customer credit risk, customers are classified according to their credit characteristics.

Consideration has been given to the impact of COVID-19 on the current financial year trade receivable balances and their recoverability. An additional provision was taken up against property debtors relating to rental relief provided to tenants in the form of payment deferrals and waivers.

An allowance for impairment has been prepared that represents the BAC Group's expected credit loss (ECL) in respect of trade and other receivables. The ECL is estimated using a provision matrix with reference to past default experience and an analysis of the current financial position of the trade receivables, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date.

The following amounts were included in the consolidated statement of profit or loss for the year relating to ECL:

Description	**2024 $000**	**2023 $000**
ECL relating to rental relief provided to tenants	3,211	11,262
Impairment of the straight-lining asset	-	2,179
General ECL from provision matrix	(1,105)	(1,082)
Other specific provisions for doubtful debts	363	(265)
	2,469	**12,094**

Cash and swaps

Cash, interest rate and cross currency swaps, and bank loans are held with banks with credit ratings of not less than either A- (Standard & Poor's) or A3 (Moody's) in line with the BAC Group's External Debt Funding and Liquidity Policy.

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.3 Financial risk management (continued)

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposure. The financial assets at the reporting date were as follows:

	Classification	Note	2024 $000	2023 $000
Cash and cash equivalents	Current	3.1	102,429	154,648
Trade receivables, accrued income, and contract assets	Current	3.2	86,769	74,657
Sundry receivables	Current	3.2	4,415	3,647
Finance lease receivable	Current	3.2	208	186
Sundry receivables	Non-current	3.2	10,320	15,973
Finance lease receivable	Non-current	3.2	20,563	20,771
Derivative instruments		4.3(d)	198,949	266,065
			423,653	**535,947**

The maximum exposure to credit risk for trade receivables, accrued income, and contract assets at the reporting date by customer type was:

	2024 $000	2023 $000
Aeronautical	65,731	58,517
Property	20,935	15,174
Other	103	966
	86,769	**74,657**

The most significant customer accounted for 30.8% of the trade receivables, accrued income, and contract assets carrying amount at 30 June 2024 (2023: 20.9%).

Impairment losses

The ageing of the trade receivables, accrued income, and contract assets at reporting date was as follows:

	2024 Gross $000	2024 Impairment $000	2024 Net $000
Not past due (0 – 30 days)	55,346	(11)	55,335
Past due (31 – 60 days)	19,181	(115)	19,066
Past due (61 – 90 days)	3,723	(134)	3,589
Past due (more than 90 days)	9,383	(604)	8,779
	87,633	**(864)**	**86,769**

	2023 Gross $000	2023 Impairment $000	2023 Net $000
Not past due (0 – 30 days)	49,648	(7)	49,641
Past due (31 – 60 days)	22,811	(72)	22,739
Past due (61 – 90 days)	1,835	(227)	1,608
Past due (more than 90 days)	2,145	(1,476)	669
	76,439	**(1,782)**	**74,657**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.3 Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the BAC Group will not be able to meet its financial obligations as they fall due. The approach to managing liquidity is to ensure, as far as possible, that the BAC Group will always have sufficient liquidity to meet liabilities when due, under both normal and stressed conditions, without incurring unreasonable costs or risking damage to the BAC Group's reputation.

The BAC Group actively monitors cash flow requirements to manage liquidity risk. Typically, the BAC Group ensures that it has sufficient cash and available debt facilities to meet expected operational requirements for a minimum period of 12 months, including the servicing of financial obligations and the funding of the capital expenditure program.

Funding

The BAC Group minimises exposure and refinance risk with any one lending source. This is achieved by having a range of lending sources and financial guarantors (if a necessity of the lending instrument). To minimise refinance risk, the BAC Group ensures that no more than 20% of total debt matures within a 12-month period, and no more than 50% in any 36-month period.

The following are the principal and interest contractual maturities of net financial liabilities. The derivative positions are net asset and liabilities.

