

Brisbane Airport

# Annual Report 2026

BAC Holdings Limited ACN 108 568 038

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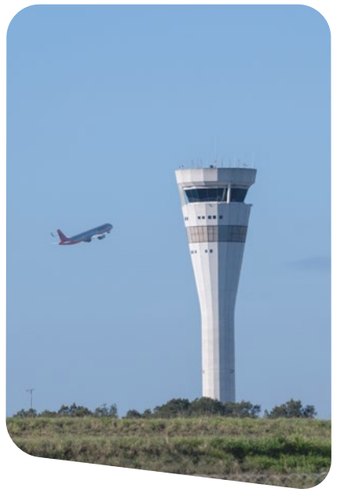
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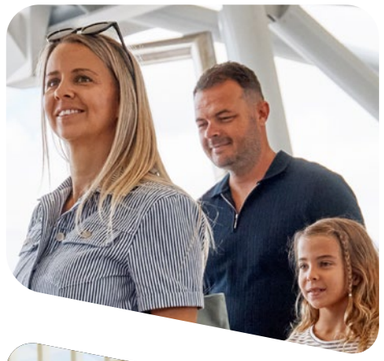
We acknowledge the Traditional Owners of the Meanjin/Brisbane region and recognise their continuing connection to lands and waters. We pay our respects to all Aboriginal and Torres Strait Islander peoples of the places Brisbane Airport connects.

In FY26, Brisbane Airport delivered new screening areas across the Domestic and International Terminals, delivering the first major passenger milestone under *Future BNE*.

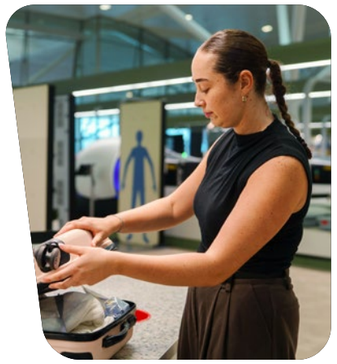
These upgrades set a new standard for security, efficiency and the passenger experience and have been well received by travellers.

As we continue to deliver the airport of tomorrow, they mark the beginning of a more seamless and intuitive journey for passengers at Brisbane Airport.

# Future BNE takes shape



















# Message from the Chair and CEO

David Peever
Chair

Gert-Jan de Graaff
Chief Executive Officer

**The journey through Brisbane Airport is evolving.**

## Our ambition for a simpler, more enjoyable passenger experience is coming to life, creating a *'don't worry, be happy'* experience where travellers can move through the airport with ease and confidence.

In FY26, we opened a new direct entry from Skywalk into the Domestic Terminal, improving how passengers begin their journey.

This transformative process of renewal is also underway at the International Terminal, where check-in, security screening and passport control will soon conveniently occur on one level, ahead of a major retail upgrade which will bring a mix of Brisbane favourites and international offerings into the travel experience.

Both terminals now feature new security screening technology, improving efficiency by allowing travellers to leave items like laptops in their bags. Automatic check-in and bag-drop technology is also being upgraded across the airport, boosting both the passenger experience and capacity.

These significant changes in our terminals are visible and already well received by passengers.

Less visible, but no less significant, are the foundational building blocks laid this year to reshape our future.

In June, Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon. Catherine King MP approved the Brisbane Airport Master Plan 2026 which outlines how the precinct will expand to meet the needs of a growing city.

We also implemented a refreshed corporate strategy for FY26–FY32, sharpening our focus on what matters most.

At the heart of the strategy are 3 pillars: Enhanced Connectivity, Thriving Precincts and Empowered Performance.

You'll get to know these pillars in the pages ahead.

### Investing $1 billion in FY27

Brisbane Airport continues to deliver solid, sustainable value while reinvesting at scale for the long term.

This record investment is underpinned by strong financial performance. In FY26, profit reached a record $368.4 million, an increase of 2.6% on FY25, with EBITDA of $896.6 million. Our shareholders received $350 million in dividends.

We accessed the European debt market for the first time, broadening our funding base and attracting more than 30 new bondholders.

In FY27, we will deliver our largest year of capital investment in history, exceeding $1 billion for the first time, or around $2.7 million per day, as part of our *Future BNE* program.

This pipeline is supported by a strong outlook of growth in Brisbane and Queensland, as we continue along the green and gold runway to the Brisbane 2032 Olympic and Paralympic Games and beyond.

### Enhanced Connectivity

Across Brisbane Airport, teams focused on enhanced connectivity in the sky, on the ground and in the connections that bring people, businesses and communities together.

The airport strengthened Brisbane's position as a globally connected city, welcoming Malaysia Airlines and expanding connections to the world, while new services to Rarotonga further deepened our links across the Pacific.

The external environment was unpredictable, with conflict in the Middle East and rising fuel prices. Yet the airport's aviation story this year has been one of resilience, with continued growth in both domestic and international activity and a network that has shown it can adapt through global volatility.

FY26 finished with record passenger numbers, up one million passengers on last year, although results in May and June were impacted as airlines trimmed capacity in response to higher fuel costs and softer consumer demand linked to cost of living pressures.

To strengthen reliability and safety, the first of 20 new aerobridges was delivered as part of a $150 million replacement program.

The expansion of the P2 parking extension delivered 1,700 car spaces at the Domestic Terminal to support growing demand, as well as bike parking and changing areas for airport workers.

We saw the commissioning of the Viola Place connection, delivered in partnership with Brisbane City Council, completing the missing link in the Moreton Bay Cycleway and providing a safer, more direct off-road connection for people walking and riding to the airport precinct.

We continued to advocate for better public transport to the airport, including more frequent and affordable Airtrain services to strengthen connectivity for passengers, workers and the wider community.

| Total passengers | FY26 passengers | vs last year | vs last year |
|---|---|---|---|
| Domestic | 18,174,963 | +463,857 | +2.6% |
| International | 7,038,817 | +572,105 | +8.8% |
| **Total** | 25,213,780 | +1,035,962 | +4.3% |

## Thriving Precincts

In FY26, we continued to grow Brisbane Airport as a thriving destination, unlocking new opportunities for business, employment and economic activity.

Our Skygate precinct is experiencing renewal, evolving into a vibrant entertainment destination with the arrival of Fever and Area 51, bringing entertainment experiences to the airport, with more options to follow.

Landers Pocket has quickly established itself as a standout destination within the precinct, named Queensland's Best Pub just 190 days after opening. Its success highlights the growing appeal of Brisbane Airport as not just a gateway, but a destination.

A major milestone was the opening of the Australia Post facility, the largest industrial development ever delivered at Brisbane Airport, reinforcing the strength of our precinct as a strategic logistics and distribution hub.

We made significant progress on the Aeromedical Precinct, now more than 50% complete and set to transform how critical healthcare is delivered across rural, regional and remote Queensland.

Looking ahead, we expect to soon announce the first landmark tenants for Airport Central, a major new mixed-use precinct at the front door of the International Terminal, around 3 times the size of South Bank.

We also opened Fellowship Place, a lasting gift to Brisbane to mark 100 years of the airport. It's a plane spotting location and welcoming community space, providing a place for people to gather, connect and enjoy the airport precinct.

## Empowered Performance

Empowered Performance underpins our business and remains a key focus as we build the systems, discipline and smarter ways of working needed to deliver safe, secure and sustainable results.

The new Capital Delivery Framework is a step change in how Brisbane Airport plans, prioritises and delivers its capital program, bringing greater discipline, clarity and consistency to a portfolio that is growing in both size and complexity.

With more than $5 billion in investment planned over the next 5 years, and hundreds of projects competing for resources in one of Australia's most constrained construction markets, a new approach was essential to deliver at scale.

The result is a more transparent and resilient capital program, one that is better positioned to navigate market constraints, unlock value and support the airport's long-term growth.

To enable our people to better manage the airport, we are creating an Integrated Operations Centre, providing improved visibility and tools to manage terminal capacity, operations and assets more efficiently in real time, while enabling faster, more coordinated team response.

We continue to build a disciplined innovation pipeline, trialling and scaling technologies that improve safety, efficiency and sustainability across our operations. This includes a trial of solar-powered autonomous mowers in our airside area, recognised with the Australian Airports Association Innovation Award, delivering significant improvements in safety while reducing diesel use and emissions.

This same long-term focus extends to our people, as we strengthen our culture, develop our capability and invest in future leaders, earning Employer of Choice recognition for a third consecutive year. We also continued to support the 25,000 people who work across the precinct through programs that enhance the employee experience and strengthen our airport community.

Beyond the airport, we delivered our largest-ever Community Giving Fund in 2026, supporting 16 Brisbane community organisations, alongside ongoing support of the Royal Flying Doctor Service and Lifeflight, as well as major arts partners that help make Brisbane a more exciting place to live and an attractive place to visit.



## A balanced approach to aircraft noise

Aircraft noise remains a concern for some in the community, and while complaints continue to trend down, we are taking a balanced approach that goes beyond legislated requirements. This includes a voluntary tailwind trial to increase over the bay departures where safe, stricter controls on the addition of new non-Chapter 14 flights during sensitive overnight hours, and improved monitoring and flight tracking to enhance transparency.

## Strengthening sustainability performance

You will see the addition of a Sustainability Report (climate-related Financial Disclosures) in this year's report, reflecting an even more structured and transparent approach to sustainability.

During the year, we completed a double materiality assessment, chaired the Australian Airports Association Sustainability Working Group, and developed a Sustainable Aviation Fuel advocacy position. We also embedded low carbon concrete into the Domestic Terminal P2 parking extension project, progressed five property developments with 5 Star Green Star rating, and trialled battery energy storage systems from our on-site solar generation. In addition, we developed our Carbon Management Plan, outlining our pathway to address Scope 3 emissions.

## Seamless border

While Brisbane Airport is investing significant private capital into Queensland's premier gateway, there are limits to what infrastructure alone can deliver.

We welcome the commitment by the Commonwealth Government to modernise Australia's international border.

In partnership with Qantas, we trialled innovative digital arrivals technology aimed at streamlining the international passenger journey, and it is good to see it expanding to all ports.

## Safety, our people and our partners

Safety is fundamental to how we operate at Brisbane Airport, across a complex ecosystem of airlines, ground handlers, retail, construction, security, services and government agencies in a live environment where there is little margin for error.

An increase in reporting of near misses, unsafe acts and safety observations gave our teams greater visibility of risks and supported earlier intervention before harm occurred. This reflects a mature culture where people are encouraged to speak up and where safety matters are actively identified, reviewed and acted on.

Resilience is increasingly complex amid record passenger growth, a growing capital program, global conflict, alongside ongoing disruption risks such as severe weather, infrastructure and technology failures, and security events. Despite this, there were no major disruptions in FY26.

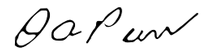
None of these achievements are possible without our people and the spirit of collaboration for which we are known.

Brisbane Airport is powered by partnerships and a shared commitment to creating an environment where safety and resilience is not negotiable.

We thank our Board for its oversight and governance, and we thank our people and partners for the professionalism and care they bring to the precinct every day.

Throughout the year, we remained focused on creating long-term value for our communities, customers, employees and shareholders.

This year will be remembered as the year we reset our foundations: a refined strategy, a stronger long-term roadmap and a new delivery system built for what Brisbane and Queensland will demand of us next.

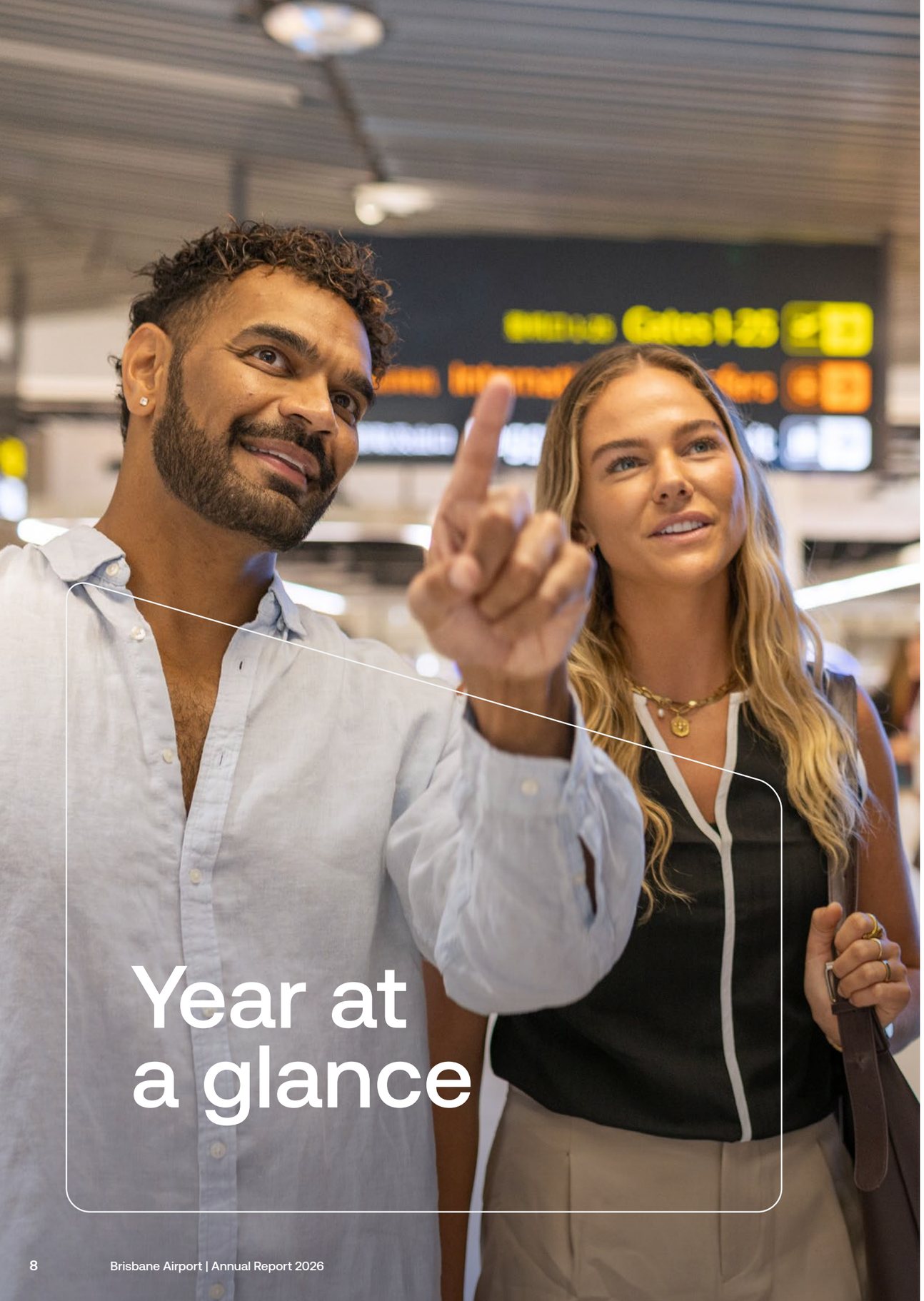


**David Peever**
Chair



**Gert-Jan de Graaff**
Chief Executive Officer

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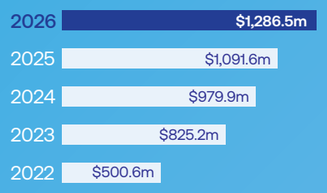


# Year at a glance

## Economic

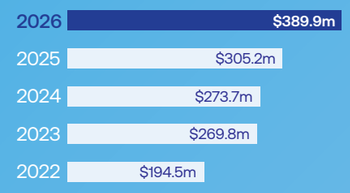
### Total revenue

$1,286.5m ↑ 17.9%



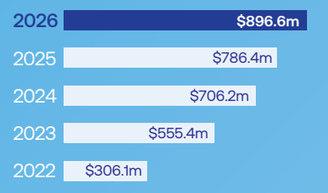

### Operating expenses

$389.9m ↑ 27.8%



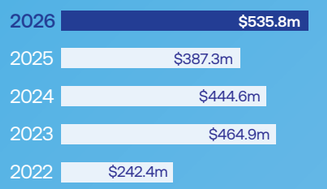

### EBITDA

$896.6m ↑ 14.0%



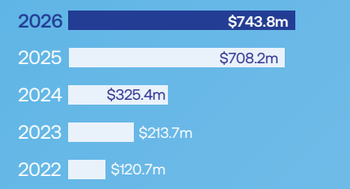

### Net operating cash flow

$535.8m ↑ 38.4%



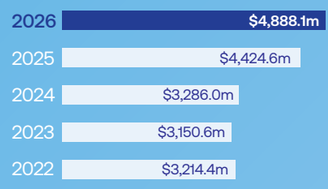

### Capital expenditure

$743.8m ↑ 5.0%



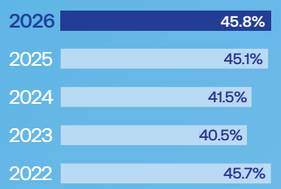

### Net debt

$4,888.1m ↑ 10.5%



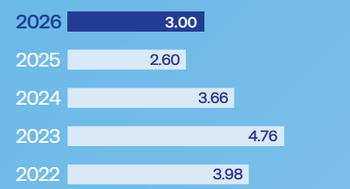

### Gearing

45.8% ↑ 1.6%



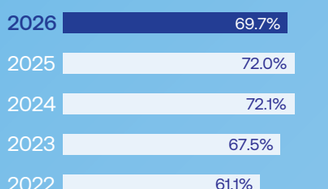

### Debt service coverage ratio

3.00x ↑ 15.4%




### EBITDA margin (%)

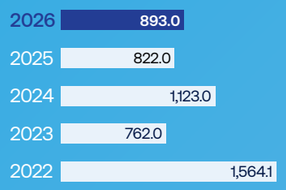
69.7% ↓ 3.2%



## Environmental

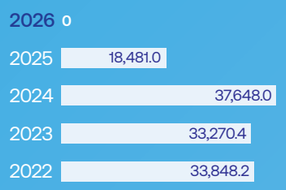
### Scope 1 emissions ($tCO_2e$)

893.0 ↑ 8.6%



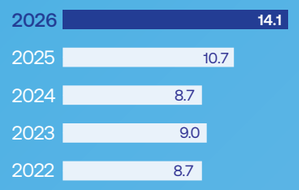

### Scope 2 emissions ($tCO_2e$)*

0 ↓ 100%



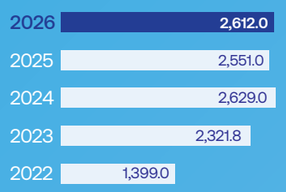

### Onsite renewable energy (GWh)

14.1 ↑ 31.8%



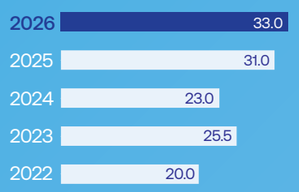

### Waste to landfill (t)

2,612.0 ↑ 2.4%



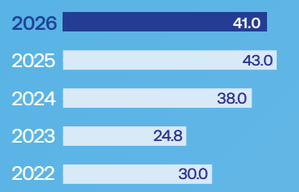

### Recycling (% of total waste)

33.0% ↑ 6.5%




### Recycled water (% of total)

41.0% ↓ 4.7%




## Community

### Reputation of Brisbane Airport (% satisfactory, good and excellent)

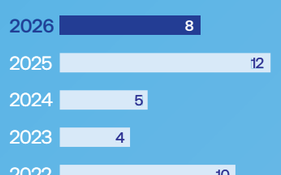
88.0% ↑ 1.1%




## Health and safety

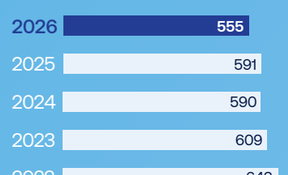
### Notifiable incidents (no.)

8 ↓ 33.0%




### H&S interactions by Leadership Team (no.)

555 ↓ 6.1%

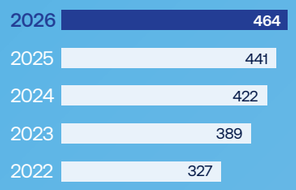



* Market-based scope 2 emissions reflect renewable energy certificates surrendered to offset emissions associated with purchased electricity.

## Employees

### Total employees (no.)

464 ↑ 5.2%

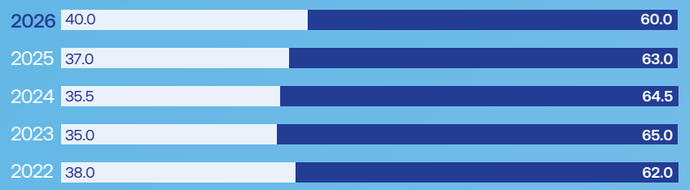



### Women

40% ↑ 8.1%

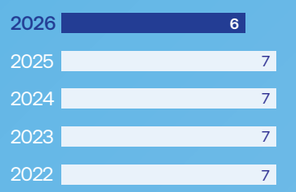
### Men

↓ 4.8% 60%




### Identified as First Nations (no.)

6 ↓ 14.3%




### Full time

94.0% ↑ 1.3%

### Part time

↓ 16.9% 6.0%




### Aged <30 years

6.0% ↓ 25.0%

### Aged 30–50 years

61.0% ↓ 4.2%

### Aged >50 years

↑ 16.6% 33.0%



# About us



## In this section


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## Who we are

Brisbane Airport Corporation Pty Limited (BAC), the operator of Brisbane Airport, is a Queensland company that proudly takes on the challenge of connecting Australia to the world. We operate Brisbane Airport under a long-term lease from the Australian Government.

As Queensland's premier gateway, Brisbane Airport is the country's most connected domestic airport, serving 63 destinations and offering 35 international routes.

It is also one of South East Queensland's largest single-site employment centres, contributing nearly $5 billion to the state's GDP.

Located just 10 kilometres from Brisbane's CBD and spanning 2,700 hectares, the airport is so expansive it even has its own postcode.

We serve a city alive with opportunity as host of the 2032 Olympic and Paralympic Games.

**Brisbane Airport is Queensland's premier gateway.**

## Ownership

Brisbane Airport Corporation Pty Limited 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 Australians whose savings are invested in superannuation and other investment funds.

Overall, 20.13% is owned by the Royal Schiphol Group, the owner and operator of Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Lelystad Airport, and holds a majority stake in Eindhoven Airport.

Our strong, long-standing ties with the Royal Schiphol Group help ensure world-class standards in maintaining, developing and operating Brisbane Airport.

Ownership structure*
As of 30 June 2026

| | | |
|---|---|---|
| QIC | ■■ | 30.23% |
| igneo Infrastructure Partners | ■■■■ | 24.76% |
| Royal Schiphol Group | ■ | 20.13% |
| IFM Investors | ■■ | 20.01% |
| CareSuper | ■ | 4.86% |

■ Number of direct or indirect BACH shareholdings managed.

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

# What we do

Brisbane Airport Corporation is an infrastructure development and management business. Our role is to plan, manage and grow all parts of Brisbane Airport for the long term. We operate multiple functions across:

### Aviation infrastructure

runways, terminals and airside services

### Terminal retail

supporting our tenants to deliver great terminal retail and dining experiences

### Parking and ground transport

ensuring seamless access and connection to, from and within our precincts

### Commercial property and retail

developing thriving retail, industrial and business property precincts

### Trunk infrastructure and services

building and maintaining the backbone of our airport through utilities, roads and other services

# Why we do it

## Our vision is to connect the world and create the future.

Connecting Queenslanders to the rest of the world is the challenge we proudly take on, every day. Our passion and commitment to this mission makes Brisbane Airport Queensland's gateway.

We do more than just connect people, we help shape Queensland.

Brisbane Airport plays a critical role in industries that are essential to the state, including tourism, resources and mining, agriculture, aquaculture, healthcare, defence and communication. There is no trade without transport, and it's our connectivity to all parts of the country and the world that makes trade possible.

Brisbane Airport is about more than just the economy. It's the place that makes it possible for millions of people to easily explore their country and the rest of the world, to stay connected to their families and friends, and to pursue their dreams.

From creating jobs to building opportunities for our community and fostering cultural and social expansion, we thrive in the knowledge that we are an enabler of economic, social and cultural life. We are creating a brighter future for everyone.

**1 in 70 Queensland jobs are located at or enabled by Brisbane Airport**



# Our 4 bosses

Our purpose is to create value for our 4 bosses — our community, our customers, our employees and our shareholders. This means connecting people with each other, creating places that make life better and generating opportunities for people and businesses to thrive.

**Community**

Brisbane Airport exists to serve its community, enabling economic, social and cultural life while minimising negative impact.

**Customers**

Our passengers want a *'don't worry, be happy'* experience. Our airlines want *'infrastructure when they need it, at a reasonable cost'*, and our tenants want *'location, location, location'*. Having happy customers is how we thrive.

**Employees**

Our most important asset is our people. Our people want a safe, secure and inspiring work environment and a culture they are proud of. This means fostering engagement and enablement, inspiring leaders, opportunities for personal growth and development.

**Shareholders**

By creating value for everyone, we also create sustainable value for our shareholders, laying the foundation for long-term success.

# Our values

Our values are the guideposts that will help us connect the world and create the future. If we always act in accordance with our values, we will have success and be proud of the way we did it.

### Communication

We listen, speak up and are always open and transparent, supporting a culture of innovation and teamwork.

### Collaboration

It takes a real team effort to run a 24/7 airport. Working together and collaborating closely are at the heart of everything we do.

### Courage

Having the courage to lead, take calculated risks and ask difficult questions is what allows us to innovate, excite, create and grow.

### Care

Everything we do comes from a place of care. When we care about the work we do and the people we work with, it shows.

## Our enablers

### Policy and regulation

Government frameworks and aviation standards that shape airport operations and strategic direction.

### Capital and finance

Funding and investments that enable infrastructure development and long-term growth.

### Technology and innovation

Systems and creative solutions that drive efficiency, safety and passenger experience.

### Procurement and supply chain

Processes and partnerships that ensure timely delivery of goods, services and infrastructure inputs.

### Airport partners

Stakeholders such as airlines, ground handlers and tenants who contribute to operational capability.

### Industry and market dynamics

Trends, competition and demand shifts that influence strategic priorities and service offerings.

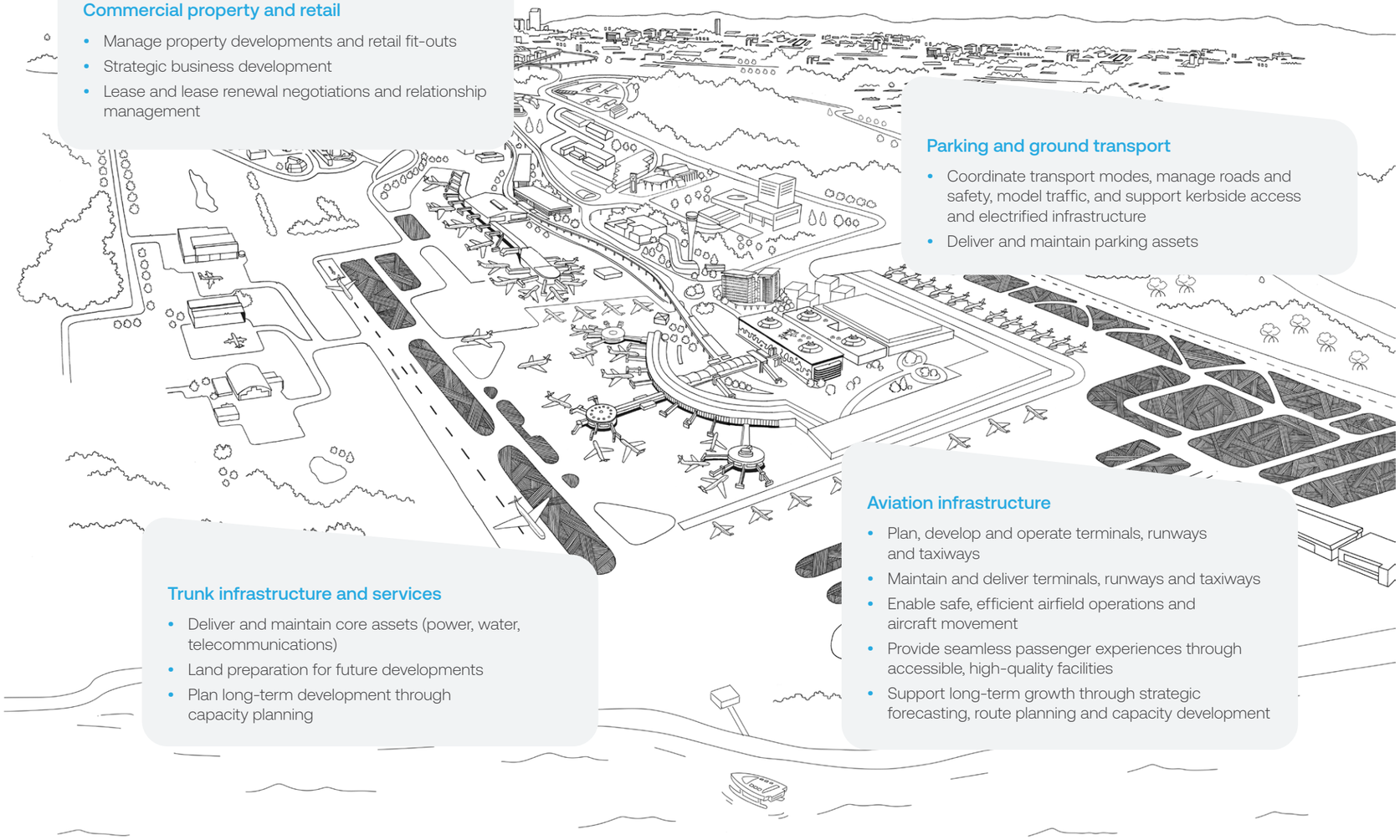
### Materials and equipment

Physical resources and tools required for construction, maintenance and day-to-day airport functions.

## Our operations

### Commercial property and retail

- Manage property developments and retail fit-outs
- Strategic business development
- Lease and lease renewal negotiations and relationship management



### Parking and ground transport

- Coordinate transport modes, manage roads and safety, model traffic, and support kerbside access and electrified infrastructure
- Deliver and maintain parking assets

### Trunk infrastructure and services

- Deliver and maintain core assets (power, water, telecommunications)
- Land preparation for future developments
- Plan long-term development through capacity planning

### Aviation infrastructure

- Plan, develop and operate terminals, runways and taxiways
- Maintain and deliver terminals, runways and taxiways
- Enable safe, efficient airfield operations and aircraft movement
- Provide seamless passenger experiences through accessible, high-quality facilities
- Support long-term growth through strategic forecasting, route planning and capacity development

## Our value creation

### Community

- Economic growth, jobs and investment
- Tourism, trade and business activity
- Global and regional connectivity
- Reduced environmental and community impacts
- Social licence to operate and grow

### Customers

- Connectivity to markets and destinations
- Business and investment opportunities
- Safe and reliable airport services
- Industrial, retail and commercial precincts
- Access to aviation, transport and logistics networks

### Employees

- Safe and inclusive workplace
- Career development opportunities
- Meaningful and rewarding work
- Employee wellbeing and support

### Shareholders

- Sustainable long-term financial returns
- Asset value growth and diversification
- Resilient and future-ready infrastructure
- Enhanced reputation and stakeholder confidence

# Our value drivers

We increase value through understanding and leveraging our 6 key drivers to shape our decisions and investments.

| | |
|---|---|
| **Aviation growth** | Enabling passenger and freight growth, expanding networks and supporting tourism and trade, through providing essential aviation infrastructure. |
| **Commercial growth** | Generating commercial value through the development and management of property assets, retail offerings and car parking services that enhance the customer experience and support airport operations. |
| **Infrastructure development and delivery** | We deliver fit-for-purpose infrastructure that supports future growth, enhances operational resilience and reflects our commitment to responsible development. |
| **Safe, secure and efficient operations** | We ensure the airport operates reliably, safely and securely every day, with a focus on continuous improvement, service excellence and working with our partners. |
| **Fostering social licence to grow** | We act responsibly and transparently to build trust with the community, government and stakeholders by minimising the impact of our operations, and contributing positively to the region's social, economic and cultural wellbeing. |
| **Our people and culture** | We empower a skilled, inclusive and values-driven workforce that enables adaptation, innovation and delivers on our strategic ambitions. |

**When Brisbane Airport is busy, Queensland thrives.**



# Our strategic direction

## In this section


| | |
|---|---|
| Our ambition | 23 |
| Materiality assessment | 24 |
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| Our corporate strategy | 30 |




## Our operating model defines the essential elements needed for Brisbane Airport to achieve our strategic goals.

If we want to achieve our vision to connect the world and create the future, we must be a successful and sustainable organisation that delivers reliable services, manages long term impacts and remains financially viable.

To do this, we continually review whether what we are doing or planning will deliver value across our 4 bosses, recognising that balancing these interests requires robust discipline and governance.

Our operating model outlines how our organisation is set up to achieve its strategy by aligning our value drivers, assets and revenue to our structure to support safe operations, long term investment and responsible growth.



# Our purpose

Create value for our 4 bosses

Community

Customers

Employees

Shareholders

## Value drivers

We do this through leveraging 6 key value drivers:

- Aviation growth
- Commercial growth
- Infrastructure development and delivery
- Safe, secure and efficient operations
- Fostering social licence to grow
- Our people and culture

## Assets and revenue

Through the provision and management of:

- Aviation infrastructure
- Terminal retail
- Parking and ground transport
- Commercial property and retail
- Trunk infrastructure and services

## Strategy

Our strategy provides the focus and prioritises what is most important and valuable to our 4 bosses:

- **Enhanced Connectivity**
- **Thriving Precincts**
- **Empowered Performance**

## Business structure

Our organisational structure is how we arrange our people and processes to deliver the value:

**Office of the CEO**

- Corporate Services
- Communications and Public Affairs
- People, Culture and Governance
- Strategy, Planning and Sustainability
- Infrastructure
- Aviation
- Commercial

# Our ambition

As we look ahead to 2050, Brisbane Airport is setting its sights on creating a vibrant, sustainable, multi-faceted precinct that connects people and places, drives economic and social prosperity, fosters innovation and is a source of pride for future generations.

We envisage a future where Brisbane Airport is:

### Australia's best gateway

Brisbane Airport will be a gateway that connects Queensland to the world and also brings the world to Queensland. We will:

- **Deliver an experience for all** — embrace a '*don't worry, be happy*' ethos, ensuring that every person, whether families, leisure seekers or business travellers, feels welcomed and valued
- **Leverage our unique geographical advantages** — capitalise on Brisbane Airport's prime location, offering access to key international destinations across Asia, the Americas and beyond. Our position makes it easier for travellers and international visitors to explore Queensland and discover Australia
- **Be Australia's most connected airport** — seamlessly link regions and cities to and across Australia, providing essential transport services for communities and supporting Australia's leisure and business economy
- **Foster international growth and connectivity** — position Brisbane Airport as the primary gateway to the South Pacific and the world that facilitates international travel, trade, and investment, helping connect and attract more global visitors, business opportunities and investment to support Queensland's growth.

### More than an airport

Brisbane Airport will be a dynamic, diverse precinct that connects people, empowers businesses and creates jobs to drive the economy.

We will be a:

- **Thriving business and retail hub** fostering economic, social and cultural growth
- **Major employment centre** providing workers with opportunities and contributing to the broader Queensland economy
- **Driving force for industries and businesses at Brisbane Airport** supporting growth and positioning Queensland as a key hub for trade, commerce and innovation.

### A source of pride for future generations

Brisbane Airport will be a leading sustainable airport that future generations trust and are proud of. We will:

- **Be a good neighbour** — serve as a community asset that drives local and international business, supports job creation and contributes to economic growth
- **Contribute to the region's economic, social and cultural vitality** — create a lasting impact that strengthens the local community and enhances life for all Queenslanders
- **Ensure that Brisbane Airport remains a sustainable and inclusive hub** — balance growth with the needs of the community and create long-term value for future generations.

# Materiality assessment

In FY26, we conducted a comprehensive double materiality assessment to ensure our understanding of the most important environmental, social and governance (ESG) topics remains current and aligned with evolving stakeholder expectations, regulatory requirements and industry trends.

Unlike our previous assessment conducted in FY23, which focused on stakeholder prioritisation of material topics, the FY26 assessment adopted a double materiality approach, assessing each topic through two lenses:

- Impact materiality: how our activities and operations impact people and the environment
- Financial materiality: how sustainability related risks and opportunities could reasonably be expected to affect our financial performance, position and prospects.

## Overview on process

The assessment was conducted through a structured process including:

1. Material topic development: identification and review of relevant topics informed by industry standards, global trends and peer practices
2. Stakeholder engagement: approximately 19 hours of engagement with 38 participants across the value chain, including shareholders, employees, customers, community, government, suppliers and banks
3. Conduct materiality: each topic was assessed against both impact and financial materiality thresholds and results were consolidated and validated.

The assessment identified 30 material topics across environment, social and governance including:

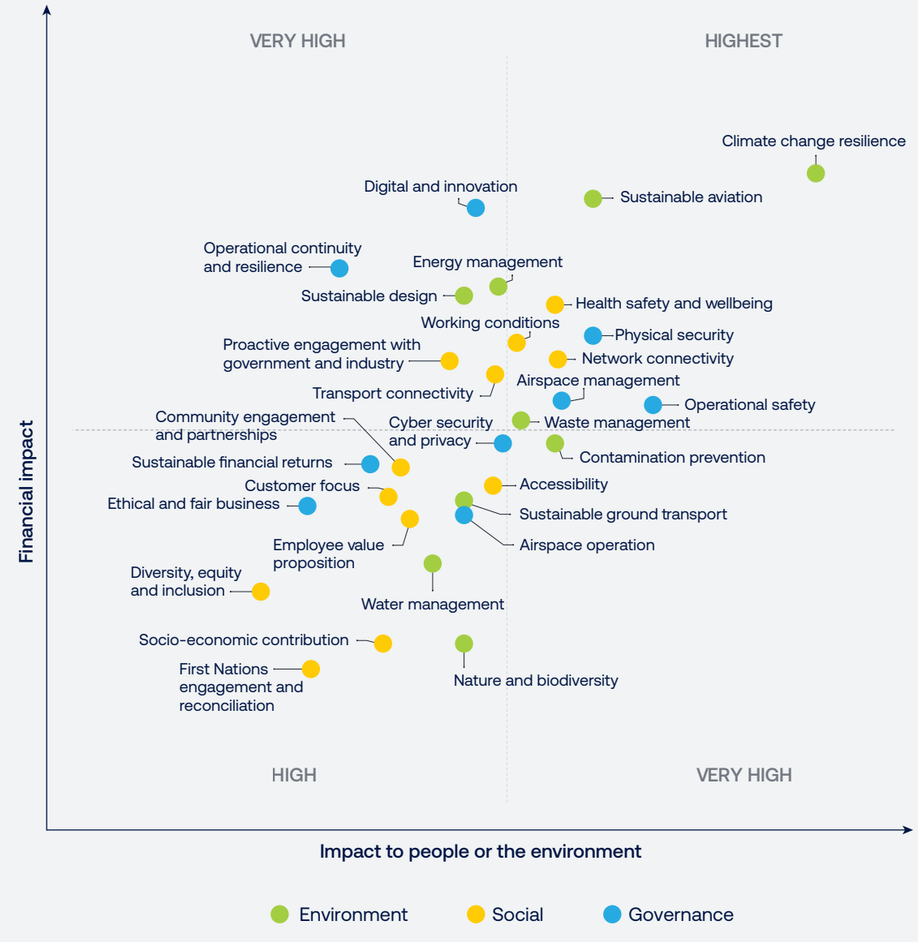
| Material topic | Definition | Page |
|---|---|---|
| Accessibility | Creating physically and socially inclusive infrastructure that ensures a seamless, dignified and positive experience for all | 59 |
| Airspace management | Balancing our obligation to provide airport capacity and safeguard airspace to meet future demand, with community expectations of minimising impacts from aircraft operations | 43 |
| Airspace operation | Ensuring infrastructure and procedures are developed to enable efficient and cost-effective aircraft operations that consider impacts on the environment and community | 43 |
| Climate change resilience | Strategically planning Brisbane Airport's infrastructure and operations to respond to and remain resilient to the physical and transitional impacts and opportunities of climate change | 67, 150 |
| Community engagement and partnerships | Proactively engaging with our communities to develop meaningful partnerships while increasing education and awareness of Brisbane Airport's role as a critical infrastructure provider and economic generator, whilst recognising the impacts of its operations | 74 |
| Contamination prevention | Preventing pollution, PFAS, ground water issues, air quality issues through monitoring and continuous improvement | 60 |
| Customer focus | Meeting the current and evolving needs of airport stakeholders and providing a positive experience for all customers (retail, property, airline, passengers) | 54 |
| Cyber security and privacy | Ensuring operational availability of critical systems and protecting sensitive data through cyber security controls that maintain confidentiality, integrity, and availability | 77 |
| Digital and innovation | Leveraging advanced technologies and creative solutions to enhance operational performance, improve customer experience and drive sustainable growth across airport functions | 76 |
| Diversity, equity and inclusion | Promote an inclusive and fair workplace for employees and contractors, which does not discriminate on the basis of gender, religion, sexual orientation or race | 70 |
| Employee value proposition | As an employer of choice, provide employees with meaningful development and career progression, while building a diverse pipeline of future talent, supported by secure employment, fair and competitive remuneration, and inclusive benefits | 70 |
| Energy management | Optimises the use of energy resources (including electricity and fuel) across operations to enhance performance and support decarbonisation efforts whilst maintaining a resilient network | 66 |
| Ethical and fair business | Robust governance, compliance and procurement practices, while actively influencing our value chain to prevent or mitigate ethical risks, uphold human rights across all operations, and promote fair and equitable working conditions | 79 |
| First Nations engagement and reconciliation | Building respectful and enduring partnerships with Traditional Custodians to preserve cultural heritage and drive meaningful outcomes through education, celebration and collaboration | 75 |
| Health, safety and wellbeing | Creating a safe, supportive and inclusive environment for people visiting, working or travelling to the airport by addressing physical risks and psychosocial factors to promote holistic wellbeing across the airport's precincts | 71 |
| Nature and biodiversity | Protecting natural ecosystems and improving biodiversity across airport precincts, while minimising operational impacts on surrounding environments and managing biosecurity risks (i.e. pest prevention) | 60 |
| Network connectivity | Offering a wide range of destinations regionally and internationally | 36 |
| Operational continuity and resilience | Ensuring Brisbane Airport maintains operational resilience to support business continuity under a range of differing circumstances | 56 |
| Operational safety | Maintain safe, secure and efficient movement of aircraft through best practice safety management systems, hazard mitigation (i.e. foreign object debris), and proactive wildlife management | 41 |
| Physical security | Maintain a safe and secure airport environment for both aviation and non-aviation activities | 79 |

| Material topic | Definition | Page |
|---|---|---|
| Proactive engagement with government and industry | Proactively engaging with government and industry to develop meaningful partnerships and advocacy | 42 |
| Socio-economic contribution | Growing the direct and indirect economic, social and environmental contribution, including job creation, from Brisbane Airport's operations to local, regional and statewide communities | 74 |
| Sustainable aviation | Maintaining net zero for Scope 1 and 2, reducing carbon emissions within airport scope, partnerships including Sustainable Aviation Fuel, airside electrification trials and new technology | 42 |
| Sustainable design | Reducing a building's environmental footprint, improving efficiency, reducing waste and water consumption, selecting responsible materials and assisting tenants in decarbonisation | 56 |
| Sustainable financial returns | Generating long-term economic value through responsible investment, operational efficiency and strategic growth that aligns with environmental, social and governance principles | 85 |
| Sustainable ground transport | Collaborating with industry and key partners to accelerate sustainable ground transport options including zero emissions alternatives and active transport ground access | 46 |
| Transport connectivity | Enhance community and worker access to BNE precinct through a choice of modes by partnering with a variety of stakeholders | 46 |
| Waste management | Minimising waste generation and prioritising waste avoidance through enhancing resource recovery and ensuring responsible disposal practices through collaboration across the airport | 62 |
| Water management | Reducing water use through responsible management of recycled water and effluents, ensuring water quality and enhancing the resilience of the airport's water infrastructure network | 62 |
| Working conditions | Develop fit-for-purpose infrastructure to support worker activities on airport | 70 |



# Materiality matrix

All topics shown on the matrix are considered important and material to Brisbane Airport. Topics in the 'highest' quadrant have the greatest impact on people, the environment and our finances. The results reflect the consolidated views of our value chain stakeholders.




Brisbane Airport is committed to investing in all the material topics identified through this assessment. The sections throughout this report provide detail on our approach, progress and performance against each topic.

# Sustainability commitment

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

We recognise that sustainability is essential for Brisbane Airport 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, leading airport that future generations trust and are proud of.'*

We deliver our purpose by focusing on 3 pillars and 9 focus areas:

### Protect our planet

**Consume responsibly and minimise our footprint**

- Decarbonisation
- Circular economy
- Climate and nature

### Grow responsibly

**Support Queensland's growth and ensure Brisbane Airport is a sustainable destination**

- Sustainable design
- Sustainable procurement
- Airspace management

### Support our communities

**Build a positive legacy**

- Our employees
- Our community
- Our airport workers

On 1 January 2025, Brisbane Airport achieved net zero emissions for Scope 1 and 2 emissions through a renewable Power Purchase Agreement, the transition of fleet vehicles to electric alternatives and Queensland-based offsets for residual emissions. We are committed to maintaining this position while continuing to reduce emissions within our operations.