2024	Note	Less than 1 year $000	1 – 5 years $000	More than 5 years $000	Total $000
Floating bonds		6,692	103,287	-	109,979
Fixed bonds		625,844	1,445,488	2,119,589	4,190,921
Derivative structured products		58,498	85,887	-	144,385
RPS		53,636	143,031	542,009	738,676
		744,670	**1,777,693**	**2,661,598**	**5,183,961**
Trade payables and accruals	3.8	156,479	-	-	156,479
Lease liabilities	3.8/3.10	404	5,988	-	6,392
Cross Currency Interest Rate Swap - Outflow		144,127	586,299	514,024	1,244,450
Cross Currency Interest Rate Swap - Inflow		(170,478)	(648,050)	(549,880)	(1,368,408)
Interest Rate Swaps		29,379	69,092	(22,540)	75,931

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.3 Financial risk management (continued)

2023	Note	Less than 1 year $000	1 – 5 years $000	More than 5 years $000	Total $000
Floating bank loan		7,586	163,205	-	170,791
Floating bonds		4,634	106,421	-	111,055
Fixed bonds		354,820	1,584,281	1,926,005	3,865,106
Derivative structured products		66,667	144,385	-	211,052
RPS		53,636	143,030	577,767	774,433
		487,343	**2,141,322**	**2,503,722**	**5,132,487**
Trade payables and accruals	3.8	93,758	-	-	93,758
Lease liabilities	3.8/3.10	748	6,382	-	7,130
Cross Currency Interest Rate Swap – Outflow		214,353	558,513	678,724	1,451,590
Cross Currency Interest Rate Swap - Inflow		(277,056)	(642,518)	(726,302)	(1,645,876)
Interest Rate Swaps		24,242	92,826	(688)	116,380

Interest payments (and receipts) on the floating interest rate instruments are paid quarterly, at BBSW or BBSY plus the applicable margin. Interest payments on the fixed interest rate bonds are paid semi-annually. Trade payables and accruals are generally payable in less than six months.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the BAC Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The BAC Group enters into derivatives in order to manage market risk. All such transactions are carried out within guidelines set by the Board. Components of market risk to which the BAC Group is exposed are discussed below.

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The BAC Group's borrowings are sourced from a number of financial markets covering domestic and offshore, as well as short-term and long-term funding. These borrowings are managed in accordance with targeted currency, interest rate, liquidity, and debt portfolio maturity profiles.

Currency and interest rate risk on foreign currency borrowings are hedged by entering into cross currency principal swaps and interest rate swaps at inception to maturity, which have the economic effect of converting foreign currency borrowings into AUD borrowings.

<u>BAC Group policy</u>

The BAC Group's intended long-term interest rate cover target is to maintain the following minimum levels of economic hedging of its forecast average debt exposure in each year:

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.3 Financial risk management (continued)

Period	**%**
Year 1	85 - 100
Year 2	75 - 100
Year 3	65 - 100
Year 4	60 - 90
Year 5	50 - 90
Year 6	45 - 80
Year 7	40 - 80
Year 8	30 - 80
Year 9	20 - 80
Year 10	10 - 80

Minimum economic hedging requirement under finance documents

BAC must implement or maintain interest rate hedging arrangements that are in accordance with the Interest Rate Hedging Policy that has been approved by the Board.

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments, ignoring economic hedging, was as follows:

	2024 $000	2023 $000
Nominal fixed interest rate instruments		
Financial liabilities	(3,948,622)	(3,738,866)
Nominal variable interest rate instruments		
Financial assets – cash and cash equivalents	102,429	154,648
Financial liabilities	(100,000)	(252,000)
Net financial liability	**2,429**	**(97,352)**

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The source and nature of the risk arise from operations, capital expenditure and translation risk.

Cross currency swaps are used to convert long term foreign currency borrowings into AUD to meet the principal and interest obligations under the swaps. These foreign currency borrowings typically have an initial maturity of between 10 and 20 years.

BAC Group policy

The BAC Group's policy is to minimise foreign exchange exposures where practical, and to hedge back to AUD any combination of foreign exchange exposures to avoid unhedged foreign exchange exposures in excess of AUD $5 million.