Our sustainability commitment underpins our corporate strategy and reflects our ambition to lead in sustainable aviation. This is supported by clear, measurable targets that guide delivery, track progress and ensure accountability over time.

*Our commitment formally sets out what we will do and where we will focus our efforts, supported by clear targets where we have direct control and ambitions where outcomes depend on partnership and influence.*

| | Targets<br>What we are held accountable for | | | Ambition<br>Set long term aspirational direction and intent |
|---|---|---|---|---|
| | Scope 1 and 2 | Water | Waste | Scope 3 |
| 2030 | **Maintain net zero** Scope 1 and 2 | **50%** recycled water[1] | **Zero waste** to landfill[2] | Signatory to **Clean Skies for Tomorrow's** 10% global SAF ambition |
| 2050 | | | | Support the aviation industry commitment to **net zero by 2050** |

1 BAC operational water only.
2 BAC operational waste only. Excludes quarantine/sterile waste due to regulatory requirements.

# Our corporate strategy

Our strategy (FY26-FY32) was refreshed through extensive consultation with our Board of Directors, Executive Leadership Team, Business Leadership Team and subject matter experts from across our organisation. Our 3 strategic goals set out what we will achieve between now and 2032 and guide the allocation of effort and resources toward the priorities that matter most.

## Enhanced Connectivity

Connect more people and places to enable economic, social and cultural prosperity in Brisbane and Queensland through the sustainable growth of Brisbane Airport.

### Strategic priorities

- Responsibly grow aviation — expand networks, attract diverse carriers and manage capacity efficiently
- Improve ground connectivity to, from and within our airport, including public transport and mass transport solutions
- Maintain our commitment to balancing growth with the expectations of the community, including a focus on neighbourhood impact and social value
- Deliver on our own commitments to decarbonise as well as supporting our partners' decarbonisation journeys

## Thriving Precincts

Accelerate the development of sustainable, vibrant and people-centric terminal and property precincts at Brisbane Airport, delivering a *'don't worry, be happy'* experience.

### Strategic priorities

- Create a sense of place — offer diverse, engaging experiences for all users
- Diversify and grow — accelerate property development, expand parking and evolve retail
- Strengthen asset reliability — ensure operational excellence and long-term value
- Embed sustainability — design for circularity and climate resilience

## Empowered Performance

Establish Brisbane Airport as a great place to work, do business and partner with, by enabling safe, secure, smart and sustainable performance.

### Strategic priorities

- Establish Brisbane Airport as a great place to do business, a great place to work and a client of choice
- Excel in development by building our capabilities, processes and partnership for efficient delivery
- Deliver safe, secure, smart and sustainable operations that recognise the importance of our airport partnerships

## Strategic risks

Our strategic risks are defined as risks that arise from internal and external systematic factors that impact the achievement of the business' strategic objectives and direction. Our approach to managing strategic risks falls within our Enterprise Risk Management Framework through continuous monitoring and review, ongoing planning and the allocation of resources, and evaluation from management and the Board. These risks are not exhaustive and are not arranged in order of significance.

| Risk | Management controls |
|---|---|
| Failure to deliver capital program | Delivery pressures from market constraints are addressed through strengthened planning, capital governance and delivery frameworks, and supported with strategic supply partnerships and flexible procurement processes. |
| Climate change resilience | Climate risks are managed through integrated planning, investment decisions, design standards, and targeted adaptation and mitigation measures embedded across asset management and capital-delivery programs. |
| Aviation demand and capacity misalignment | Brisbane Airport manages aviation demand and capacity risk through robust forecasting, strategic infrastructure planning, industry partnerships, diversified revenue streams and targeted airline growth initiatives. |
| Failure to respond to commercial market | Brisbane Airport responds to changing demand, economic and market conditions through proactive property development, car parking and retail strategies, supported by a robust pipeline of capital projects. |
| Precinct-wide operational disruptions | Operational resilience is assured through the Resilience Framework, supported by integrated incident, emergency and crisis management systems, and a risk-based approach that keeps critical functions running during major disruptions. |
| Regulatory or policy intervention | Brisbane Airport actively engages with government, community stakeholders and industry partners to manage regulatory risk. |

| Risk | Management controls |
|---|---|
| Missed technological opportunities | Brisbane Airport monitors emerging technologies and invests in digital innovation to capture growth opportunities, reduce disruption and maintain efficiency. |
| Loss of investment grade credit rating | Maintaining investment grade credit ratings and managing financial risk through Board-approved policies, disciplined governance and proactive engagement with lenders and rating agencies. |
| Ageing or underperforming critical assets | Asset management practices and reinvestment strengthen operational reliability and support long-term proactive management of asset condition. |
| Inability to attract and retain critical talent | Workforce capability and engagement strategies focus on strengthening capability through targeted recruitment, development and succession planning aligned with strategic and operational priorities. |
| Loss of social licence | Social licence is maintained through robust sustainability frameworks, sustainability design standards and transparent Environmental, Social and Governance reporting, supported by strong consultative relationships and noise abatement initiatives that protect our social licence and operational flexibility. |
| Failure to meet health, safety and wellbeing obligations | Safety is embedded through our ISO-accredited WHS Management System, supported by continuous improvement programs and ongoing investment in leadership capability, systems and assurance to drive our “BWell & BSafe” vision. |
| Breach of compliance obligations | Compliance risk is managed through a structured compliance management program supported by policies, training, audits, reporting mechanisms, and management systems that support the identification and management of compliance obligations. |
| Failure to comply with environmental obligations | Robust governance, monitoring and compliance controls, supported by contamination, wildlife and biodiversity management, ensure environmental obligations are effectively met. |
| Cybersecurity breach or system outage | Cyber resilience is maintained through ISO-aligned security frameworks, continuous monitoring and robust incident response. Sensitive data is protected via layered security controls and compliance in line with Australian Privacy Principles. |
| Breach of security regulatory obligations | Security compliance is upheld through intelligence-driven risk management and a security framework combining proactive threat assessment with robust preventative protocols, enhancements to physical security measures, preparedness exercises and regular audits. |

## Opportunities

As Brisbane Airport continues to grow as Queensland’s primary gateway, responding to emerging opportunities is essential to support Queensland’s economy, create value for our 4 bosses (our community, customers, employees and shareholders), and meet our long-term ambitions.

In FY26, we continued to strengthen our opportunity identification processes to ensure that strategic and operational opportunities are surfaced, assessed and acted on in a timely and effective manner, aligned with our organisational priorities and objectives.

We proactively monitor internal and external trends and developments that have the potential to positively affect service outcomes and our delivery on our commitments, supporting the early identification of opportunities.

This integrated approach strengthens decision making by prioritising opportunities that deliver the most sustainable outcomes, embedding them into strategic planning, and enabling Brisbane Airport to take appropriate risks within our risk appetite and governance framework to maximise long-term value and maintain our competitive position.

| Theme | Opportunity |
|---|---|
| Near-term construction market softening | The construction market is showing signs of a short-term pause, creating an opportunity to de-risk project delivery, improve cost certainty, and maintain safety and quality standards. This reinforces the importance of disciplined capital sequencing and market engagement to protect cost and delivery outcomes. |
| Strategic land portfolio advantage | Brisbane Airport holds a uniquely large and flexible supply of industrial and commercial land in close proximity to the Brisbane CBD, with limited comparable alternatives available in the market. This land availability enables Brisbane Airport to responsibly sequence development, support employment growth and deliver precinct outcomes consistent with approved Brisbane Airport 2026 Master Plan objectives. |
| Brisbane 2032 Olympic and Paralympic Games | The Olympic and Paralympic Games present a strategic opportunity to align required aviation and transport infrastructure with broader city shaping investments and long term public benefit. |
| Seamless border initiatives | Seamless border initiatives present a strategic opportunity for Brisbane Airport to improve passenger throughput and experience, strengthen airline attractiveness and unlock additional capacity within the existing terminal footprint, directly supporting long-term connectivity and growth objectives. |
| Maturing organisational capability | Organisational capability is maturing, with initiatives such as the Capital Delivery Framework, technology advancements (i.e. AI) and innovation enabling greater effectiveness across Brisbane Airport and its delivery partners. The capability uplift enables management to execute the strategy more efficiently, manage complexity at scale and extract greater value from both internal resources and third-party partners. |
| Sustainable Aviation Fuel | Sustainable Aviation Fuel represents a strategic opportunity for Brisbane Airport to support industry-led decarbonisation efforts, recognising that emissions reductions depend on airline uptake, supply availability and policy frameworks. |

# Enhanced Connectivity

## In this section


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| Sustainable aviation fuel | 42 |
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| Landside connectivity \| ground transport | 46 |






Brisbane Airport plays a critical role in connecting people and places to enable economic, social and cultural prosperity in Brisbane and Queensland.

In 2026, we continued to expand our domestic and international aviation network, bringing Brisbane closer to major global destinations, creating new trade and tourism opportunities, and progressing targeted investment in terminal capacity. These initiatives continue to ensure Brisbane Airport can meet growing demand while maintaining high standards of safety, security and operational efficiency.

We also remained focused on ensuring ground transport is safe, accessible and multi-modal, supporting effective integration between air travel and the wider transport network. Together, these initiatives reinforce Brisbane Airport's role as a critical gateway for Queensland and support long-term value creation for the region and our stakeholders.

### How we are delivering it

- Attracting new carriers and routes to Brisbane
- Tackling congestion hotspots and extending bikeways
- Expanding car parking and transport options ahead of demand
- Balancing growth with the expectations of the community

### Key achievements

- Expanded our international network with 3 new routes
- Passenger numbers up one million people on previous year
- Modernised self-service technologies, including upgraded check-in counters, kiosks and baggage flow facilities
- Delivered the new Brisbane Airport 2026 Master Plan
- Continued implementation of our Connectivity Strategy
- Introduced a non-addition rule for the noisiest aircraft in the overnight period
- Implemented the Carbon Management Plan



# Aviation performance

Brisbane Airport strengthened its position as Queensland's primary gateway in FY26, welcoming a record 25.2 million passengers, up more than one million travellers on the previous year.

### Domestic

**18.2m**
Passengers

**+2.6%**
FY26 vs FY25

### International

**7.0m**
Passengers

**+8.8%**
FY26 vs FY25

### Total

**25.2m**
Passengers

**+4.3%**
FY26 vs FY25

International demand was a standout, with passenger numbers surpassing 7 million people for the first time, increasing 8.8% year-on-year and reinforcing Brisbane's role as a growing gateway to Asia, the Pacific and North America.

Growth was supported by new and increased services, stronger hub connectivity and continued airline investment in high-demand markets, despite headwinds arising from geopolitical instability in the Middle East during the second half of the financial year.

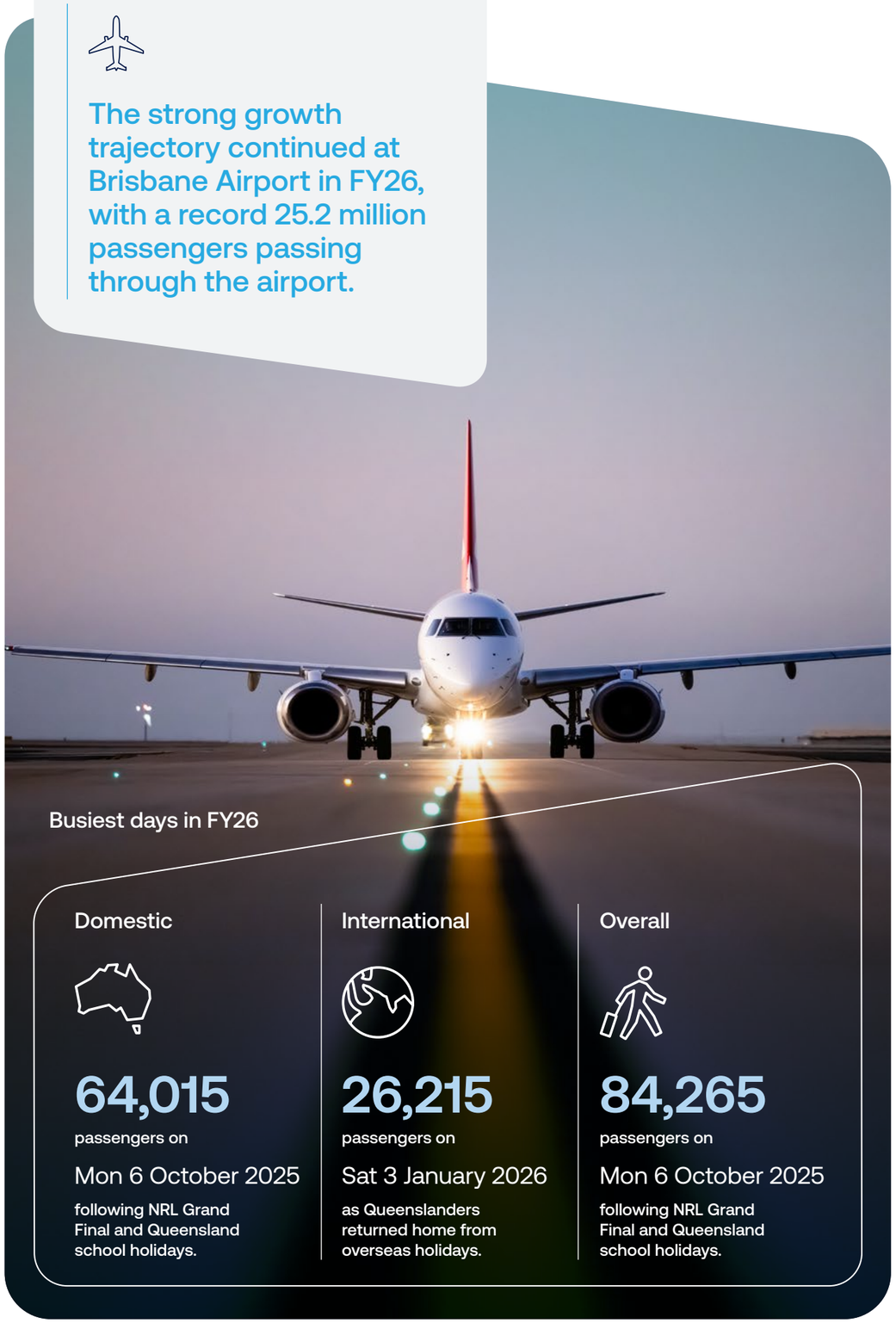
During that time, Qatar Airways and Emirates briefly suspended flights, while other airlines recorded stronger load factors as passengers found alternative routes to Europe through Brisbane's diverse international network.

Brisbane Airport now has direct access to 35 international destinations, demonstrating the continued growth and diversification of its global network.

Passenger statistics for FY26

| | Domestic Terminal | International Terminal | Total |
|---|---|---|---|
| **Passengers** | 18,174,963 | 7,038,817 | 25,213,780 |
| Growth vs last year | +463,857 | +572,105 | +1,035,962 |
| Growth vs last year (%) | +2.6% | +8.8% | +4.3% |
| **Seat capacity** | 22,587,521 | 9,201,937 | |
| Growth vs last year | +1,070,093 | +888,896 | +1,958,989 |
| Growth vs last year (%) | +5.0% | +10.7% | +6.6% |
| **Load factor** | 80.5% | 76.9% | |
| Growth vs last year (pts) | -1.8 pts | -1.5 pts | |

**The strong growth trajectory continued at Brisbane Airport in FY26, with a record 25.2 million passengers passing through the airport.**



Busiest days in FY26

**Domestic**

**64,015**
passengers on
Mon 6 October 2025
following NRL Grand Final and Queensland school holidays.

**International**

**26,215**
passengers on
Sat 3 January 2026
as Queenslanders returned home from overseas holidays.

**Overall**

**84,265**
passengers on
Mon 6 October 2025
following NRL Grand Final and Queensland school holidays.





Enhanced Connectivity

## Key factors impacting FY26 passenger growth

### Malaysia Airlines returns to Brisbane

A significant milestone for Brisbane Airport was the return of Malaysia Airlines in November 2025, restoring direct connectivity between Brisbane and Kuala Lumpur. The service strengthened links into Southeast Asia, India, Europe and the broader Malaysia Airlines network.

### Strong growth in Greater China markets

Mainland China was Brisbane Airport's fastest-growing international market in FY26, welcoming an additional 137,710 passengers, up 51.1% on the previous financial year. Growth was supported by China Southern Airlines increasing Guangzhou services, while Cathay Pacific progressively expanded Hong Kong frequencies, strengthening onward connectivity throughout Asia.

### Singapore reaches gateway milestone

Singapore Changi Airport became the first international airport gateway to deliver more than one million passengers to Brisbane in a financial year. The result highlights the strength of Singapore as both a destination and a global connection point, supporting travel between Queensland, Asia, Europe and beyond.

### Jetstar expands international reach

Jetstar carried more than one million international passengers through Brisbane Airport for the first time in FY26, following the launch of new services to Cebu, Rarotonga and Queenstown. The expansion further enhanced Brisbane's position as Queensland's leading leisure travel gateway and reinforced Jetstar's role as the airport's second largest international airline partner.

### Resilient performance despite Middle East disruption

Passenger growth moderated during the final quarter of FY26 following the escalation of conflict in the Middle East. Qatar Airways and Emirates briefly suspended flights. Other airlines' load factors increased as passengers found alternative routes to Europe via our international network.

Airline partners

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

### 26 international partners

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





International network




**35**
international ports

### Middle East

- Doha (DOH)
- Dubai (DXB)

### Asia

- Bangkok (BKK)
- Cebu (CEB)
- Denpasar (DPS)
- Guangzhou (CAN)
- Ho Chi Minh City (SGN)
- Hong Kong (HKG)
- Kuala Lumpur (KUL)
- 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)
- Rarotonga (RAR)

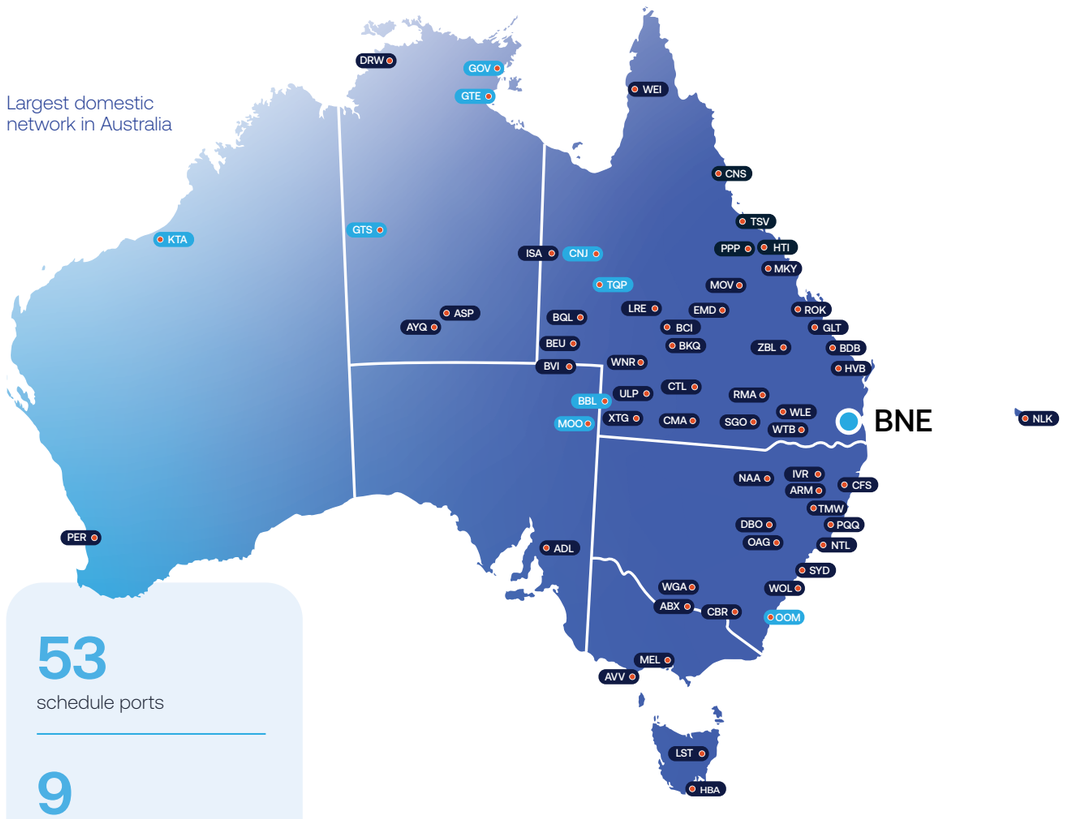
### New Zealand

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

### North America

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

Largest domestic network in Australia




**53**
schedule ports

**9**
charter ports

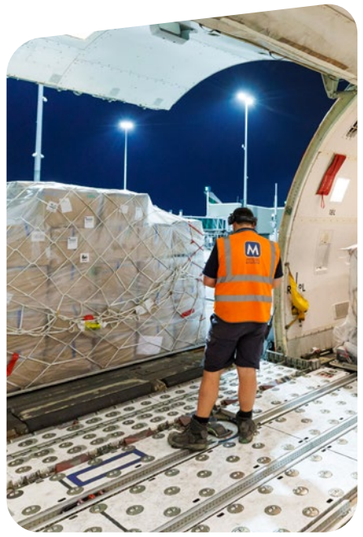
**62**
domestic ports

## Freight

Brisbane Airport continues to play a critical role in supporting Queensland exporters and remains Australia's leading airport for air-freighted beef exports, providing efficient access to major international markets including Hong Kong, Singapore, the United States, South Korea, Taiwan and the Middle East.

Brisbane Airport facilitates major freight movements through both passenger aircraft belly-hold capacity and dedicated cargo services, connecting Queensland exporters with global markets.

Freight performance during FY26 was supported by continued growth in international aviation services and the expansion of cargo capacity across Asia. Mainland China remained Brisbane Airport's largest freight trading partner, supported by increased airline capacity and the continued operation of Cathay Pacific Cargo's weekly B747-8 freighter service to Hong Kong. Together, with the return of Malaysia Airlines services to Kuala Lumpur, these developments strengthened freight links between Queensland and key markets throughout Asia, India and Europe.