Fixed interest rate secured international bonds denominated in USD

At the reporting date, the BAC Group had the following foreign exchange exposures which had been economically hedged back to AUD for the duration of the issue:

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.3 Financial risk management (continued)

	Face value 2024 USD$000	Face value 2024 AUD$000	Face value 2023 USD$000	Face value 2023 AUD$000
Total foreign exchange exposures hedged	**768,000**	**1,158,022**	**918,000**	**1,384,615**

Sensitivity on interest rate and foreign exchange risk

The tables below summarise the gain or loss impact of reasonably possible changes in market risk, relating to existing financial instruments, on profit before tax and equity before tax. For the purpose of this disclosure, the following assumptions were used:

- 100 basis point increase and decrease in all relevant interest rates;
- 10% USD depreciation and USD appreciation;
- isolation of sensitivity analysis for each risk. e.g. the interest rate sensitivity analysis assumes the foreign exchange rates remain constant; and
- the effect of credit risk and hedge ineffectiveness has been held constant for purposes of the sensitivity analysis.

The 30 June 2024 foreign exchange rate of AUD 1 to USD 0.6632 (2023: AUD 1 to USD 0.6630) has been used in the translation of USD denominated borrowings.

Analysis for fixed interest rate instruments

The BAC Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, however it has designated some derivatives into hedge relationships under a fair value hedge accounting model. The impact of a change in interest rate (holding all other variables constant) on the fair value of the hedging instruments and fair value adjustment on the fixed rate financial liabilities are expected to be equal and offsetting in magnitude based on the methodology prescribed. Therefore, a change in interest rates at the reporting date would not affect profit before tax for fixed rate instruments.

Analysis for variable interest rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit before tax and equity before tax by the amounts shown below. This analysis assumes that all other variables remain constant. An increase/(decrease) in interest rates (holding all other variables constant), impacts interest expense on variable rate instruments and fair value of interest rate swaps and currency swaps as follows:

Movement in interest rates	**Profit/(loss) before tax**		**Equity before tax**	
	2024 $000	**2023 $000**	**2024 $000**	**2023 $000**
100 basis point increase in interest rates				
Net impact	**(1,087)**	**(1,933)**	**144,030**	**109,121**
100 basis point decrease in interest rates				
Net impact	**1,087**	**1,933**	**(144,030)**	**(109,121)**

Analysis for variable interest rate instruments

Movements in interest rates over time influence the rate of return achievable on the aeronautical assets. The effect of such movements may be impacted by the length of aeronautical pricing agreements, which have been typically up to five years. Once pricing is determined for a period, movements in interest rates may not affect aeronautical revenues but an alteration in rates may impact actual results.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.3 Financial risk management (continued)

Analysis for USD rate movements

Cross currency exposures for the BAC Group predominantly arise from foreign denominated interest-bearing liabilities. For such liabilities, the BAC Group's policy is to hedge 100% of cross currency risk for both principal and interest for the life of the exposure. As at 30 June 2023 and 2024, these foreign currency exposures were 100% hedged through cross currency swaps until maturity, resulting in no other material cross currency risk exposure. The cross currency interest rate swaps have been designated into hedge accounting relationships. In FY24, the event of a +/- 10% appreciation of the AUD against USD exchange rate would be a corresponding impact to other comprehensive income of $7.4 million gain and $9.0 million loss respectively (FY23: $11.2 million gain / $9.2 million loss).

(d) Fair value

Fair value versus carrying amounts

The carrying amounts shown in the consolidated statement of financial position, together with the fair value of financial assets and liabilities are as follows:

	Note	Carrying amount 2024 $000	Fair value 2024 $000	Carrying amount 2023 $000	Fair value 2023 $000
Assets carried at fair value					
Interest rate and cross currency swaps – current		50,258	50,258	76,199	76,199
Interest rate and cross currency swaps – non-current		148,691	148,691	189,866	189,866
		198,949	**198,949**	**266,065**	**266,065**
Assets carried at amortised cost					
Cash and cash equivalents	3.1	102,429	102,429	154,648	154,648
Finance lease receivable – non-current	3.2	20,563	20,563	20,771	20,771
Employee benefits – non-current	3.2	2,874	2,874	3,375	3,375
		125,866	**125,866**	**178,794**	**178,794**
Liabilities carried at fair value					
Interest rate and cross currency swaps – current		-	-	-	-
Interest rate and cross currency swaps – non-current		170,284	170,284	201,472	201,472
		170,284	**170,284**	**201,472**	**201,472**
Liabilities carried at amortised cost					
Secured bank loan	4.1	(3,037)	-	147,572	137,656
Secured domestic bond issues	4.1	1,581,234	1,646,349	1,068,109	1,131,695
Secured USPP bond issues	4.1	1,662,329	1,664,532	1,887,379	1,838,029
Derivative structured products	4.1	138,628	134,056	202,198	194,809
RPS	4.1	454,255	406,887	452,507	386,129
RPS dividend	3.8	17,826	17,826	17,826	17,826
Lease liability – non-current	3.10	1,838	1,838	2,057	2,057
Make-good provision	3.10	4,148	4,148	4,325	4,325
		3,857,221	**3,875,636**	**3,781,973**	**3,712,526**
Net liabilities		**3,702,690**	**3,721,106**	**3,538,586**	**3,469,139**

(e) Capital management

The Board's policy is to maintain a strong capital base to preserve Shareholder, lender and market confidence, and sustain future development of the business. There were no changes to the capital management approach during the year.

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.4 Changes in liabilities arising from financing activities

	1 July 2023 $000	Cash flows $000	Foreign exchange movement $000	Fair value Movement $000	Capitalised Interest $000	30 June 2024 $000
Secured bank loan	152,000	(152,000)	-	-	-	-
Secured domestic bond issues	1,073,682	500,000	-	15,787	-	1,589,469
Secured USPP bond issues	1,891,120	(150,000)	(68,666)	2,646	-	1,675,100
Derivative structured products	202,343	(66,667)	-	-	3,016	138,692
RPS	452,507	-	-	1,747	-	454,254
Lease liabilities – non-current	6,382	(395)	-	-	-	5,987
Total liabilities from financing activities[24]	**3,778,034**	**130,938**	**(68,666)**	**20,180**	**3,016**	**3,863,502**

	1 July 2022 $000	Cash flows $000	Foreign exchange movement $000	Fair value movement $000	Capitalised Interest $000	30 June 2023 $000
Secured bank loan	-	152,000	-	-	-	152,000
Secured domestic bond issues	1,087,209	-	-	(13,527)	-	1,073,682
Secured USPP bond issues	1,998,193	(76,060)	20,213	(51,226)	-	1,891,120
Derivative structured products	232,345	(34,447)	-	-	4,445	202,343
RPS	450,465	-	-	2,042	-	452,507
Lease liabilities – non-current	8,115	(1,733)	-	-	-	6,382
Total liabilities from financing activities	**3,776,327**	**39,760**	**20,213**	**(62,711)**	**4,445**	**3,778,034**

[24] Reconciliation of opening to closing balance excludes transaction costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (Continued)

4.5 Equity and reserves

Dividends are recognised as a liability in the year in which they are declared.

There has been no movement in issued shares.

	2024 $000	2023 $000
Ordinary shares		
On issue at 30 June	**681,887**	**681,887**

The holders of ordinary shares in BACH are entitled to receive dividends as declared from time to time and one vote per share at meetings of BACH. In the event of winding up of BACH, ordinary Shareholders rank after all other Shareholders and creditors and are entitled to any net residual proceeds of liquidation.

Defined benefit superannuation fund deficit reserve

The defined benefit superannuation fund deficit reserve is used to recognise actuarial gains and losses.

Hedge reserve

The hedge reserve comprises of both the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss, and the fair value impact of movements in foreign currency basis spreads designated as cost of hedging.

Reconciliation of hedge reserves is as follows:

	2024 $000	2023 $000
Balance at the beginning of the financial year	2,194	(7,514)
Gain/(loss) recognised on cross currency and interest rate swaps	22,640	(10,350)
Income tax related to amounts recognised in other comprehensive income	(6,792)	3,105
(Gain)/loss on cash flow hedges transferred to profit and loss	(9,375)	24,218
Income tax related to amounts reclassified to profit and loss	2,813	(7,265)
Total	**11,480**	**2,194**

Dividends

During the current financial year, BACH declared and paid ordinary dividends of $250.0 million (2023: $50.0 million).