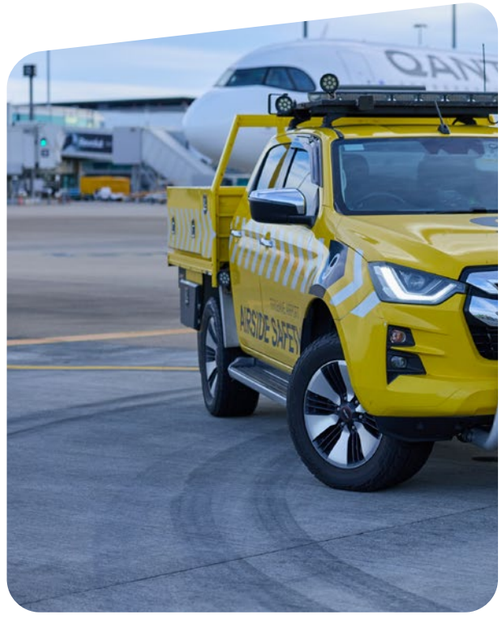
## Airside operations

Throughout FY26, Brisbane Airport maintained a strong focus on safety, operational standards and the continued development of a smarter airfield, delivering initiatives that improved capability, efficiency and operational resilience.

## Key FY26 achievements

- Commencing an AI-enabled airfield wildlife monitoring system to improve wildlife identification, tracking and risk management
- Successfully trialling an underwing analytics tool to provide greater operational visibility and support aircraft turnaround performance
- Delivering enhanced aerobridge standards, training and assurance programs to improve operational consistency and safety
- Releasing version 4.0 of the Airside Operator Licence, modernising training content, operational requirements and regulatory guidance
- Completing development of a new airside driving simulator, due for release in FY27, to support driver competency and complement the airfield licensing program
- Delivering aircraft parking, new motorised accessible boarding ramps and apron optimisation initiatives that improved stand utilisation, passenger experience, operational flexibility and airfield capacity
- Supporting the delivery of Brisbane Airport's development program by enabling major airside infrastructure and operational projects to be undertaken safely within a live, complex and safety-sensitive operating environment

These initiatives strengthened Brisbane Airport's safety and compliance framework while advancing the use of technology, data and innovation to support a safer, smarter and more efficient airfield, enabling the airport's long-term growth and development objectives.






# Sustainable aviation fuel

Aviation fuel accounts for 91% of Brisbane Airport's total scope 3 profile, generating 4,587,102 $tCO_2e$ annually. Sustainable Aviation Fuel (SAF) is widely recognised as the most significant decarbonisation tool available to the aviation industry, expected to contribute approximately 65% of the emissions reductions required to achieve net zero by 2050. Without material uptake, the aviation sector's ability to decarbonise remains fundamentally limited.

## Our role in SAF

As a major gateway, we recognise Brisbane Airport plays a key role in facilitating the transition to SAF, using our infrastructure, partnerships and influence to support the transition to lower-emission aviation.

### In FY26, we made significant progress:

**SAF study**

We completed a comprehensive study to assess the current state of SAF in Australia and forecast future demand in Brisbane. The study, which was conducted across two phases, included a market assessment covering demand, supply and production pathways and an opportunity evaluation that identified where we can have the most impact.

**SAF advocacy position**

We developed Brisbane Airport's first formal SAF policy and advocacy position, setting out our asks of government across 5 areas:

- prioritisation of SAF in low-carbon fuel policy
- supply-side support through production credits and capital grants
- demand-side mechanisms including mandates and a SAF levy
- a credible national accounting framework aligned with key international frameworks
- support for feedstock and airport infrastructure integration.

**Viva Energy SAF blending trial**

Brisbane Airport continued to support Viva Energy's SAF infrastructure project at the Pinkenba Terminal, which received $2.39 million in funding from the Australian Renewable Energy Agency (ARENA) as part of its Sustainable Aviation Fuel Funding Initiative. The first shipment was received on 30 June 2026, an important milestone for Brisbane Airport and the Australian aviation industry. The trial is expected to provide critical learnings for the development of SAF distribution across Australia, including in regional locations.

## Industry leadership

Brisbane Airport continued to chair the Australian Airport's Association Sustainability Working Group to lead the industry's approach to SAF policy and advocacy. We are a signatory to the Clean Skies for Tomorrow (CST) initiative, supporting the ambition for global aviation fuel to achieve 10% SAF by 2030.

Brisbane Airport supports the development of a domestic SAF industry that creates regional jobs, strengthens Australia's fuel security and enables the aviation sector to credibly decarbonise.
We will continue to work with airlines, government, fuel suppliers and investors to accelerate SAF uptake at Brisbane Airport and beyond.










# Aircraft noise

Brisbane Airport works to ensure the airport remains a good neighbour, while supporting Queensland's economic and social development. This is guided by the International Civil Aviation Organization (ICAO) balanced approach, balancing operational requirements, community expectations and the benefits aviation delivers, particularly in a state like Queensland, where connectivity to the rest of the world is critical.

## Initiatives

Aircraft noise is a concern for some people in the community who report noise disturbance impacting their quality of life. By aligning with Australian standards and international guidelines, and identifying practical solutions consistent with global best practice, Brisbane Airport continues to work with Airservices Australia and airlines to address noise generated by airport operations.

- In FY26, Brisbane Airport went beyond legislated noise abatement requirements with the introduction of operating restrictions to limit additional non-Chapter 14 aircraft in the sensitive hours.

  This is part of our advocacy to encourage airlines to use quieter, next-generation aircraft rather than older, noisier aircraft, promoting the use of the most modern noise standard, ICAO Chapter 14.
- We are also leading, with the support of Airservices Australia, a voluntary tailwind trial which highlights to airlines and flight crew that opting for over the bay departures, whenever both safe and practicable to do so, benefits the community we all serve.
- We enhanced the information provided online to our community this year with a refresh of the noise section of our website, incorporating new video content as well as enhanced data provision. We also introduced the interactive tool Brisbane Flight Tracker on our website. The tool utilises 5 permanent noise monitors in the vicinity of the airport to provide supplementary noise information. A temporary roving noise monitor is also available for deployment.
  The flight tracker shows the location and live data from these monitors along with aircraft data, flight tracks, weather information and airport operational information. As well as viewing a live feed, historic flight and noise data can be retrieved and reviewed. Further enhancements are planned with the objective of providing our community with as much information and understanding of airport operations as possible.
- We continued to work with Airservices Australia and the community on the Noise Action Plan for Brisbane program to optimise flight operations in a sustainable manner and minimise noise over residential areas where practicable.

We have continued participation in community forums such as the Brisbane Airport Community Airspace Advisory Board (AAB) and Brisbane Airport Community Aviation Consultation Group (BACACG) to facilitate ongoing dialogue with residents, local councils, and advocacy groups. We provide regular updates, opportunities for feedback, and channels for lodging noise complaints or suggestions.

## Fleet changes

The progressive fleet replacement by airlines has continued throughout FY26, with airlines moving to quieter, more efficient aircraft in both the domestic and international fleets. The major domestic airlines have increased the number of Airbus A220s, Boeing 737 Max, and Airbus new generation A320 family aircraft that operate through Brisbane Airport, while international carriers are similarly expanding the use of Boeing 787 and Airbus A350 aircraft.

In 2026, Malaysia Airlines introduced the latest generation of Airbus A330-900 aircraft, which also meet the strict ICAO Chapter 14 noise requirements.

Between June 2025 and June 2026, there was a 54% increase in movements at Brisbane Airport by Chapter 14 aircraft. Brisbane Airport will continue to encourage airlines to operate their most noise and fuel efficient aircraft wherever possible, and continue to support the ongoing fleet replacement programs.

## Complaints

Although Airservices Australia is the primary point of contact for aircraft related noise complaints, Brisbane Airport does receive some noise complaints from members of the Brisbane community.

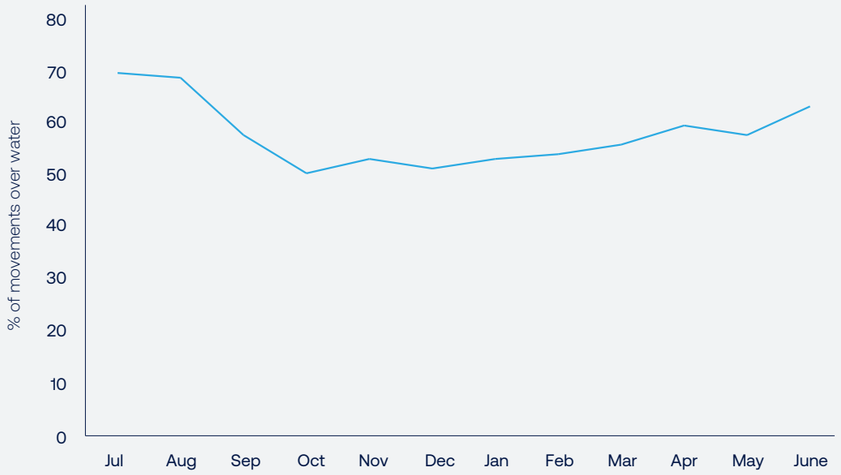
The number of complainants remained very low throughout the year, and has decreased significantly since FY25. Of the 1,897 aircraft noise related complaints received, 96% were submitted by one person.

### Night movements

We recognise that communities are more sensitive to aircraft noise during night hours. Where weather and traffic conditions allow, we ask Airservices Australia to prioritise operations over the bay, with a particular focus on night operations.

This graph demonstrates the percentage of aircraft arriving and departing over the bay and away from the city between 10pm and 6am during FY26. Seasonal wind and weather patterns drive variations across the year.

FY26 — Over the Bay: % total night movements




## Tailwind trial

The tailwind trial is an 18-month program to explore the potential of safely increasing the proportion of aircraft that operate over water, with the aim to reduce overnight noise for local communities.

In the long term, this approach could allow more flights to use over water routes, significantly reducing aircraft noise for affected Brisbane residents.

The trial runs nightly between 10pm and 6am, enabling pilots to request a specific runway when conditions are acceptable.

Runway selection may vary, with pilots assessing airfield conditions, aircraft performance, operating route and company operating procedures before requesting a runway.

The trial was enabled only for departing aircraft in FY26.



# Landside connectivity | ground transport

Passenger numbers through Brisbane Airport are expected to double over the next 20 years, while the number of people working at the airport is also expected to double, placing increased demand on ground transport infrastructure.

To support this demand, Brisbane Airport is focused on enhancing connectivity, improving transport options and ensuring a seamless journey.

Collaboration with government, industry partners, and service providers will be key to delivering an efficient, sustainable and passenger-friendly transport network.

## Active transport

Following the development of Brisbane Airport's Active Transport Strategy and Action Plan, FY26 focused on advancing design, coordination and early delivery across priority corridors and developing precincts.

Continued collaboration with the Queensland Department of Transport and Main Roads, Brisbane City Council and the Airport Bicycle User Group ensured alignment with broader regional networks and future demand, including the inclusion of the airport in the state's Principal Cycle Network.

In FY26, Brisbane Airport progressed the Terminal Connection Bikeway Project which addresses a missing link, connecting Banksia Place to the Domestic Terminal Precinct by converting an existing road lane to a separated, bi-directional bikeway.

The airport also invested in bicycle parking facilities in the new Domestic Terminal P2 parking extension, including undercover public bicycle parking and a repair stand.




Investment in pedestrian infrastructure continued across the precinct, with upgrades delivered in key employment areas including Da Vinci and Airport Industrial Park, with the delivery of the Moreton Bay Cycleway connection at Viola place completed by Brisbane City Council, filling a missing access link to Brisbane Airport from the south.

## Train

Brisbane Airport is currently serviced by Airtrain, a privately owned, commuter rail line connecting to the South East Queensland Rail Network.

Brisbane Airport will continue to advocate for the Queensland Government and Airtrain to improve rail services to the airport. Options to improve the Airtrain could include increased service frequency and expanded hours of operation, fare normalisation to align with the broader public transport network and infrastructure improvements (e.g. a new station at Skygate) to enable more public transport options to the Brisbane Airport precinct.

These need to be considered within the context of Airtrain's concession which is between the Queensland Government and Airtrain.

## Bus

In 2024, Brisbane City Council announced a plan to extend the Brisbane Metro to Brisbane Airport (including Skygate precinct and the terminals). The extension of Brisbane Metro is supported by Brisbane Airport, with ongoing advocacy and planning being undertaken. It is also acknowledged that this proposal is subject to further feasibility investigations and community engagement.

Brisbane Airport also continues to advocate for additional bus routes to the Skygate precinct to improve public transport services to the broader airport precinct while the present Airtrain arrangements are in place.

## Road network

Brisbane Airport's road network facilitates more than 100,000 vehicle movements every day. We continue to invest in road upgrades and future network improvements to support growth and ensure the precinct remains accessible, efficient and resilient for all users.



# Thriving Precincts

## In this section


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Brisbane Airport is accelerating the development of sustainable, vibrant and people-centric terminal and property precincts that deliver a distinctive *'don't worry, be happy'* experience.

Across our terminals and airport precincts, we create high-quality environments for travel, business and leisure that reflect Brisbane's character and lifestyle, while supporting long-term value creation.

Our approach emphasises thoughtful design, innovation and resilience, embedding sustainable design principles, circularity and climate resilience into how our 8 precincts are planned, built and operated.

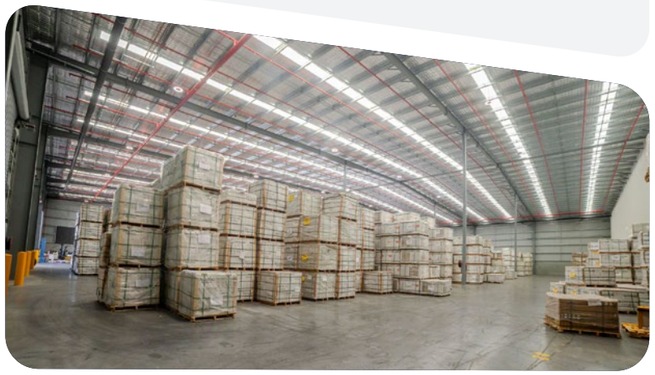
By delivering seamless end-to-end experiences across the airport, we aim to make every visit feel effortless and welcoming. Together, these initiatives reinforce Brisbane Airport's role as a trusted gateway for Queensland and a place where people can visit, work and connect with confidence.

### How we are delivering it

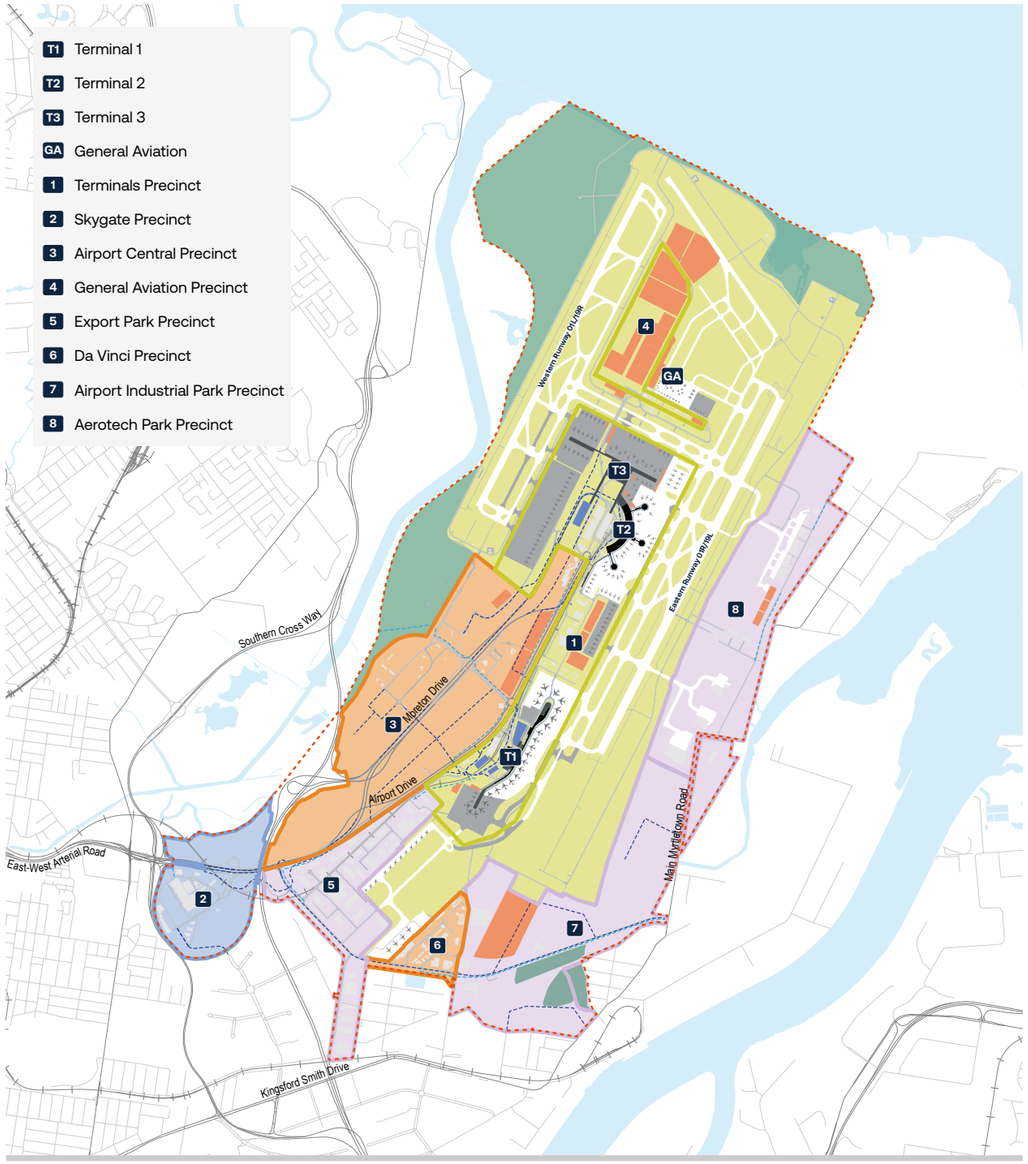
- Creating vibrant, mixed-use spaces upgrading retail, lounges, hotels and offices
- Accelerating land preparation and planning
- Strengthening asset reliability
- Sustainable design, circularity and climate resilience embedded in every precinct.

### Key achievements

- Opened key commercial and industrial developments including Landers Pocket, United Rentals, Trivantage and 7 Callistemon St
- Delivered the Domestic Terminal and International Terminal security upgrades
- Added over 5,000 parking bays for domestic and international passengers
- Developed and implemented a Circular Economy Roadmap.



## 20-year precinct plan from the Brisbane Airport 2026 Master Plan




# Commercial

The Commercial team oversees the development and management of Brisbane Airport's property, retail, eCommerce, parking and ground transport portfolios, delivering commercial growth, enhancing customer experiences and supporting the ongoing evolution of the airport precinct.

## Property

Brisbane Airport is more than a gateway to the world. It is a thriving destination where businesses invest, people work and communities connect. Brisbane Airport plays a key role in shaping this vision by delivering sustainable developments across a diverse mix of commercial, aviation, retail, industrial, entertainment and lifestyle facilities.

By creating vibrant precincts, Brisbane Airport continues to support economic growth, job creation and long-term value for the region, while maintaining a focus on sustainability through developments targeting 5 Star Green Star ratings.

Property development projects live in FY26 totalled

**$153.1m**

$67.7m including the Aeromedical Precinct.

### Key achievements

- The value of the property portfolio has grown to $2.9 billion
- Completed 23 new lease and licence agreements
- Maintained 1% property portfolio vacancy rate
- Acquisition of 2 sites from ground lease tenants, spanning 18,160 sqm of Net Lettable Area (NLA), adding to portfolio of tenants
- Invested $611.8 million capex in property development FY22-26.

**Practical completion achieved on 3 sites:**

| United Rentals | Trivantage | 7 Callistemon St |
|---|---|---|
| **7,583 sqm** NLA | **4,550 sqm** NLA | **2,200 sqm** NLA |














## Industrial developments under construction

Three developments are currently under construction in Airport Industrial Park (AIP).

- 4WD Supacentre will complete AIP Stage 1, occupying the final 47,071 sqm site. Construction of the 20,000 sqm warehouse started in May 2026, and is targeting a mid-2027 completion. The development is targeting 5 Star Green Star alignment through sustainable design elements.
- 7 and 11 Tamarind Place are the first two sites developed in the 25 hectare Stage 2 of AIP. These are both proactive developments, offering 10 tenancies with sizes ranging from 1,463 sqm to 10,958 sqm. Both sites are targeting 5 Star Green Star certification and will include rooftop solar and EV charging.

## Skygate developments

Two developments commenced and a further two opened in FY26, supporting Skygate's repositioning as an entertainment and leisure destination.

- The Build and Design Centre will relocate from its existing tenancy in South Brisbane, growing its showroom footprint. The 4,000 sqm purpose-built facility will feature 70 showrooms in one centralised space.
- Australia's largest Area 51 will open at Skygate in late 2027, spanning more than 7,000 sqm. The facility will feature giant play zones such as climbing arenas, trampolines, ninja-style obstacle courses, inflatables, sports court, high ropes, toddler-zone, in-house cafe and more.
- 4 Pines Brewing Co opened at Landers Pocket.
- Fever opened with its Dinos Alive immersive experience.

## Aeromedical

In FY26, construction on the $217 million Aeromedical Precinct reached over 50% completion. The precinct will be the new home of Royal Flying Doctor Service, LifeFlight, Retrieval Services Queensland and Queensland Police Service Aviation Capability Group, bringing leading rescue and medical services together in one purpose-built hub to better serve Queenslanders.

Capacity for

**26**

aircraft

**18,700 sqm**

of hangar and headquarters space

**17,800 sqm**

of tarmac parking





## Retail

Brisbane Airport's retail objectives are to curate and manage a diverse retail, commercial and advertising portfolio across the terminals and Skygate. By fostering strong retailer partnerships and investing in customer experience initiatives, the airport supports both commercial growth and service excellence, ensuring its retail offering continues to meet the evolving needs of passengers, visitors and airport workers.

### FY26 achievements

- Completed 120 leasing agreements
- Opened the first new retail stores as part of the International Terminal retail upgrade project — Flight Centre on Level 4 and McDonald's on Level 3
- Opened new Lego and UGG stores at the Domestic Terminal
- Launched the world's first Brooki Bakehouse cookie vending machine, supporting a local viral social media sensation at the International Terminal
- Integrated Prosegur and Escape Lounge e-commerce sites into the BNE website
- Winner of the AAA Airport Excellence Award — Commercial and The Moodies Best Omnichannel Campaign — Airport
- Agreed new terms with Car Rental Operators across the airport precinct
- $832 million of retail sales across the terminals and Skygate precincts (including DFO)




### International Terminal retail upgrade

During FY26, Brisbane Airport progressed the transformation of the International Terminal retail experience, advancing the renewal of speciality retail, travel essentials, foreign exchange, and food and beverage offerings to better meet the evolving needs of international travellers.

Thirteen new and upgraded food and beverage outlets were announced, across 3 levels of the International Terminal. McDonald's was the first of these new stores to open, welcoming customers from December 2025. All other food and beverage outlets are due to open by the end of 2027.

New retail coming to International Terminal will include travel essentials from Relay, Prosegur Change, Currency Exchange and the footprint of the existing Lotte Duty Free store will almost double as part of the transformation in coming years.






## Parking and ground transport

Brisbane Airport's parking and ground transport objectives are to ensure seamless connections for people to, from and around the precincts. Through ongoing investment in technology solutions, infrastructure and customer-focused products, we deliver convenient and accessible parking and transport solutions while supporting the airport's continued growth and management of non-terminal parking assets across the airport precinct.

### FY26 achievements

- 2.1 million transactions across all parking and ground transport products and services
- 921,987 online transactions
- 122,607 International Terminal ParkValet and Domestic Terminal Park&Fly customers
- Over 565,000 kg of carbon offset by parking customers

### Parking capacity projects

Five parking capacity projects were completed during FY26, enhancing the customer and worker experience through improved access, greater choice and increased parking availability, as Brisbane Airport continues to grow.

These include:

- Domestic Terminal P2 parking extension project, delivering an additional 1,700 parking bays for domestic travellers
- AIRPARK expansion project, providing 1,750 more budget-friendly spaces for both domestic and international travellers
- Domestic Terminal P2 bicycle parking facility, with the ability to store 42 bicycles for airport workers. The facility provides secure, end-of-trip parking for bicycles, e-bikes and e-scooters, plus secure lockers, change rooms and a bike repair station
- International Terminal valet storage facility, delivering 1,793 bays to support the operations of this service for international travellers
- Staff parking conversion at AIRPARK, delivering 1,200 bays for Brisbane Airport staff working at the Domestic Terminal precinct



## Organisational resilience

Organisational resilience is the ability to anticipate, prevent, prepare for, respond to and adapt to incremental change and sudden disruptions. It enables Brisbane Airport to navigate uncertainty, deliver long-term responsible growth and create value for our community, customers, employees and shareholders.

Brisbane Airport's Organisational Resilience Framework is structured across 6 pillars: Infrastructure Resilience, Climate Resilience, Financial Resilience, People Resilience, Technology Resilience and Operational Resilience. These pillars are managed through a continuum of prevention, preparedness, response and recovery measures, supporting Brisbane Airport to maintain value today through operational continuity, and create value tomorrow through delivery of strategic initiatives.

Maintaining resilience is becoming increasingly complex as Brisbane Airport delivers record passenger growth and an accelerating capital program. This complexity is compounded by persistent cost inflation, fuel security pressures and supply chain constraints arising from the Middle East conflict, alongside ongoing management of traditional disruption-related threats such as severe weather, infrastructure and technology failures, and security events.

Despite this operating environment, there were no major disruptions during FY26. Brisbane Airport continues to strengthen its organisational resilience capability, including proactive assessments of critical infrastructure to improve asset lifecycle management, contractor resilience and continuity arrangements. During FY26, a full-scale emergency exercise was conducted with emergency services and key partner agencies to test Brisbane Airport's readiness for a major emergency event on the precinct. Continued investment in testing, exercising and proactive assessment reinforces Brisbane Airport's preparedness for future uncertainty and potential disruptions.

## Sustainable design

Brisbane Airport maintains a sustainable design guideline that applies to airport development projects. The guideline outlines requirements across key sustainability areas including environmental performance, health and wellbeing, technology integration and long-term resilience.

As part of our sustainable design approach, we prioritise the use of lower-carbon materials across new projects, such as lower-carbon concrete, recycled asphalt and recycled steel.

In FY26, we further strengthened our approach through the development of a Circular Economy Roadmap, embedding circular design principles into the planning, design and construction of airport infrastructure.

The roadmap focuses on designing out waste, increasing the use of recycled and reused materials, improving material tracking and data management, and considering whole-of-life outcomes at the earliest stages of project development.

Together, the Sustainable Design Guideline and the Circular Economy Roadmap support more efficient use of resources, reduce environmental impacts and help ensure our infrastructure continues to deliver long-term value as Brisbane Airport grows.

We continue to evolve our guidelines and frameworks in line with industry standards, ensuring developments support our commitment to responsible and sustainable growth.

Case study

## Green Star

In FY26, Brisbane Airport achieved 5 Star Green Star certifications for 5 developments, utilising the Green Star Buildings tool. As Brisbane Airport's first buildings certified under the Green Star Buildings tool, it marks a major milestone in sustainable design across our precincts. These buildings are home to Martin Brower, Phoenix Logistics, Tile One and Sadleirs and Australia Post.

**Each building achieved the following sustainable outcomes:**

**more than 90%** of construction waste diverted from landfill

**75% less** operational potable water use for the building

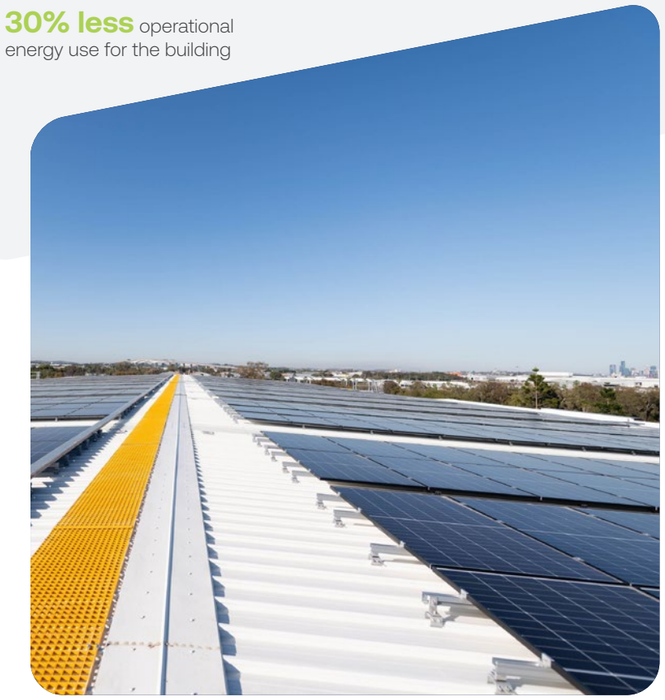
**20% less** upfront carbon emissions though the use of lower carbon concrete

**30% reduction** in lifecycle impacts of materials.

**30% less** operational energy use for the building

We are proud to have a strong pipeline of projects pursuing 5 Star Green Star certification, with 6 other projects currently under construction or awaiting final submission also targeting 5 Star Green Star certification.

We will continue to work closely with our partners and tenants to embed sustainable design and construction practices across future developments.







Thriving Precincts

Case study

# Car parking

## Two major carpark expansions, the P2 Parking Extension at the Domestic Terminal and the AIRPARK expansion, delivered more than 3,400 parking spaces for passengers while integrating sustainable conscious design features.

For the Domestic Terminal P2 parking extension, Boral's Envirocrete Plus, a lower carbon concrete, was used for the build. This is the first time Brisbane Airport has used lower carbon concrete for a multi-storey carpark. With more than 10,000 cubic metres needed for the project, it's a significant volume and resulted in 85% of all concrete used for the project to be lower carbon concrete.

Recycled materials also play a big role in the build. The project incorporates 75% recycled content in reinforcement steel, going up to 92% in the threaded rods. The asphalt mix included 20% recycled content, and the aluminium façade contains 55% recycled content.

A 22,700L rainwater capture and irrigation system will support surrounding landscaped areas, complemented by 1.07 MW of solar and energy efficient LED lighting.

AIRPARK's expansion follows a similar approach to sustainability. The project was able to reduce waste by reusing materials from other projects on airport land such as fill and former bus stops.

Sustainability has also been built into the project's design, implementing initiatives such as recycled asphalt pavement and lower carbon concrete for footpaths, driveways, and foundations. Additional measures were taken to reduce the overall concrete required, including the use of plastic drainage pipes, wheel stops made from recyclable materials, and Rombus, a flexible pavement solution, made from recycled plastic, that further minimises concrete usage.

Solar panels have also been installed on the covered entry roof structure, providing renewable energy to support the airport's broader energy network. Additionally, the AIRPARK project is delivering Brisbane Airport's first battery storage trial, designed to explore how energy can be stored and how power use can be better managed across the precinct. The insights from this trial will help shape future renewable energy initiatives across the airport.



## Accessibility

To support accessible travel in line with the Aviation White Paper, Brisbane Airport has established an internal Accessibility Working Group to assist with non-compliance related accessibility programs across 3 categories:

- Soft programs: delivering personnel-led initiatives that support the passenger journey, enhance the customer experience and address gaps not covered by existing partners or infrastructure
- Infrastructure: designing and delivering airport assets across new and existing projects, incorporating best practice alongside compliance requirements
- Digital: providing digital applications and services that inform travellers, support navigation and enhance the overall passenger journey.

The Accessibility Working Group also supports the delivery of current and future programs including the Hidden Disability Sunflower program, training for staff and contractors, communication tools and the Accessibility Journey Planner.



# Our environment

## Environmental management

Brisbane Airport 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 our precinct with a new AES approved by Minister Catherine King in May 2026.

### Biodiversity and heritage management

Brisbane Airport covers 2,700 hectares, including a 294-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 FY26, we completed 4 biodiversity specific investigations, which included a mangrove mapping and aerial review, weed and fire ant survey 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 now century-old Southern Cross aircraft. This year we continued to implement the Heritage Management Plan, which informs planning, design and development at the airport, and links into the Reconciliation Action Plan.

### Environmental monitoring and compliance

Brisbane Airport maintains an Environmental Management System (EMS) that in FY26 was certified to the international standard AS/NZS ISO 14001:2015. The EMS adopts a risk-based approach to management of our environmental performance across the business, which includes operations, tenant and project management. Environmental monitoring completed in FY26 included environmental investigations on projects, ongoing project monitoring and the implementation of the sitewide water quality monitoring program.

We help prevent contamination and protect the environment around Brisbane Airport through water quality monitoring, pollution prevention measures, spill response programs and the management of contamination risks associated with airport operations and development.

Brisbane Airport is culturally and spiritually significant to First Nations peoples.



Brisbane Airport covers 2,700 hectares, including a 294-hectare Biodiversity Zone.



Environmental system highlights

**4** water quality monitoring events

**2** post-wet weather water quality monitoring events

across a network of **52** locations

**133** projects | **588 actions**

**56** tenant inspections | **117 actions**

ISO 14001 | **Certified**

## Water

Brisbane Airport is actively working toward its target of 50% recycled water use by 2030, reinforcing its long-standing commitment to sustainable resource management. With continued growth in passenger numbers driving up water demand, efficient and diversified water use is essential to maintaining sustainable operation.

Currently, we source water from:

- Urban Utilities' potable water network
- Class A recycled water from the Gibson Island Wastewater Treatment Plant
- Onsite stormwater harvesting.

To further reduce reliance on potable water and meet growing demand, we're planning to incorporate an additional recycled water source from Urban Utilities' Luggage Point Treatment Plant.

**This year our water consumption was:**

BAC potable water

**275 ML**

BAC recycled water

**192 ML**

We continue to implement measures to reduce potable water consumption, including:

- Installing water-efficient fixtures and fittings
- Using harvested stormwater for irrigation
- Using recycled water in terminal cooling towers
- Reducing water losses.

Ongoing efforts are focused on expanding non-potable water applications and introducing further water-saving initiatives to ensure the long-term sustainability of Brisbane Airport's water resources.

## Waste

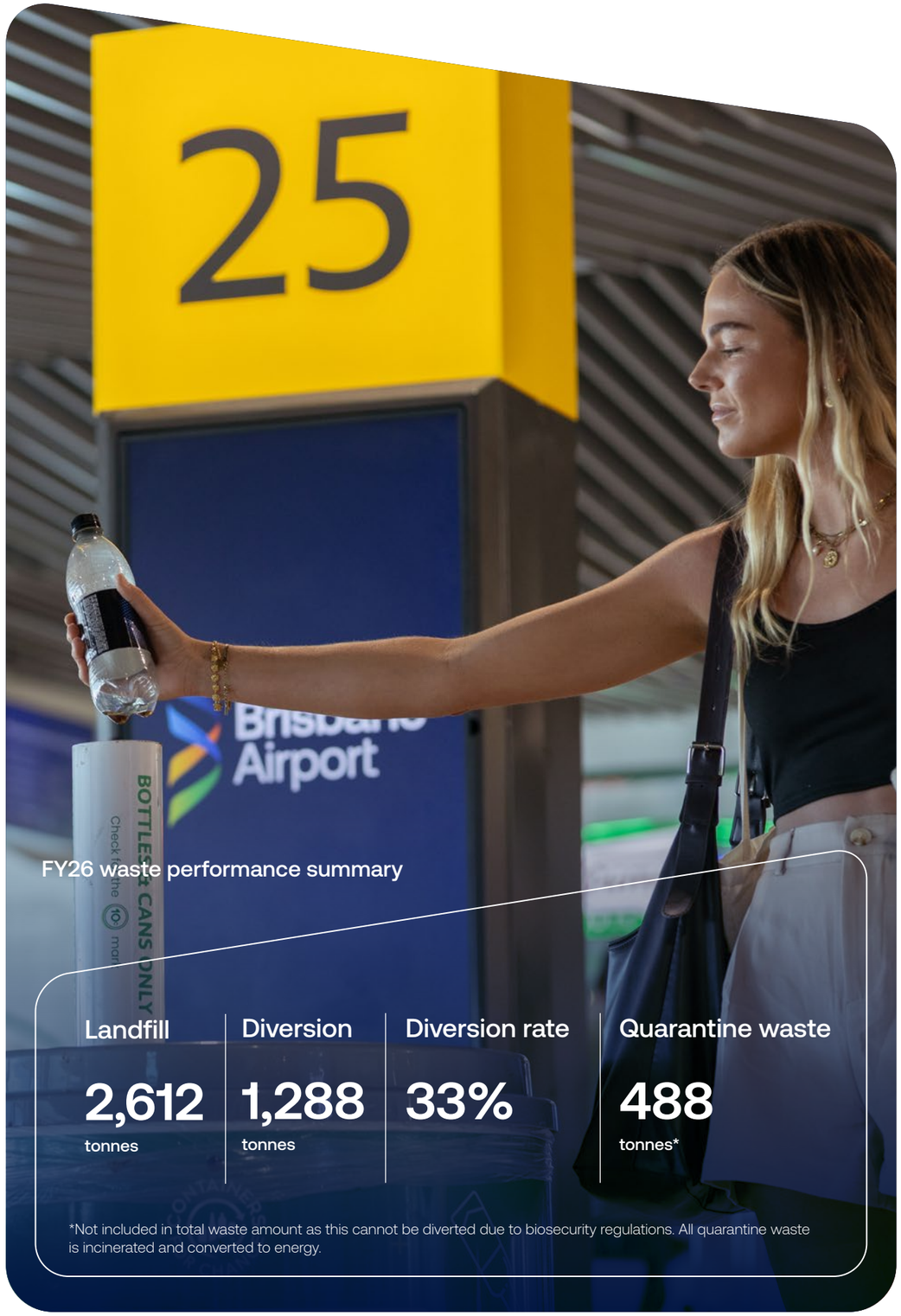
Brisbane Airport manages waste generated from our activities, operations and our business sites, including the terminals. We have committed to achieving zero operational waste to landfill by 2030 (excluding biosecurity waste from quarantine zones at the International Terminal).

In FY26, we developed our Waste Roadmap, outlining the key initiatives required to reduce waste and increase diversion across all our managed sites. The roadmap focuses on improving operational performance through strong governance, diversion by design through simplified bin infrastructure, and influence through retailer and partner collaboration.

We progressed the redesign of our bin infrastructure in the Domestic Terminal, developing a set of bin design principles and simplifying waste streams to reduce contamination and improve diversion outcomes. Updated signage is also being rolled out across gate lounge fixed bins to align with the new stream categories. These foundations underpin a precinct waste trial launching in early FY27, which will test the new infrastructure and streams in a live terminal environment.

We continued to strengthen our retailer and tenant engagement, working closely with our Commercial and Retail teams, and waste partner Cleanaway, to support tenants in improving waste separation practices and aligning with our diversion objectives.

Building on the progress of prior years, we also continued to expand our Containers for Change bin network and maintain our organics and recycling streams, further contributing to landfill diversion across the airport precinct.




FY26 waste performance summary

| Landfill | Diversion | Diversion rate | Quarantine waste |
|---|---|---|---|
| 2,612 tonnes | 1,288 tonnes | 33% | 488 tonnes* |

*Not included in total waste amount as this cannot be diverted due to biosecurity regulations. All quarantine waste is incinerated and converted to energy.

## Emissions

BAC takes a proactive approach to managing and reducing emissions. In FY26, we maintained our net zero status (scope 1 and 2), having first achieved net zero from 1 January 2025. Our scope 1 emissions are generated from refrigerants, SF6 switches, fuel consumption from fleet vehicles, fire pumps and generators. Scope 2 is generated from the consumption of our purchased electricity.

In FY26, we continued to maintain net zero in our scope 1 and 2 footprint by sustaining the emissions reduction initiatives implemented in previous years and offsetting the small amount of residual emissions that remain difficult to eliminate via our carbon offset partnership with Tasman Environmental Markets, which involves active land regeneration. Brisbane Airport undertakes a rigorous due diligence process to ensure offset projects deliver genuine, verified and additional carbon removal outcomes.

We continue to focus on further reducing our residual emissions by:

- Progressing the transition of SF6 switches from gas to air-based alternatives
- Expanding BAC onsite solar to 13.3 MW
- Conducting electric vehicle market scans
- Implementing battery energy storage system trial.

We recognise that our scope 1 and 2 emissions account for just 1% of the total emissions at Brisbane Airport, and the real challenge lies in reducing scope 3 emissions. The most significant source of our scope 3 emissions is generated from aviation fuel. Other large contributors include ground services equipment, tenants' electricity, and passenger and customer travel to the airport (taxi, car, bus).

In FY26, we confirmed our commitment to supporting the aviation industry goal of achieving net zero emissions by 2050. We significantly progressed our approach to scope 3 emissions reduction through developing our first Carbon Management Plan, providing a structured framework for how we will work across its operations, supply chain and airport precinct to reduce emissions over time. The plan defines BAC's role across 3 levels of influence:

1. **Lead:** Where we have direct control, taking action to reduce emissions within our own operations and infrastructure
2. **Connect:** Where we can facilitate change by bringing together stakeholders in the aviation ecosystem (i.e. airlines, tenants, fuel suppliers and transport operators) to collaborate on shared decarbonisation goals
3. **Partner:** Position Brisbane Airport as the partner of choice and work industry advocate and find solutions to drive emission reductions.

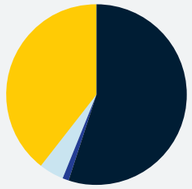
We continued to roll out electric chargers airside for ground service equipment, supporting the transition away from diesel-powered vehicles across the apron. We also commenced planning for the installation of ground power units (GPU) and pre-conditioned air (PCA) units on select aerobridges, which will enable airlines to reduce auxiliary power unit fuel burn while aircraft are at gate, supporting airline decarbonisation and improving air quality airside.

Beyond aviation and airside emissions, ground transport is the second largest source of scope 3 emissions at Brisbane Airport. Passenger and employee travel to and from the airport is a significant contributor to precinct-wide emissions, and Brisbane Airport is actively working with transport partners and government to increase the share of low-emission and alternative transport modes — including public transport, active transport and electric vehicles.

In FY26, this included supporting the expansion of electric vehicle charging infrastructure across the precinct, advocating for improved public transport frequency and connectivity, and engaging with ground transport operators to support the transition to zero-emission vehicle fleets.

We remain committed to working with our customers, supply chain and partners to identify and implement further emissions reduction opportunities across the airport precinct.

Scope 1 and 2



Scope 3



**SCOPE 1**

- **55.2%** Diesel (fleet and plant equipment, diesel generators, fire pumps) 493 $tCO_2e$
- **1%** Petrol, 9 $tCO_2e$
- **39.3%** Refrigerants 351t $CO_2e$
- **4.5%** SF6, 40 $tCO_2e$

**SCOPE 2**

- **0%** Electricity* 0 $tCO_2e$

**SCOPE 3**

- **91%** Aircraft emissions** 4,587,365.6 $tCO_2e$
- **9%** Other*** 456,072 $tCO_2e$

* Market-based scope 2 emissions reflect renewable energy certificates surrendered to offset emissions associated with purchased electricity.

** Aircraft emissions includes aircraft full flight emissions and aircraft maintenance, repair and overhaul.

*** Other includes, airside vehicles, landscaping, tenant (gas, refrigerants, generators, electricity), 'Well to Tank' emissions, transmission and distribution losses, fire training, waste, wastewater, airport construction (contractors), staff business travel, employee and passenger commutes to the airport.







Thriving Precincts

## 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. Since 2013, we have implemented considerable energy efficiency initiatives, resulting in significant energy savings, in turn leading to more sustainable and cost-effective services for customers.

In FY26, a total of 138 gigawatt (GW) hours of electricity was used by the airport site, with 45 GW 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 consumption is by airport tenants.

A total of 14.1 GW hours of energy was produced and consumed from our on-site solar, which accounts for 23.9% of total energy consumption by BAC. Our total installed on-site solar capacity increased to 15.2 MW (13.3 MW BAC capacity + 1.9 MW tenant capacity).

BAC continues to purchase 100% renewable-backed electricity through our power purchase agreement with Stanwell Corporation, sourced from Queensland-based wind farm and solar projects. This agreement, combined with our onsite solar generation, underpins our net zero (scope 1 and 2) status.

In FY26, we continued to focus on improving energy efficiency across the precinct optimising building management systems and identifying opportunities to expand on site solar capacity as part of future infrastructure planning, including Terminal 3.

BAC is committed to the efficient use of energy in all aspects of its operations. As passenger numbers and precinct activity continue to grow, energy efficiency and renewable energy generation remain critical to managing our footprint and supporting sustainable operations across the airport.

### Case study

## Unlocking airport energy resilience

In FY26, we commissioned our first battery energy storage system (BESS) at Brisbane Airport, a 336 kWh customised system designed, manufactured and commissioned by our delivery partner Pacific Energy as part of a sustainability-focused pilot program.

The pilot is deliberately a learning platform rather than a standalone asset. Brisbane Airport operates its own distribution network across the precinct, and with demand projected to more than double by 2040, the value of storage lies in how well it can be integrated and coordinated with the rest of our energy system. The trial is therefore being run as a staged test program across several modes of operation: maximum demand reduction, storage of excess generation from our growing on-site solar portfolio, and power quality support across the network. Testing of the first modes is complete, with further modes underway.