	2024 $000	2023 $000
Dividend franking account:		
The taxable value of franking credits for subsequent financial years	**991**	**2,493**

SECTION 5: OTHER

5.1 Related parties

Keeping it simple
The related parties include the Directors of the BAC Group, Key Management Personnel (KMP), Shareholders and the BAC Group controlled entities.

The Directors of BACH at any time during the reporting year are disclosed in the Directors' Report. The KMP of the BAC Group at any time during the reporting year were:

Executives

Gert-Jan de Graaff	Chief Executive Officer
Warren Briggs	Chief Financial Officer
Rachel Crowley	Executive General Manager Communications & Public Affairs
Jane Dionysius	Executive General Manager Human Resources
Raechel Paris	Executive General Manager Governance
Krishan Tangri	Executive General Manager Infrastructure & Planning
Ryan Both	Executive General Manager Aviation
Martin Ryan	Executive General Manager Commercial

Transactions with Key Management Personnel

In addition to the salaries of KMP, the BAC Group contributes to a post-employment defined benefit superannuation fund or a post-employment defined contribution superannuation fund on behalf of certain KMP. In accordance with the terms of the defined benefit superannuation fund, KMP are entitled to receive their retirement benefits up to age 70, calculated as a multiple of their salary plus members' contributions made to the fund.

Executive Long Term Incentive Program (ELTIP)

KMP also participate in the BACH ELTIP.

The ELTIP is a bonus incentive plan that provides eligible employees with the opportunity to receive bonus remuneration which is calculated with reference to long term increases in the value of BACH, based upon a proxy valuation developed for internal management purposes. The plan is settled in cash.

The plan includes a mechanism for calculating the bonus remuneration in the event certain requirements as set out in the plan rules are satisfied. The plan does not confer upon eligible employees any right, entitlement, or interest in shares in BACH or an option to acquire shares in BACH.

Eligibility has been determined by the Board based on the individual's ability to influence the future growth, direction, and performance of the Group. Entitlement to this payment is conditional upon continuous employment during the period.

The grant date of units for the ELTIP 22 (Plan 22) was 1 July 2021, with an initial base value of $1 per unit. Total units outstanding under Plan 22 were 952,015 (2023: 1,666,027). The value of entitlements under Plan 22 payable at 30 June 2024 was $154,453 (2023: $78,647).

The grant date of units for the ELTIP 23 (Plan 23) was 1 July 2022, with an initial base value of $1 per unit. Total units outstanding under Plan 23 were 1,185,848 (2023: 2,075,232). The value of entitlements under Plan 23 payable at 30 June 2024 was $573,023 (2023: $162,365).

The grant date of units for the ELTIP 24 (Plan 24) was 1 July 2023, with an initial base value of $1 per unit. Total units outstanding under Plan 24 were 1,395,005 (2023: nil). The value of entitlements under Plan 23 payable at 30 June 2024 was $336,136 (2023: nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SECTION 5: OTHER (Continued)

5.1 Related parties (continued)

Key Management Personnel compensation

The KMP compensation for the year was as follows:

	2024 $	2023 $
Short term employee benefits	6,685,324	6,081,624
Post-employment benefits	399,905	440,676
Other long-term benefits	329,561	247,900
	7,414,790	**6,770,200**

The terms and conditions of transactions with KMP were no more favourable than those available or which might reasonably be expected to be available, on similar transactions with non-Key Management Personnel or their related parties on an arm's length basis.

Other related party transactions

Amounts recognised during the year pertaining to other related parties, excluding Shareholder payments that relate directly to shareholdings, were as follows:

<u>Technical Services Agreement</u>

BAC has a Technical Services Agreement with Schiphol Nederland BV which provides:

- advisory services including staffing, planning, operations, marketing, and third-party liaison; and
- qualified personnel to fulfil various management positions.

The total fee for the year was $438,168 (2023: $581,371). As at 30 June 2024, the amount payable was $1,019,539 (2023: $581,371).

<u>Intellectual Property Agreement</u>

BAC has an Intellectual Property Agreement with Schiphol International BV that provides BAC with a licence to use any intellectual property rights owned or licensed by Schiphol International BV which may be applied in operating and developing Brisbane Airport, including in relation to marketing, operations, planning, staffing and third-party liaison.