The trial is building our understanding of how storage can reduce peak demand, improve power quality and support greater integration of renewable energy across the precinct — and, just as importantly, what capability we need to operate these assets well. The lessons are already shaping how we specify, procure and govern the energy assets that follow.

The BESS complements our broader clean energy ecosystem, which includes a 100% renewable-backed electricity supply agreement with Stanwell Corporation and BAC's ongoing investment in renewable energy, electrification and energy resilience.




## Climate change

Brisbane Airport's unique location on the edge of Moreton Bay and surrounding rivers and creeks makes us highly susceptible to a changing climate. We understand the critical importance of addressing climate change and accelerating the transition to a lower carbon future.

Our operations are exposed to the physical impacts of climate change, and the challenges and opportunities associated with decarbonisation. The effects of climate change are already being experienced at Brisbane Airport, and climate change is included within strategic planning for the airport.

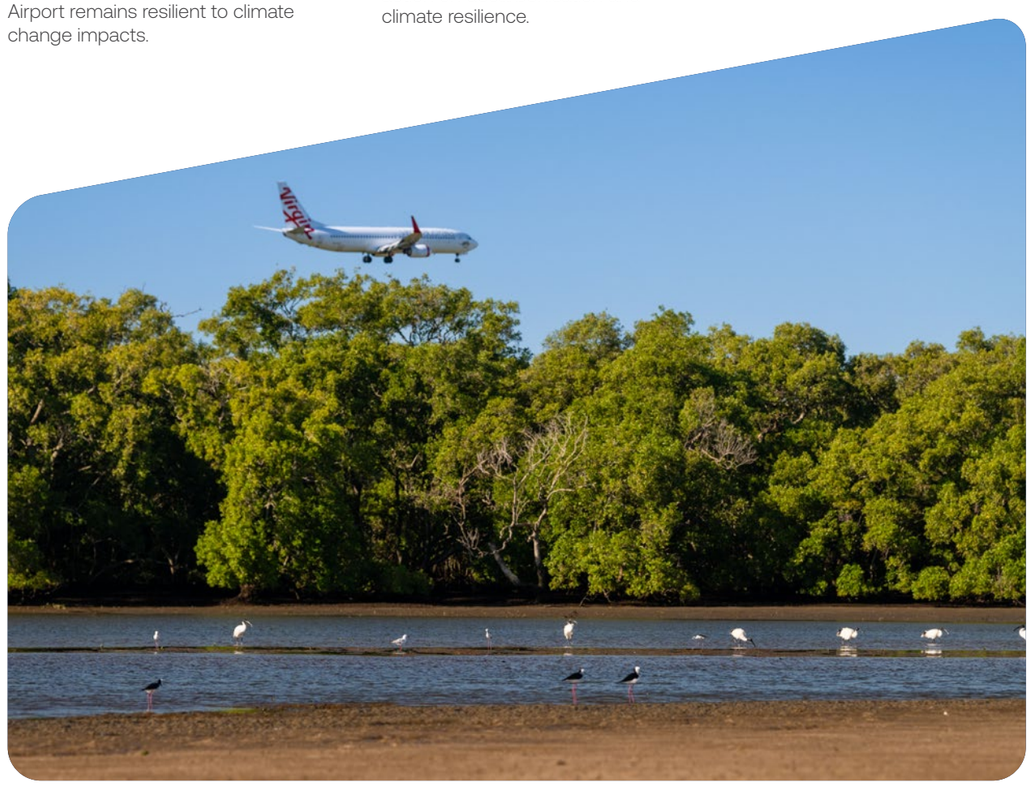
We are committed to playing a leadership role in climate action, reducing our own emissions, supporting the decarbonisation of the sector, and building resilience into our infrastructure and operations. We understand we cannot decarbonise alone, and partnerships are critical to ensure Brisbane Airport remains resilient to climate change impacts.

Brisbane Airport has identified its material climate-related impacts through risk assessments and scenario analysis aligned to international climate science. These assessments evaluate both physical and transitional climate risks and opportunities:

- Physical risks relate to the direct impacts of climate change, which can be acute (event-driven, such as flooding and cyclones) or chronic (longer-term shifts in climate patterns, such as sea level rise and increased temperatures)
- Transition risks relate to the challenges associated with transitioning to a lower-carbon economy, including changes to policy, regulation, technology and market expectations
- Transition opportunities relate to the potential benefits arising from the transition, including new revenue streams, operational efficiencies and enhanced competitiveness through early action on decarbonisation and climate resilience.

We continue to proactively manage our exposure to climate change through the identification and management of climate-related risks and opportunities, ensuring they are embedded into our strategic planning, infrastructure decisions and day-to-day operations.

In FY26, BAC prepared its first Sustainability Report (climate-related Financial Disclosures) in accordance with Australian Accounting Standards Board (AASB) S2 Climate-related Disclosures. The report provides detailed information on BAC's climate-related governance, strategy, risk management, and metrics and targets. For further detail on climate-related risks and opportunities, scenario analysis, and transition planning, refer to the Sustainability Report (climate-related Financial Disclosures) section of this report.



# Empowered Performance

## In this section


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Brisbane Airport is committed to being a great place to work, do business and partner with, by enabling performance that is safe, secure, smart and sustainable.

We are creating a workplace and business environment where our people can thrive, partners can succeed and the airport can grow responsibly. Our approach is grounded in a strong safety culture and supported by ongoing investment in capability, innovation and major capital projects that strengthen how the airport operates and evolves.

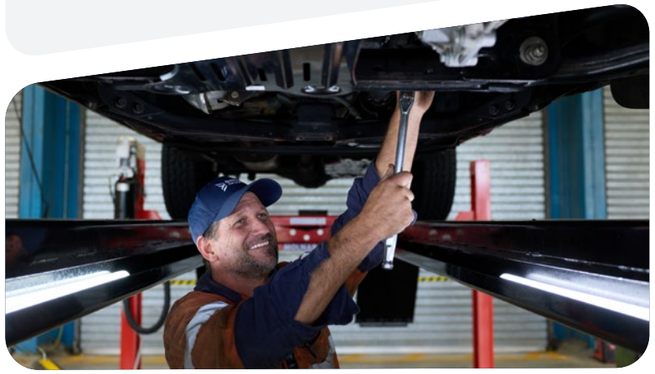
By working closely with our workforce, industry partners and the broader community, we aim to deliver long-term value while fostering a culture of accountability, collaboration and continuous improvement. This focus supports strong operational outcomes and positions Brisbane Airport as an employer of choice and trusted business partner, contributing to the airport's ongoing success and resilience.

### How we are delivering it

- Reinforcing Brisbane Airport as a great place to work, do business and a client of choice
- Attracting, engaging and retaining talent
- Setting new benchmarks for aviation security and risk management
- Implementation of a Cyber Strategy, 24/7 Integrated Operations Centre and external assessments to protect digital infrastructure.

### Key achievements

- Implemented BNE employee experience program to attract and retain workforce across our precincts
- Maintained our strong culture and commitment to safety through leadership excellence
- Delivered operational readiness for new passenger technology
- Board endorsement of the revised Enterprise Risk Management Framework.



# Our people

## Our people are central to Brisbane Airport's success. As the airport continues to transform, we remain focused on nurturing the strong culture that shapes who we are and how we work.

Our values of care, communication, collaboration and courage guide the way we operate, make decisions and support one another. We continue to invest in the diversity, capability and leadership of our people so we can deliver for the airport today, while building the skills and culture needed for the future. For these reasons, BAC has been recognised by the Australian Business Awards as an Employer of Choice for the third consecutive year.

### Maintaining our culture during transformation

As Brisbane Airport continues its transformation, our Capital Delivery Framework provides a consistent and disciplined approach to planning and delivering major projects. The framework brings together clear governance, defined accountabilities, risk management and collaboration to align investment decisions with strategy, and support the safe, efficient and sustainable delivery of projects. It also promotes a shared way of working across teams, helping us build capability while maintaining the strong culture that underpins how we deliver for the airport and our stakeholders.

### Investing in our capability for the future

We continue to invest in the technical, professional and leadership capability of our people through a structured learning and development program that supports growth at every stage of an employee's career.

We expanded our leadership program for all leaders, with a focus on our behavioural competencies of consistency, clarity, energy and grit.

We continue to support professional growth through secondments, coaching, technical and interpersonal skills training, leadership programs and further study opportunities.

### Advancing diversity and inclusion

BAC is committed to gender equality and to fostering an inclusive workplace where employees have equitable access to opportunities and employment conditions, individual differences are respected, and diverse perspectives are valued.

Over the year, BAC has progressed initiatives across the 5 pillars of its Diversity, Equity and Inclusion Strategy: Pathways, Foundations, Unity, Belonging and Aspirations. Together, these pillars reflect priority areas informed by workforce demographics and progress to date.

BAC has also continued initiatives to strengthen female representation in leadership and STEM-related roles, including:

- Targeted recruitment strategies to increase female participation in STEM-related opportunities, including the introduction of undergraduate pathways in Technology
- Initiatives to support the progression of women in STEM roles into leadership positions.

Number of employees

**464**

Females

**40%**



Males

**60%**

Females in senior leadership

**36.8%**

Turnover

**11.6%**

As at 30 June 2026

### Health and safety

The safety and security of everyone at Brisbane Airport is paramount and non-negotiable. It is fundamental to our operations and is embedded in every aspect of how we plan, lead and deliver our work. In FY26, Brisbane Airport further reinforced its focus on preventing serious harm, supporting the health and wellbeing of our people, and strengthening the systems, behaviours and partnerships that help keep employees, contractors, tenants and the public safe each day.

### Driving our health and safety culture

The organisation continued to strengthen its health and safety culture through practical initiatives that improved visibility of risk, encouraged participation and reinforced shared accountability. This was reflected in increased reporting of near misses and unsafe acts, particularly across contractor activities, demonstrating growing awareness, openness and confidence to speak up. This uplift in reporting provided earlier visibility of hazards and enabled more timely intervention, supporting our focus on preventing harm before it occurs.

Culture was reinforced through visible engagement activities, including Airport Safety Week, contractor safety forums, targeted safety communications and initiatives delivered through the BWell program. Our second Take 5 Contractor Forum brought together 41 companies represented by more than 200 workers, with a focus on contractor incident trends, shared safety expectations and meaningful actions to reduce harm. These activities helped reinforce that safety is actively managed by everyone working at, with, or visiting Brisbane Airport.

### Growing our health and safety capability

Brisbane Airport continued to build health and safety capability through systems, tools, training and targeted review of how work is managed across the airport. This included ongoing use and review of contractor management processes, internal and second party audits, simplification of reporting pathways, and continued focus on critical risk controls.

The scale of airport activity increased during the year, including approximately 650,000 additional contractor hours, representing nearly a 21.6% increase in contractor exposure. Against this backdrop, a targeted focus on contractor safety performance was maintained, including closer review of incident investigations, injury management, reporting quality and corrective actions. Where incident responses relied primarily on administrative controls, our people challenged contractors to consider higher order controls where practicable.

Across the year, 380 incident investigations and 355 inspections were completed, supported by internal audits and second party contractor audits. Assurance activities were directed to areas of higher exposure and emerging concern, including contractor activities, electrical safety, road safety, vertical transport, injury management and public interface risks.

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

**Our leadership team showcased a proactive and visible commitment to safety through 555 completed health and safety interactions.**








Empowered Performance

## Incident performance and analysis

Health and safety incidents – reported by category – FY26

| Incident category | BAC worker | Contractor | Tenant | Public | Total |
|---|---|---|---|---|---|
| High | 0 | 0 | 0 | 0 | 0 |
| Medium | 4 | 51 | 6 | 68 | 129 |
| Low | 6 | 50 | 10 | 126 | 192 |
| Near miss | 8 | 57 | 10 | 46 | 121 |
| Unsafe acts* | 3 | 69 | 5 | 0 | 77 |
| **Total** | **21** | **227** | **31** | **240** | **519** |
| High potential incidents | 0 | 3 | 0 | 0 | 3 |

*__Unsafe acts__ *capture behaviours that involve departures from established processes that do not result in injury.*

BAC recorded 519 incidents in FY26 year to date, compared with 380 incidents in FY25. While this reflects an increase in overall reported incidents, unsafe acts (77) were not included in FY25 data.

High potential incidents reduced from 10 in FY25 to 3 in FY26, indicating improved management of higher consequence risk exposures despite major contractor activity across the airport.

Higher levels of near miss and unsafe act reporting reflect a maturing and transparent safety culture, enhancing visibility of risk across operations and contractor activities.

This increased visibility supported collaborative early intervention, stronger investigation of underlying causes and timely implementation of corrective actions.

BAC worker incidents reduced compared with FY25, while public and tenant incident volumes remained broadly stable. Overall, the FY26 result reflects a more proactive reporting and assurance environment with risks being identified and acted on earlier.



# Our community

Brisbane Airport is dedicated to serving Queensland, supporting the connectivity, services and experiences that help our state thrive. From critical infrastructure to community partnerships and passenger experiences, our role extends beyond aviation to deliver meaningful social, economic and community value.

Our relationship with the communities we serve is built on a foundation of openness, honesty and long-term commitment, reflected in the way we invest in Queensland's cultural life, support social inclusion and enhance global connectivity.

## Supporting Queensland

Aeromedical services play a critical role in Queensland's healthcare system, connecting remote and regional communities with urgent and specialised medical care. Given the state's vast geography and decentralised population, these services ensure patients can access life-saving treatment, regardless of where they call home.

Brisbane Airport is investing in the future of aeromedical care through construction of the $217 million Aeromedical Precinct, a purpose-built hub that will bring together leading rescue and medical services in a single, strategically located facility.

Brisbane Airport is a major funding partner of both the Royal Flying Doctor Service and LifeFlight, supporting their essential work in providing rapid aeromedical care and connecting patients across Queensland with life-saving treatment.



### Brisbane Airport aeromedical operations

**Royal Flying Doctor Service**

**7,207**

patients flown in and out of Brisbane Airport

**LifeFlight helicopters**

**603**

people helped including 124 cardiac transfers and 98 trauma patients

**LifeFlight jets**

**405**

people helped

## Supporting Brisbane's cultural and sporting life

Brisbane Airport is committed to helping Brisbane thrive as a vibrant, connected city. Through our sponsorship program, we support organisations and initiatives that contribute to the city's cultural identity, strengthen community connection and enhance Brisbane's appeal for residents and visitors.

In FY26, we sharpened our focus on programs that are free, accessible and inclusive.

Highlights included being a venue for Brisbane Festival's city-wide Craig and Karl Public Art Trail, ensuring the globally renowned World Press Photo Exhibition remained free to experience in Brisbane, and backing the expansion of Museum of Brisbane's Creative Space, providing a permanent, family-friendly hub for creativity and learning.

Our partnerships deliver inclusive access to the arts, from the Luminous Lantern Parade to Queensland Theatre's Community Nights, alongside initiatives such as QAGOMA's Art Box for Kids and Museum of Brisbane's accessible programs.

Our partners include a mix of long-standing and newer relationships, including:

### Arts and cultural

- Australasian Dance Collective
- Brisbane Festival
- Brisbane Philharmonic Orchestra
- Brisbane Powerhouse
- Camerata
- La Boite Theatre
- Multicultural Australia
- Museum of Brisbane
- Opera Queensland
- Queensland Art Gallery | Gallery of Modern Art (QAGOMA)
- Queensland Theatre

### Sporting

- Brisbane Broncos
- Brisbane Roar
- Brisbane Lions
- Queensland Cricket



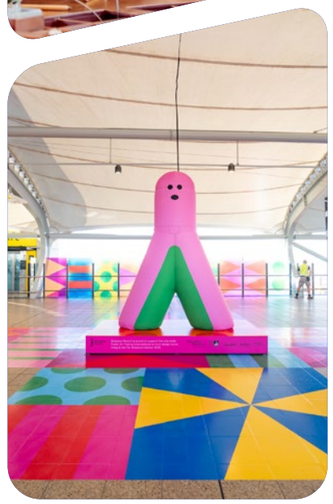
## Bringing sponsorships to life at our terminals

Through our partnerships, we bring the creative strength of Brisbane's arts and culture sector into the terminals, creating experiences that surprise and delight passengers while connecting them to the spirit of the city.

From Brisbane Festival's Craig and Karl installation to live performances by partners including Brisbane Philharmonic Orchestra, Camerata, Opera Queensland and Multicultural Australia's MOSAIC Choir, these experiences introduce our arts partners to a wider audience.

We also exposed millions of travellers to pop-up exhibitions through BNE Gallery, including the World Press Photo Exhibition, 100 Years of Brisbane Airport, Urban Sketchers and the Queensland Day Schools Art Competition.





## Supporting local

Brisbane Airport's Community Impact Program delivered meaningful support to local organisations and those in need, reflecting our commitment to giving back to the communities around us.

In FY26, we delivered our largest-ever Community Giving Fund, distributing $125,000 to 16 organisations, including the RSPCA, Special Olympics Australia and the Sing Sing Sing Dementia Choir. These grants supported a diverse range of initiatives, from grassroots programs to critical services across South East Queensland.

Our Lost Property Auction reached a new milestone with the inclusion of heritage aviation items, raising a record $160,000 to support 6 charities, including Mater Foundation, Children's Hospital Foundation and Ronald McDonald House Charities SEQ.

We strengthened community partnerships through new initiatives, including a collaboration with Foodbank Australia to support the delivery of essential goods to people experiencing food insecurity.

Through our partnership with GIVIT, more than 15,600 items were distributed to people in need. This included sealed hygiene products and other surrendered goods from the International Terminal, ensuring unused items were redirected to those who need them most.

For the third year in a row, Brisbane Airport hosted the Live Like Her Challenge, where more than 400 people slept in our multistorey carpark and raised $413,421 for The Forgotten Women, supporting women experiencing homelessness and housing insecurity.

## Indigenous reconciliation

Brisbane Airport continued to advance its reconciliation commitments throughout FY26, guided by its fourth Innovate Reconciliation Action Plan (RAP), formally endorsed by Reconciliation Australia in 2025. This milestone reflects a reconciliation journey that now spans nearly a decade. During the year, the RAP Working Group grew to 12 volunteers drawn from across all business units.

Economic empowerment and community partnership remained central to reconciliation efforts in FY26. Our commercial relationships with Indigenous-owned businesses were actively strengthened, with progress on developing a First Nations procurement strategy and a continued membership with Supply Nation.

The partnership with Yalari, supporting Indigenous students through full boarding scholarship funding for their entire secondary education, was sustained, alongside a paid internship through Career Trackers to provide pathways to employment for First Nations youth. Together, these actions reflect a belief that genuine reconciliation requires meaningful economic participation, and a commitment to ensuring the airport's prosperity extends to the communities whose Country it occupies.

Brisbane Airport marked the significance of National Reconciliation Week and NAIDOC Week, acknowledging First Nations' history, culture and contribution with events and guest speakers. These served to raise the profile and awareness of our reconciliation journey among our teams, along with a Learning Circle event for staff, to deepen the understanding of our Reconciliation Framework and provide networking opportunities.

Looking ahead, Brisbane Airport has engaged Indigenous artist Megan Cope to deliver two large-scale artworks for the Domestic Terminal in FY27 to provide an authentic sense of place in the terminal.





# Innovation and technology

Over the past year, Brisbane Airport has continued to strengthen its position as one of Australia's most forward thinking airports by actively trialling and implementing innovative technologies across airside, terminal and landside operations. Innovation is managed through a structured governed funnel approach, enabling rapid testing of new ideas and accelerating successful solutions into operational deployment.

The focus throughout FY26 has remained on delivering safer, smarter and more sustainable operations, while improving customer experience and operational efficiency.

## FY26 key innovation programs

### Airside operations and safety

- **Autonomous robot mowers:** A multi-phase trial of autonomous, solar-powered mowers operating airside to improve safety, reduce emissions and increase efficiency. The system uses geofencing and real-time monitoring, and is being evaluated for broader rollout.
- **Fibre optic intrusion detection:** Trial of perimeter detection technology using fibre optic sensing to enhance airside security and surveillance. The system is being evaluated for broader implementation across the complete perimeter fence.
- **AI defect recognition:** Successfully tested AI-enabled vision systems for detecting pavement defects, signage issues and other civil assets to improve maintenance planning and safety. System is now used on a day-to-day basis.

### Terminal and passenger experience

- **Passenger flow and waiting time visibility:** Development of solutions to display real-time security wait times and improve passenger flow and terminal experience. This innovation currently sits in the development phase.
- **Autonomous aerobridges:** Automated aircraft docking system designed to reduce turnaround times, increase safety and minimise human error in aerobridge operations. Advanced in testing phase.

### Facilities and asset management

- **Window washing drone:** Tethered CASA approved drone solution for façade cleaning, reducing safety risks, labour requirements and operational costs compared to traditional methods. Currently in trial phase.
- **Data driven toilet cleaning:** Use of sensor data (people counters, cleanliness smileybox indicators) to optimise cleaning schedules and contractor performance. In execution with scaling under consideration.
- **Smart city lighting:** Intelligent lighting solutions providing improved energy efficiency, remote control and asset management capability across airport precincts. Progressing through execution phase.

The coming year will focus on transitioning successful pilots into scaled deployment while advancing new opportunities through the innovation funnel, ensuring a steady, consistent pipeline of new concepts and rapid testing capability.

Brisbane Airport's innovation program continues to deliver tangible outcomes across safety, sustainability, customer experience and operational efficiency. By combining a structured innovation process with targeted trials of emerging technologies, Brisbane Airport is building a scalable pipeline of initiatives that will shape the future of airport operations.

## Cyber security and digital transformation

At Brisbane Airport, we are as focused on security in the digital environment as we are in the physical world, ensuring we remain a safe, secure and resilient airport for passengers, partners and stakeholders.

Our Cyber Security Strategy, implemented in January 2024, continues to guide our uplift in cyber capability through alignment with recognised international standards and our obligations under the *Security of Critical Infrastructure Act 2018 (Cth)*. The strategy is focused on protecting the confidentiality, integrity and availability of critical aviation systems, while minimising the risk of emerging threats such as ransomware and disruption to operations.

Throughout FY26, we continued to strengthen our cyber resilience and accelerate digital transformation across the organisation. Key activities and outcomes delivered during the year included:

- **Validation of cyber resilience through adversary simulation**
  Independent Red Team testing was undertaken to assess the effectiveness of our security controls in a simulated attack scenario. The exercise demonstrated the strength of our defensive capabilities, with critical systems remaining protected.
- **Enhanced 24/7 Security Operations capability**
  The Security Operations Centre (SOC) service transitioned to a new provider, improving detection, response capability and overall resilience against increasingly sophisticated and persistent cyber threats.
- **Progress against ISO/IEC 27001 maturity**
  A follow-up external assessment validated the remediation of previously identified gaps and confirmed continued progress in strengthening our information security management framework.
- **Advancement of Operational Technology (OT) cyber security**
  Phase 2 of the ISA/IEC 62443 assessment progressed during the year, with a focus on securing critical infrastructure, industrial control systems and operational technology environments. This work further strengthens protection of essential airport services.
- **Strengthened governance and oversight**
  The Strategic Privacy, AI and Cyber Security Committee continued to mature, improving enterprise-wide visibility of risks across both IT and OT environments and enabling more consistent and coordinated risk management.
- **Digital transformation and secure adoption of AI and data platforms**
  Investment in digital platforms, including Microsoft 365 Copilot and data capabilities, supported workforce productivity and decision-making. This has been underpinned by a focus on secure implementation, uplift in information.

Improving our maturity against international standards, strengthening governance and embedding security into our digital transformation initiatives ensures Brisbane Airport is well positioned to manage an increasingly complex and evolving threat environment, while continuing to deliver safe and reliable operations.



# Governance

## 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 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 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.

The Board meets collectively approximately 6 times per year and delegates to the CEO the power and authority to manage the operations and activities of the BAC Group.

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 Brisbane Airport's corporate vision and strategy.

Board and management responsibilities

### Board of Directors

- Accountability
- Recruitment and relationship with the CEO
- Vision statement and strategy
- Oversee risk management
- Develop and approve key policies
- Monitor management

### Executive Leadership

- 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



## 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 policy is supported by an independent reporting service and BAC's Confidential Reporting Committee, ensuring that appropriate protections are provided to eligible disclosers.

In FY26, BAC continued to develop and enhance our sustainable and social procurement practices, placing a strong emphasis on deepening supplier relationships and implementing more rigorous assessment processes. 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 (FARM) 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.

## Security

An integral part of Empowered Performance is a commitment to providing a safe and secure environment for our people, our partners and airport users.

To fulfil this commitment, Brisbane Airport has continued to invest in next-generation security technology, and also to develop and maintain world-class systems, processes and capabilities that enhance protection, resilience and emergency response preparedness across the precinct.

In December 2025, Brisbane Airport completed its screening technology upgrade across the Domestic and International Terminals, with 30 Rapiscan Computed Tomography (CT) cabin baggage screening lanes and new Rohde and Schwarz body scanners now in place.

Delivered as part of the airport's security upgrade program, the new screening lanes and purpose-built screening facilities represent the most significant investment in passenger screening infrastructure since the construction of the terminals. The upgraded facilities have significantly enhanced security capability while transforming the passenger experience through more efficient and user-friendly screening processes.





Empowered Performance

In parallel with these infrastructure investments, Brisbane Airport has continued to strengthen the delivery of security services through strategic partnerships with trusted service providers.

ISS Facility Services secured a new 5-year aviation security contract at Brisbane Airport following a competitive tender process, continuing its provision of screening, patrol, monitoring and precinct security services in support of the airport's Future BNE transformation program.

ARA Security was awarded a contract to support our extensive CCTV network of almost 2,500 cameras. This partnership will support the continued modernisation of the airport's surveillance capability and enable the use of emerging technologies, including advanced analytics and artificial intelligence, as part of a long-term security and operational strategy.

Maintaining a high level of preparedness remains a key priority. Brisbane Airport has conducted a comprehensive program of security and emergency management exercises designed to strengthen capability, validate response arrangements and enhance multi-agency coordination:

- **Exercise Sully** — full-scale emergency exercise to test Brisbane Airport's Aerodrome Emergency Plan and multi-agency response arrangements through a simulated aircraft ditching into Moreton Bay
- **Exercise SkyShade** — 6 Australian Federal Police-led aviation security exercises designed to test and enhance responses to serious security threats across Australian airports
- **Active Armed Offender Exercises** — 4 drills conducted to test and improve airport responses to an armed attack at the airport
- **Airside intrusion security** — 3 discussion exercises undertaken in preparation for a practical field exercise scheduled for FY27.

Collectively, these activities represent one of the most comprehensive security and emergency preparedness programs undertaken by a major critical infrastructure organisation in Queensland.

Through continued investment in technology, partnerships, training and exercising, Brisbane Airport remains committed to safeguarding its people, passengers and stakeholders while ensuring the precinct remains resilient to an evolving risk environment.







## Risk management

Underpinned by the Board-approved Risk Management Policy, the effective management of risk is supported and delivered through the Risk Appetite Statement and Enterprise 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 it is willing to pursue or accept to achieve its objectives.

### Risk Management Framework

Overseen by the Board and the Finance, Audit and Risk Management (FARM) Committee, the Enterprise Risk Management Framework supports the identification, assessment, management and reporting of risks that may have an impact on the achievement of strategic, operational or project objectives.

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

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

The Board reviews the most significant risks biannually through the Enterprise Risk Profile Report, providing clarity on the key trade-offs facing the organisation, the implications of accepting or mitigating risk, and which risks require active treatment, escalation and oversight. The Board also regularly assesses the effectiveness of the Risk Management Framework.

Enterprise Risk Management Framework

**Risk Management Policy**

**Risk Appetite Statement**

**Risk Management Process**

- Procedure
- Risk register template
- Risk matrix
- Risk reporting

**Risk Information System**

Training and capability

Governance and assurance

**Risk culture, leadership, capability and awareness**

Intuitive and seamless risk management culture that embeds risk into strategic planning, capital allocation and daily decision making. Builds capability to manage risk as part of day-to-day business.

# Financial report 2026



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## FY26 financial performance

Driven by continued growth in domestic and international travel and strong demand across Brisbane Airport's commercial property portfolio, BAC delivered another year of strong financial performance in FY26. Passenger volumes reached 25.2 million, an increase of 4.3% on FY25, despite airline schedule adjustments and international route disruptions associated with the Middle East conflict. International passenger volumes increased by 8.8%, while domestic passenger volumes grew by 2.6%.

Total revenue increased to a record $1,286.5 million, up $194.9 million or 17.9% on FY25. Passenger-driven revenue streams continued to perform strongly, with aeronautical revenue (including mandated security) increasing by $52.4 million, retail revenue increasing by $16.4 million and landside transport revenue increasing by $18.1 million. The Group also recognised one-off revenue of $90.7 million associated with the settlement of legal proceedings during the year.

Retail revenue reached $137.4 million, an increase of 13.6% on FY25, supported by higher passenger volumes, strong domestic food and beverage performance, the first full year of the foreign exchange contract and new operating arrangements with retail providers across the terminals. Landside transport revenue increased 8.5% to $230.1 million, supported by strong utilisation of parking products, car rental services and ground transport operations. During the year, we completed construction of several parking facilities, adding approximately 6,000 bays across terminal and central parking locations.

Property operations continued to perform strongly. Investment property revenue increased by $17.8 million (12.5%) compared with FY25, while operating property revenue increased by $2.5 million (7.3%). Ongoing demand for industrial and commercial space across the airport precinct continued to support portfolio growth and earnings.

The Group concluded significant PFAS-related litigation and settlement activities during FY26. The financial impacts of these settlements were reflected in higher other revenue and interest income, partially offset by associated legal costs and settlement provisions recognised in operating expenditure.

Operating expenses increased by $84.8 million (27.8%) to $389.9 million. The increase primarily reflected higher mandated security costs associated with Standard 3 screening operations, an uptick in provisions, PFAS-related legal costs, increased technology expenditure and higher staff, utilities and contract service costs required to support growing airport activity and project delivery.

EBITDA, represented by revenue from ordinary activities less operating expenses, increased to $896.6 million, up 14.0% from $786.4 million in FY25. Operating profit increased by $57.4 million to $474.8 million. Profit before income tax was $516.7 million.

The balance sheet remained strong, supported by ongoing positive operating cash flow and significant available liquidity. At 30 June 2026, BAC had undrawn committed bank facilities of $1.163 billion.

During the year, BAC further strengthened its funding position through the issuance of a EUR500 million Euro Medium Term Note and establishment of a A$600 million Asian Term Loan facility.

The capital investment program reached a record $743.8 million during FY26, reflecting continued delivery of major terminal developments, progression of the Aeromedical Precinct, expansion of commercial and industrial property developments and other strategic infrastructure investments that will support long-term growth, customer experience and operational capacity.

Our investment property portfolio increased in value by $235.2 million during the year, comprising a fair value increase of $82.7 million and capital expenditure of $156.9 million. The total portfolio value increased to $2.9 billion at 30 June 2026, reflecting continued strength in the airport's industrial property market.

Strong operating cash flows, disciplined financial management and robust credit metrics enabled BAC to continue returning value to shareholders. During FY26, BAC paid $35.9 million in Redeemable Preference Share dividends and $350.0 million in ordinary dividends.

# 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 2026, 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

Brisbane Airport continued to experience strong levels of activity during FY26, with passenger volumes remaining at historically high levels despite airline schedule adjustments and international route disruptions associated with the Middle East conflict. Growth in domestic and international travel, together with continued demand across the Group's commercial property portfolio, underpinned another year of strong financial performance.

Passenger numbers for FY26 reached 25.2 million. International passenger volumes increased by 8.1% compared with the prior year, while domestic passenger volumes grew by 2.7%. Overall passenger volumes increased by 4.1%, reflecting continued strength in demand for air travel across both domestic and international markets. This growth was achieved despite international route disruptions, airline scheduling changes and capacity constraints experienced across parts of the aviation sector.

The BAC Group's revenue from ordinary activities was a record $1,286.5 million, up $194.9 million (17.9%) relative to FY25. Reflecting the growth in volumes, passenger driven revenue streams delivered year-on-year performance up $52.4 million for aeronautical (including mandated security), $16.4 million in retail and $18.1 million in landside transport. The Group also received one off revenue from legal settlements totalling $90.7 million.

Retail revenue totalled $137.4 million, exceeding FY25 by 13.6% supported by higher passenger volumes, strong performance in domestic food & beverage, the first full year of the foreign exchange contract and new arrangements with news and gifts provider at both domestic and international.

BAC Group delivered $230.3 million in landside transport revenue up 8.5% on FY25. Construction of several car parks were completed during the year, adding 6,000 bays across terminal and central parking areas. Car rental and ground transport operators also performed strongly, further supporting demand for BAC Group's diverse range of transport products.

Revenue for investment property increased year-on-year by $17.8 million (12.5%). In addition, operating property was up $2.5 million (7.3%) on the prior year.

During FY26, the Group concluded significant PFAS-related litigation and settlement activities. The related financial impacts are reflected in higher other revenue and interest income, as well as associated legal costs and settlement provisions recognised in operating expenditure.

Total operating expenses increased by $84.8 million (27.8%) compared with FY25. This increase primarily reflects higher mandated security costs associated with Standard 3 screening operations, a provision recognised for the potential repayment of insurance proceeds following the PFAS settlement, PFAS-related legal costs and increased technology expenditure. Additional increases were driven by higher staff costs to support operational and project activities, together with higher utilities and contract service costs associated with increased airport activity.

FY26 resulted in an operating profit of $474.8 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 $57.4 million from FY25.

The BAC Group balance sheet in FY26 reflects ongoing positive operating cash flow and available liquidity, including cash and committed undrawn bank facilities. The BAC Group was in a net current liability position of $450.6 million at 30 June 2026 (30 June 2025: net current liability of $822.9 million) with undrawn committed bank facilities of $1,163 million (2025: $541.0 million). During the year, BAC further enhanced its liquidity and funding position through the issuance of a EUR 500.0 million Euro Medium Term Note on 6 November 2025 and a A$600.0 million Asian Term Loan facility, which settled on 16 July 2025 and was split evenly across approximately 7- and 10-year tenors.

The BAC Group's strong cash balance, credit metrics and operating cashflow enabled continued distributions to shareholders throughout the year, in the form of $35.9 million of gross RPS dividends and $350.0 million in ordinary dividends.

The Group's capital investment program delivered a record $743.8 million in capital expenditure. FY26 saw the continued delivery of several of the BAC Group's largest capital projects to date, including major terminal upgrades, the progression of the Aeromedical Precinct and continued investment in commercial and industrial property developments across the airport precinct.

These investments support the Group's long-term growth strategy and enhance capacity, customer experience and property returns.

At 30 June 2026, the BAC Group recorded an increase in fair value on investment property of $79.8 million, compared to an increase of $143.1 million in the prior year.

The total portfolio value (2026: $2,882.9 million) increase by $232.3 million comprised of a valuation increase of $82.7 million, and capital expenditure of $164.9 million. The Group continues to report robust results within its industrial portfolio. The valuation incorporates comprehensive general and economic considerations, including analysis of sales and leasing transactions for comparable properties.

The year-on-year movement in the change in fair value of derivatives of $13.3 million is predominantly attributable to changes in underlying market data (interest rates and foreign exchange rates).

BAC Group's results demonstrate resilience despite passenger-related headwinds, including airline schedule adjustments and international route disruptions associated with the Middle East conflict. The company reported a profit before income tax of $516.7 million, down from $522.8 million in 2025.

| | 2026 $000 | 2025 $000 |
|---|---|---|
| **Revenue from ordinary activities** | **1,286,499** | **1,091,551** |
| **Operating expenses** | **(389,947)** | **(305,152)** |
| **Revenue from ordinary activities less operating expenses** | **896,552** | **786,399** |
| Depreciation and amortisation | (168,735) | (151,938) |
| Loss on asset disposals | (656) | (7,246) |
| Impairment | (4,099) | (3,412) |
| Finance costs | (248,299) | (206,413) |
| **Operating results** | **474,763** | **417,390** |
| RPS dividend | (37,810) | (37,675) |
| Change in fair value of investment property | 79,754 | 143,094 |
| Unrealised foreign exchange gain | – | 10 |
| **Profit before income tax** | **516,707** | **522,819** |
| Income tax expense | (148,300) | (163,888) |
| **Profit for the year** | **368,407** | **358,931** |

## 3. Dividends

Dividends and distributions declared and paid by BACH during the current financial year were $385.9 million in the form of RPS dividends and ordinary dividends (2025: $335.9 million). This included a RPS dividend declared of $35.9 million (2025: $35.9 million) and ordinary share dividends of $350.0 million (2025: $300.0 million).

## 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

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 FY26 or up to the date of this report are set out below[1]:

| Name, qualifications, and any special responsibilities | Experience and other directorships |
|---|---|
| <br>**David Peever**<br>BEc, MSc (Mineral Economics)<br>Board Chair, Non-Executive Director<br>Member of the Human Resources and Remuneration Committee and the Property Committee<br>Appointed: 05/05/2017 | David is also a Non-Executive Director of the Australian Foundation Investment Company. He was previously:<br>• A Member of the Foreign Investment Review Board<br>• Chair of the Naval Group<br>• Chair of Cricket Australia and World Twenty20 2020 Ltd<br>• A Director of the International Cricket Council<br>• A Director of The Stars Foundation<br>• Until July 2017, the Chair of the Minister of Defence's First Principles Review of Defence and following the acceptance of the review by Government the Oversight Board which helped guide implementation of the Review's recommendations<br>• A Director of the Business Council of Australia<br>• Vice Chairman of the Minerals Council of Australia<br>• A Member of Former Prime Minister Abbott's Indigenous Advisory Council.<br>David retired as Managing Director of Rio Tinto Australia in October 2014 after 27 years with Rio Tinto.<br>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.<br>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. |
| <br>**Robert Carsouw**<br>Non-Executive Director<br>Appointed: 01/04/2021 | Robert is Executive Vice President and Chief Financial Officer of Royal Schiphol Group.<br>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.<br>Since December 2025, Robert has been appointed as a member of the Supervisory Board of the Spaarne Gasthuis.<br>Robert was co-founder and Chair of the Supervisory Board of Social Enterprise NL and co-founder and Vice-Chair of LittleBitz.<br>Robert is a graduate of the Erasmus University in Rotterdam and has a master's degree in Econometrics/Computer Science. |
| <br>**Brad Geatches**<br>BComm, MAICD<br>Non-Executive Director<br>Chair of the Terminal 3 Precinct Program Committee<br>Member of the Property Committee and Aeronautical Pricing Policy Special Committee<br>Appointed: 22/11/2018 | Brad has more than 30 years of senior executive experience in underground mining, airports, and seaports, including 16 years as CEO of four corporations.<br>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 its customer experience.<br>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.<br>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 Southern Ports Authority. . Brad previously served as Deputy Chair of Pilbara Ports Authority, having served as Chair from May 2019 to June 2024. |

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

| Name, qualifications, and any special responsibilities | Experience and other directorships |
|---|---|
| <br>**Belinda Gibson**<br>BEc, LLB, LLM, FAICD, FGIA<br>Non-Executive Director<br>Member of the Human Resources and Remuneration Committee and Terminal 3 Precinct Program Committee<br>Appointed: 05/05/2017 | Belinda is a Director of the Yalari group of companies and a Director of Stem Changemakers. 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.<br>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.<br>Belinda previously served as Chair of Humbli Pty Limited and as a Director of Ausgrid (representing the NSW State interests in the Ausgrid partnership). Belinda was also 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. |
| <br>**Tony Harrington**<br>AM, BCom<br>Non-Executive Director<br>Member of the Finance, Audit and Risk Management Committee, Property Committee and Aeronautical Pricing Policy Special Committee<br>Appointed<br>Alternate Director: 01/01/2015 to 31/05/2025<br>Non-Executive Director: 01/06/2025 | Tony has a distinguished career in financial and professional services, with more than 35 years of business and strategic leadership experience, in Australia and internationally.<br>Tony was the Chief Executive of leading legal and consulting firm MinterEllison and represents Schiphol as an Alternate Director for Hobart Airport.<br>Prior to this, Tony was Managing Director of the fast-growing and innovative global investment bank, Moelis & Company. He also held several senior roles at PwC including Global Managing Partner, Strategy & Transformation at PwC 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.<br>He was appointed a Member of the Order of Australia (AM) in 2011 in recognition of his charitable work. |
| <br>**David Kenny**<br>LLB, BCom, MBA<br>Non-Executive Director<br>Chair of the Finance, Audit and Risk Management Committee and Aeronautical Pricing Policy Special Committee<br>Appointed: 25/08/2023 | David is a Senior Principal in the Global Infrastructure Division at Queensland Investment Corporation (QIC).<br>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.<br>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. |

| Name, qualifications, and any special responsibilities | Experience and other directorships |
|---|---|
| <br>**Marigold Look**<br>BAcc, CFA, GDipAppFin, GAICD<br>Non-Executive Director<br>Member of the Finance, Audit and Risk Management Committee and Human Resources and Remuneration Committee<br>Appointed: 28/04/2023 | Marigold is an Executive Director at IFM Investors and has more than 20 years of experience in investment evaluation, asset management, corporate finance, and valuations. Marigold is responsible for managing IFM Investors' low carbon infrastructure assets.<br>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.<br>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.<br>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). |
| <br>**Alison Quinn**<br>Non-Executive Director<br>Chair of the Property Committee<br>Appointed: 09/10/2024 | Alison is a Brisbane-based, professional non-executive director with more than 25 years' experience as a CEO and senior executive in the real estate, property development and aged care / seniors sectors.<br>Through her roles with public, private and government organisations Alison has developed valuable operational and commercial expertise in the areas of property investment, funding, infrastructure and development and stakeholder management. |
| <br>**Lyell Strambi**<br>Non-Executive Director<br>Member of the Property Committee and Terminal 3 Precinct Program Committee<br>Appointed: 10/10/2023 | Lyell has a wealth of experience in the aviation sector both in Australia and abroad, spanning 40 years.<br>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.<br>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.<br>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 |
|---|---|
| <br>**Alan Wu**<br>MCom, CFA, GAICD<br>Non-Executive Director<br>Member of the Finance, Audit and Risk Management Committee and Terminal 3 Precinct Program Committee<br>Appointed:<br>Alternate Director 03/11/2014 to 18/02/2022<br>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 Strait Link and coNEXA Infrastructure Partners. He has previously served as a Director of Adelaide Airport Group and Bankstown and Camden Airports and the International Parking group of companies.<br>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. |
| <br>**Paul DeSouza**<br>BCom, BBus (Acc) (Hons), CA<br>Alternate Director for David Kenny<br>Appointed:<br>Non-Executive Director 16/02/2017 to 25/08/2023<br>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.<br>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.<br>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.<br>Paul is on the board of the Evolution Healthcare Group.<br>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 Titles Queensland group, 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 and the Sea Swift groups. |
| <br>**Calvin Ker**<br>CA, BBus, GAICD<br>Alternate Director for Marigold Look and Lyell Strambi<br>Appointed: 28/04/2023 | Calvin is a Vice President at IFM Investors and has more than 10 years of experience across the infrastructure sector.<br>Calvin is responsible for the origination, execution and management of infrastructure investments with a focus on aviation, technology and social infrastructure.<br>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 |
|---|---|
| <br>**Alec McKenzie**<br>Alternate Director for Alan Wu<br>Appointed: 28/01/2026 | Alec McKenzie is an Associate Director of Igneo Infrastructure Partners, based in Sydney. He currently sits on the board of directors of investee company Vertis Energy.<br>Prior to joining the team in 2019, Alec worked at HSBC.<br>Alec holds a Bachelor of Commerce from the University of New South Wales in Australia. He is a graduate member of the Australian Institute of Company Directors. |
| <br>**Gerhard Vorster**<br>BSc (Civil Engineering), MBA (Cum Laude), MAICD<br>Alternate Director for Robert Carsouw<br>Chair of the Human Resources and Remuneration Committee<br>Member of the Terminal 3 Precinct Program Committee<br>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.<br>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.<br>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.<br>Gerhard is the Chair of the Advisory Board of Bio Capital Impact Fund, a member of the Advisory Board of Intersective and the Patron Emeritus of Good Design Australia. He was a Director of Seeing Machines Limited, Georgiou Group and the inaugural Chair of the RMIT University College of Business Advisory Board.<br>Gerhard is also:<br>• Chair of 365 Mechanix Limited<br>• Chair of Rise Q Consulting<br>• A Strategic Advisor to Maximus International |

## 7. Company Secretary

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

- 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; and
- Brady Dennis (LLB, BBus, Grad. Dip. Corp. Gov, AGIA) 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 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 of Directors | | FARM Committee | | HRR Committee | | BAC Property Committee | | Terminal 3 Precinct Program Committee | | Aeronautical Pricing Policy Special Committee | | Chair Nominations Special Committee | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total meetings held | 11 | | 5 | | 6 | | 5 | | 4 | | 1 | | 2 | |
| | A | B | A | B | A | B | A | B | A | B | A | B | A | B |
| D Peever (Board Chair) | 10 | 11 | 2# | - | 5 | 6 | 5 | 5 | - | - | - | - | - | - |
| R Carsouw | 1 | 11 | - | - | - | - | - | - | - | - | - | - | - | - |
| B Geatches | 11 | 11 | - | - | - | - | 5 | 5 | 4 | 4 | 1 | 1 | - | - |
| B Gibson | 10 | 11 | - | - | 6 | 6 | - | - | 4 | 4 | - | - | - | - |
| T Harrington | 11 | 11 | 5 | 5 | 1# | - | 5 | 5 | - | - | 1 | 1 | - | - |
| D Kenny | 11 | 11 | 5 | 5 | - | - | - | - | 2# | - | 1 | 1 | 2 | 2 |
| M Look | 11 | 11 | 5 | 5 | 6 | 6 | - | - | - | - | - | - | 2 | 2 |
| A Quinn | 11 | 11 | - | - | 1# | - | 5 | 5 | 3# | - | - | - | - | - |
| L Strambi | 11 | 11 | 2# | - | - | - | 5 | 5 | 4 | 4 | 1# | - | - | - |
| A Wu | 11 | 11 | 5 | 5 | 1# | - | - | - | 4 | 4 | 1# | - | 2 | 2 |
| P DeSouza (Alternate Director for D Kenny) | 0 | 11 | - | - | - | - | - | - | - | - | - | - | - | - |
| C Ker (Alternate Director for M Look and L Strambi) | 0 | 11 | - | - | - | - | - | - | - | - | - | - | - | - |
| A McKenzie (Alternate Director of A Wu) | 0 | 7 | - | - | - | - | - | - | - | - | - | - | - | - |
| G Vorster (Alternate Director for R Carsouw) | 11* | 11 | - | - | 6 | 6 | - | - | 4 | 4 | - | - | 2 | 2 |

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 were passed during the year, these are included in the number of 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.