The total fee for the year was $4,359,065 (2023: $4,099,444). As at 30 June 2024, the amount payable was $4,359,065 (2023: $nil).

<u>Board fees and travel expenses</u>

In accordance with the Board Governance Policy, the Board's remuneration is set through independent market assessment, evaluation of comparable boards of similar scope, size and skill and a desire to attract and retain high quality directors.

During 2024, the Board reviewed Director remuneration taking into consideration external remuneration benchmarks, provided by a third-party consultant, for non-executive directors in peer organisations.

Board fees and travel expenses paid to the Directors for the year amounted to $1,890,751 (2023: $1,747,899).

SECTION 5: OTHER (Continued)

5.1 Related parties (continued)

Board fees, on behalf of the Directors, were paid to the following companies:

- First Sentier Investors (Australia) IM Ltd, a company related to Alan Wu, received $140,891 for the year (2023: Alan Wu $139,959);
- QIC Private Capital Pty Ltd, a company related to Paul DeSouza and David Kenny, received $153,634 for the year (2023: Paul DeSouza $162,734); and
  IFM Investors (Nominees) Limited, a company related to John Borghetti, Lyell Strambi, and Marigold Look, received $261,595 for the year (2023: John Borghetti, Josh Crane, and Marigold Look $279,917).

5.2 Parent entity disclosures

	2024 $000	2023 $000
Results of BACH		
Profit for the year	260,053	9,585
Total comprehensive income	**260,053**	**9,585**
Financial position of BACH		
Current assets	96,305	91,179
Non-current assets	929,941	929,892
Total assets	**1,026,246**	**1,021,071**
Current liabilities	64,114	70,428
Non-current liabilities	453,942	452,507
Total liabilities	**518,056**	**522,935**
Net assets	**508,190**	**498,136**
Equity		
Issued capital	470,494	470,494
Retained earnings	37,696	27,642
Total equity	**508,190**	**498,136**

5.3 Other matters

Per- and Polyfluoroalkyl Substances (PFAS)

In recent years, there has been increased media and regulator attention towards PFAS used by aviation related tenants and Airservices Australia at Brisbane Airport. The BAC Group has continued to exercise its rights under tenant lease agreements to require entities responsible for pollution to monitor and remediate contamination at Brisbane Airport.

5.4 Events subsequent to reporting date

Since the end of the financial year, the BAC Group completed the refinancing of $171 million of bank facilities which were due to mature in November 2024. The new two-year facilities will now mature in July 2026.

DIRECTORS' DECLARATION

In the opinion of the Directors of BAC Holdings Limited:

(a) the financial statements and notes set out on pages 102 to149 are in accordance with the *Corporations Act 2001* (Cth), including:

 (i) giving a true and fair view of the BAC Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Act 2001* (Cth); and

(b) the consolidated entity disclosure statement is true and correct; and

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

The Directors draw attention to note 1.3 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in Sydney on 20 September 2024 in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001* (Cth).

David Peever
Director

INDEPENDENT AUDITOR'S REPORT

Deloitte.

Independent Auditor's Report to the Members of BAC Holdings Limited

Opinion

We have audited the financial report of BAC Holdings 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 and other explanatory information, and the directors declaration.

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 directors' report and corporate governance statement 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 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Deloitte.

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

Deloitte.

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

R.G. Saayman
Partner
Chartered Accountants
Brisbane, 20 September 2024

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte Touche Tohmatsu
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The Board of Directors
BAC Holdings Limited
11 The Circuit
BRISBANE AIRPORT QLD 4008

20 September 2024

Dear Board Members

Auditor's Independence Declaration to BAC Holdings Limited

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

As lead audit partner for the audit of the financial statements of BAC Holdings Limited for the financial 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

R.G. Saayman
Partner
Chartered Accountant


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Additional Information

BAC Holdings Limited,
ACN 108 568 038, incorporated and domiciled in Australia, is an unlisted public company limited by shares.

Registered office:
11 The Circuit
Brisbane Airport
Queensland 4008
Australia

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Email: info@bne.com.au
Web address: bne.com.au

BRISBANE AIRPORT CORPORATION

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Connect with BAC
via our digital channels