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 2025* (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, Sports 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 2025* (Cth). In addition to the Airports Act, the following applies to federally-leased airports:

- the *Environment Protection and Biodiversity Conservation Act 1999* (Cth), which is administered by the Department of Climate Change, Energy, the Environment and Water; and
- the *Biosecurity Act 2015 (Cth)*, which manages biosecurity risk at Brisbane Airport and is administered by the Department of Agriculture, Fisheries and Forestry.

Environmental matters not specifically dealt with by Commonwealth legislation are regulated by 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 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 its 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 FY26, 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 149.

## 13. Sustainability reporting

During FY26, the BAC Group prepared its inaugural Sustainability Report (climate-related Financial Disclosures) in accordance with Australian Accounting Standards Board (AASB) S2 Climate-related Disclosures. As an entity captured under the Group 1 mandatory climate reporting requirements, BAC is required to report climate-related risks and opportunities and their financial impacts. The disclosures form part of the Group's annual reporting and outline BAC's climate-related governance, strategy, risk management approach, and metrics and targets.

## 14. Consolidated entity disclosure statement

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

| | | Body corporates | | | Tax residency |
|---|---|---|---|---|---|
| **Entity name** | **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 2026 Master Plan. Published approximately every five (5) years, the master plan sets the strategic direction for the efficient and economical planning and development of the airport, and outlines aviation and non-aviation infrastructure needs over a 20-year period. The timing of infrastructure, like passenger terminal development, is based on long range forecasts and engagement with airlines.

The 2026 Master Plan was approved by the Australian Government on 15 June 2026.

## 16. Rounding off of amounts

The company is an entity to which section 7 of *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* 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.

## 17. Proceedings on behalf of the Company

During the financial year, no application was made under section 237 of the Corporations Act 2001 (Cth) for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company was a party. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001 (Cth).

Signed in Brisbane on 25 September 2026 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 (6) scheduled meetings each year, in addition to an annual strategy workshop and any 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; and,
- Terminal 3 Precinct Program Committee.

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

## 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 2026




### 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 2026

| | Note | 2026 $000 | 2025 $000 |
|---|---|---|---|
| **Revenue from ordinary activities** | | | |
| Aeronautical | | 447,778 | 440,167 |
| Landside transport | | 230,291 | 212,181 |
| Investment property | | 159,916 | 142,088 |
| Retail | | 137,376 | 120,963 |
| Operating property | | 37,428 | 34,881 |
| Government mandated security | | 138,550 | 93,734 |
| Interest | | 18,430 | 7,398 |
| Other | | 116,730 | 40,139 |
| **Total revenue from ordinary activities** | 2.1 | **1,286,499** | **1,091,551** |
| | | | |
| **Operating expenses** | | | |
| Maintenance and contract services | | (84,226) | (79,575) |
| Government mandated security | | (103,971) | (77,926) |
| Staff | | (70,286) | (68,316) |
| Utilities | | (34,507) | (26,182) |
| Corporate and administration | | (95,446) | (50,333) |
| Doubtful debt expense | 4.3(a) | (1,511) | (2,820) |
| **Total operating expenses** | | **(389,947)** | **(305,152)** |
| | | | |
| **Revenue from ordinary activities less operating expenses** | | **896,552** | **786,399** |
| Depreciation and amortisation | | (168,735) | (151,938) |
| Loss on asset disposals | | (656) | (7,246) |
| Impairment loss | | (4,099) | (3,412) |
| Finance costs | 2.2 | (248,299) | (206,413) |
| **Operating profit** | | **474,763** | **417,390** |
| | | | |
| Redeemable preference shares dividend | 4.1 | (37,810) | (37,675) |
| Change in fair value of investment property | 3.6 | 79,754 | 143,094 |
| Unrealised foreign exchange gain | | - | 10 |
| **Profit before income tax** | | **516,707** | **522,819** |
| | | | |
| Income tax expense | 2.5 | (148,300) | (163,888) |
| **Profit for the year** | | **368,407** | **358,931** |
| | | | |
| **Items that will not be reclassified subsequently to profit or loss** | | | |
| Defined benefit superannuation fund actuarial loss, net of tax | | 28 | (235) |
| **Items that may be reclassified subsequently to profit or loss** | | | |
| Hedge reserve, net of tax | | 78,386 | (42,902) |
| **Total other comprehensive income** | | **78,414** | **(43,137)** |
| | | | |
| **Total comprehensive income** | | **446,821** | **315,794** |

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

## AS AT 30 JUNE 2026

| | Note | 2026 $000 | 2025 $000 |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | 3.1 | 44,032 | 64,388 |
| Trade receivables and other | 3.2 | 134,443 | 111,490 |
| Inventories | | 2,930 | 2,614 |
| Intangible assets | | 374 | 617 |
| Derivative instruments | 4.3(d) | 32,858 | - |
| **Total current assets** | | **214,637** | **179,109** |
| | | | |
| **Non-current assets** | | | |
| Trade receivables and other | 3.2 | 35,967 | 26,251 |
| Intangible assets | 3.3 | 823,014 | 823,014 |
| Property, plant and equipment | 3.4 | 4,426,340 | 3,961,266 |
| Investment property | 3.6 | 2,882,975 | 2,650,694 |
| Derivative instruments | 4.3(d) | 148,021 | 142,944 |
| **Total non-current assets** | | **8,316,317** | **7,604,169** |
| | | | |
| **Total assets** | | **8,530,954** | **7,783,278** |
| | | | |
| **Current liabilities** | | | |
| Trade payables and other current liabilities | 3.8 | 251,786 | 191,165 |
| Interest-bearing liabilities and borrowings | 4.1 | 387,907 | 771,424 |
| Derivative instruments | 4.3(d) | - | 35,171 |
| Current tax payable | | 25,540 | 4,248 |
| **Total current liabilities** | | **665,233** | **1,002,008** |
| | | | |
| **Non-current liabilities** | | | |
| Interest-bearing liabilities and borrowings | 4.1 | 4,544,228 | 3,717,566 |
| Deferred tax liabilities | 2.6 | 979,221 | 913,979 |
| Derivative instruments | 4.3(d) | 193,326 | 106,894 |
| Other liabilities | 3.10 | 79,766 | 70,472 |
| **Total non-current liabilities** | | **5,796,541** | **4,808,911** |
| | | | |
| **Total liabilities** | | **6,461,774** | **5,810,919** |
| | | | |
| **Net assets** | | **2,069,180** | **1,972,359** |
| | | | |
| **Equity** | | | |
| Issued capital | | 78,388 | 78,388 |
| Reserves | | 46,040 | (32,374) |
| Retained earnings | | 1,944,752 | 1,926,345 |
| **Total equity** | | **2,069,180** | **1,972,359** |

# Consolidated statement of cash flows

## FOR THE YEAR ENDED 30 JUNE 2026

| | Note | 2026 $000 | 2025 $000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash receipts from customers | | 1,369,522 | 1,190,617 |
| Cash paid to suppliers and employees | | (489,594) | (432,240) |
| **Cash generated from operating activities** | | **879,928** | **758,377** |
| Interest paid | | (266,975) | (250,123) |
| Interest received | | 18,267 | 7,562 |
| Income and other taxes paid | | (95,372) | (128,542) |
| **Net cash flows from operating activities** | 3.1 | **535,848** | **387,274** |
| **Cash flows from investing activities** | | | |
| Proceeds from sale of property, plant and equipment | | 185 | 383 |
| Acquisition of property, plant and equipment | | (605,285) | (491,925) |
| Acquisition of investment property | | (138,736) | (216,694) |
| **Net cash flows used in investing activities** | | **(743,836)** | **(708,236)** |
| **Cash flows from financing activities** | | | |
| Proceeds from interest-bearing liabilities and borrowings | | 2,187,830 | 1,169,000 |
| Repayments of interest-bearing liabilities and borrowings | | (1,614,000) | (497,100) |
| Repayments of derivative structured products | | - | (53,483) |
| Subsequent measurement of lease liabilities | | - | 388 |
| Redeemable preference share dividend paid | | (35,869) | (35,884) |
| Dividends paid | | (350,000) | (300,000) |
| Finance lease | | (329) | - |
| **Net cash flows from in financing activities** | | **187,632** | **282,921** |
| **Net decrease in cash and cash equivalents** | | **(20,356)** | **(38,041)** |
| Cash and cash equivalents at 1 July | | 64,388 | 102,429 |
| **Cash and cash equivalents at 30 June** | 3.1 | **44,032** | **64,388** |

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 2026

| | Issued capital $000 | Defined benefit superannuation fund deficit reserve $000 | Hedge reserve $000 | Retained earnings $000 | Total equity $000 |
|---|---|---|---|---|---|
| **Balance at 1 July 2025** | **78,388** | **(952)** | **(31,422)** | **1,926,345** | **1,972,359** |
| Profit for the year | - | - | - | 368,407 | 368,407 |
| **Other comprehensive income** | | | | | |
| Defined benefit superannuation fund actuarial loss, net of tax | - | 28 | - | - | 28 |
| Hedge reserve, net of tax | - | - | 78,386 | - | 78,386 |
| **Total other comprehensive income** | **-** | **28** | **78,386** | **-** | **78,414** |
| **Total comprehensive income** | **-** | **28** | **78,386** | **368,407** | **446,821** |
| Dividends | - | - | - | (350,000) | (350,000) |
| **Balance at 30 June 2026** | **78,388** | **(924)** | **46,964** | **1,944,752** | **2,069,180** |
| **Balance at 1 July 2024** | **78,388** | **(717)** | **11,480** | **1,867,414** | **1,956,565** |
| Profit for the year | - | - | - | 358,931 | 358,931 |
| **Other comprehensive income** | | | | | |
| Defined benefit superannuation fund actuarial gain, net of tax | - | (235) | - | - | (235) |
| Hedge reserve, net of tax | - | - | (42,902) | - | (42,902) |
| **Total other comprehensive income** | **-** | **(235)** | **(42,902)** | **-** | **(43,137)** |
| **Total comprehensive income** | **-** | **(235)** | **(42,902)** | **358,931** | **315,794** |
| Dividends | - | - | - | (300,000) | (300,000) |
| **Balance at 30 June 2025** | **78,388** | **(952)** | **(31,422)** | **1,926,345** | **1,972,359** |

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 73.

### 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 25 September 2026.

### 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.



BAC Holdings Limited
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

## SECTION 1: BASIS OF PREPARATION (continued)

### 1.5 Presentation currency and rounding

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

The company is an entity to which section 7 of ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183, 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 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 $450.6 million at 30 June 2026 (2025: net current liability position of $822.9 million). As at 30 June 2026, BAC had $1,163 million of undrawn committed bank facilities, providing a significant source of liquidity and financial flexibility to support ongoing operations, capital expenditure requirements and refinancing activities.

On 13 November 2025, BAC successfully completed its inaugural Euro Medium-Term Note (EMTN) issuance, raising €500 million (approximately A$891 million). The transaction represented BAC's first Euro denominated issuance under its EMTN Programme and provided access to the European debt capital markets, further diversifying the company's funding sources and investor base.

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.

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.

# Notes to the financial statements (continued)

## SECTION 1: BASIS OF PREPARATION (continued)

### 1.7 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
- trade and other payables – 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.

### 1.8 Basis of consolidation

**Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it has power over the entity, 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. The group reassesses whether or not it controls an investee if facts or circumstances indicate that there are changes to one or more of the three elements of control listed above.

**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.

### 1.9 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.

### 1.10 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.



BAC Holdings Limited
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

## SECTION 1: BASIS OF PREPARATION (continued)

### 1.11 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 2025 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 2025, however, these do not impact the annual financial statements. All other accounting policies adopted are consistent with those of the previous financial year.

**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 2026 but will be applicable to the Company in future reporting periods are detailed below:

| | |
|---|---|
| **AASB No.** | **AASB 2024-2 *Classification and Measurement of Financial Instruments*** |
| Nature of change | The amendment provides clarification of the timing of the recognition and derecognition of financial assets and financial liabilities, particularly when they are settled using electronic payment systems. The amendment also provides an exception if certain criteria are met, for the timing of derecognition of certain financial liabilities settled using an electronic payment system.<br>Further, it provides further guidance about specific types of financial assets, specifically contractually linked instruments (CLIs); clarification of the classification of financial assets that are linked to environmental, social and governance (ESG) and similar characteristics; and finally, requires additional disclosure requirements with regard to investments in equity instruments measured at fair value through other comprehensive income and financial instruments with contingent features. |
| Impact | This change is not expected to have a material effect on the BAC Group's financial report. |
| Mandatory application date | The new amendment is effective for annual reporting periods beginning on or after 1 January 2026. |

| | |
|---|---|
| **AASB No.** | **AASB 2024-3 *Amendments to Australia Accounting Standards – Annual Improvements Volume 11*** |
| Nature of change | The amendments are annual improvements to the following standards:<br>• AASB 1 *First-time Adoption of Australian Accounting Standards;*<br>• AASB 7 *Financial Instruments: Disclosures;*<br>• AASB 9 *Financial Instruments;*<br>• AASB 10 *Consolidated Financial Statements; and*<br>• AASB 107 *Statement of Cash Flows*<br>The amendments aim to improve clarity and internal consistency. |
| 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 2026. |

# Notes to the financial statements (continued)

## SECTION 1: BASIS OF PREPARATION (continued)

| | |
|---|---|
| **AASB No.** | **AASB 2025-1 *Contracts Referencing Nature-dependent Electricity*** |
| Nature of change | The amendments to AASB 9 *Financial Instruments* to are updated to include guidance on the application of 'own-use' exemption on nature dependent power purchase agreements (PPAs) and the hedge accounting requirements for purchases and sellers of PPAs that are classified as derivative financial instruments. |
| Impact | The BAC Group PPAs are a supplier arrangement and are not the nature of a derivative. This change does not have a material impact 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 2026 and override the previous amendments. |

| | |
|---|---|
| **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 | The BAC Group is currently assessing the impact of AASB 18 on its financial reporting. While the standard is not expected to have a material impact on the recognition or measurement of the BAC Group's assets, liabilities, income or expenses, it is expected to result in changes to the presentation of the statement of profit or loss and related disclosures. The BAC Group anticipates that additional work will be required to review the classification of income and expenses within the prescribed operating, investing and financing categories and to implement the enhanced disclosure requirements introduced by the standard. |
| Mandatory application date | The new amendments are effective for annual reporting periods beginning on or after 1 January 2027 and override the previous amendments. |

| | |
|---|---|
| **AASB No.** | **AASB 2023-5 Lack of Exchangeability** |
| Nature of change | The amendments to AASB 121 *The Effects of Changes in Foreign Exchange Rates* provide guidance on assessing whether a currency is exchangeable into another currency and, where exchangeability does not exist, how an entity should estimate the appropriate spot exchange rate to apply. The amendments also introduce additional disclosure requirements to help users understand the impact of currencies that are not exchangeable |
| Impact | The BAC Group's operations are primarily conducted in Australian dollars and it is not currently exposed to jurisdictions where currency exchangeability restrictions are significant. Accordingly, the amendments are not expected to have a material effect on the BAC Group's financial report |
| Mandatory application date | The new amendment is effective for annual reporting periods beginning on or after 1 January 2025. |

**Sustainability reporting standards and interpretations issued or amended**

The BAC Group has adopted new and amended sustainability standards as of 1 July 2025 as outlined below.





## SECTION 1: BASIS OF PREPARATION (continued)

| | |
|---|---|
| **AASB No.** | **AASB S2 *General Requirements for Disclosure of Sustainability-related Financial Information* and AASB *Climate-related Disclosures*** |
| Nature of change | This standard requires the disclosure of information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (i.e. prospects). Disclosure requirements cover governance, strategy, risk management and metrics, and targets. |
| Impact | The new amendments have a material impact on the BAC Group's financial report, by way of new additional disclosures. |

### 1.12 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).

# Notes to the financial statements (continued)

## 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. Variable lease revenue in the form of turnover rent is recognised over time as the relevant contractual thresholds are achieved and the Group's entitlement to the related lease income arises.

**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 as well as a return on capital invested for the development of security related assets.



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## 2.1 Revenue (continued)

**Government mandated security revenue (continued)**

Revenue is recognised over time as the related services are provided and the Group becomes entitled to recover the associated costs and earn the related return on capital

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).

Included within other revenue is proceeds received from Airservices Australia to settle the litigation brought against Airservices Australia about PFAS-related claims**.**

**Timing of revenue recognition**

Revenue can be categorised as follows:

| | 2026 $000 | 2025 $000 |
|---|---|---|
| Total services revenue from contracts with customers transferred over time | 802,016 | 737,786 |
| Revenue not related to contracts with customers transferred over time | 393,769 | 343,023 |
| Revenue not related to contracts with customers at point in time | 90,714 | 10,742 |
| **Total revenue** | **1,286,499** | **1,091,551** |

Revenue from contracts with customers consists of all revenue relating to aeronautical and government mandated security, as well as a portion of landside transport revenue (2026: $189.7 million, 2025: $174.5 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.

| | 2026 $000 | 2025 $000 |
|---|---|---|
| Interest costs | 283,024 | 226,562 |
| Amortisation of deferred borrowing costs | 5,442 | 4,628 |
| Interest on lease liabilities | 590 | 346 |
| Capitalised borrowing costs | (38,782) | (32,116) |
| Other finance costs | 1,602 | 1,244 |
| **Total finance costs excluding hedge ineffectiveness and other hedge accounting impacts** | **251,876** | **200,664** |
| Hedge ineffectiveness and other hedge accounting impacts | (3,577) | 5,749 |
| **Total finance costs** | **248,299** | **206,413** |

# Notes to the financial statements (continued)

## 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:

| | 2026 $000 | 2025 $000 |
|---|---|---|
| Less than 1 year | 199,942 | 170,691 |
| 1 to 5 years | 564,755 | 573,043 |
| More than 5 years | 895,553 | 757,439 |
| | **1,660,250** | **1,501,173** |

**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.

| | 2026 $000 | 2025 $000 |
|---|---|---|
| Less than 1 year | 2,488 | 2,488 |
| 1 to 5 years | 9,952 | 9,952 |
| More than 5 years | 40,015 | 42503 |
| **Undiscounted lease payments** | **52,455** | **54,943** |
| Future finance charges | (32,124) | (34,380) |
| **Net investment in the lease** | **20,331** | **20,563** |

**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:

| | 2026 $000 | 2025 $000 |
|---|---|---|
| **Cost** | | |
| At beginning of year | 9,709 | 9,092 |
| Additions/adjustments | (753) | 617 |
| **At end of year** | **8,956** | **9,709** |
| | | |
| **Accumulated depreciation** | | |
| At beginning of year | 3,510 | 2,944 |
| Depreciation/adjustments | 594 | 566 |
| **At end of year** | **4,104** | **3,510** |
| | | |
| **Carrying amount at 30 June** | **4,852** | **6,199** |

Lease liabilities of $ 0.4 million current and $1.7 million non-current have been recognised in the consolidated statement of financial position (2025: $0.4 million current and $2.2 million non-current). Lease terms for applicable assets vary between 6 and 50 years.

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.





## SECTION 2: RESULTS (continued)

### 2.4 Auditor's remuneration

| | 2026 $ | 2025 $ |
|---|---|---|
| Amounts received or due and receivable by the auditor for: | | |
| **Audit services** | | |
| Audit fees | 487,000 | 472,234 |
| Other regulatory/contract audit services | 187,000 | 177,000 |
| Sustainability report assurance | 78,000 | - |
| **Total remuneration** | **752,000** | **649,234** |

The auditor of the group is Deloitte Touche Tohmatsu.

### 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).

# Notes to the financial statements (continued)

## SECTION 2: RESULTS (continued)

### 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**

| | 2026 $000 | 2025 $000 |
|---|---|---|
| **Current tax expense** | | |
| Current year expense | (114,752) | (85,164) |
| Amendments relating to prior years | (1,912) | (1,338) |
| | **(116,664)** | **(86,502)** |
| **Deferred tax expense** | | |
| Origination and reversal of temporary differences | (33,999) | (73,727) |
| Amendments relating to prior years | 2,363 | (3,659) |
| | **(31,636)** | **(77,386)** |
| **Total income tax expense recognised in profit or loss** | **(148,300)** | **(163,888)** |
| Defined benefit superannuation fund actuarial gain | (12) | 101 |
| Hedge reserve | (33,594) | 18,387 |
| **Total income tax expense recognised in other comprehensive income** | **(33,606)** | **18,488** |

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

| | 2026 $000 | 2025 $000 |
|---|---|---|
| **Profit for the year** | **368,407** | 358,931 |
| Income tax expense | 148,300 | 163,888 |
| **Profit before income tax** | **516,707** | **522,819** |
| Income tax using the corporate tax rate of 30% | (155,012) | (156,846) |
| Increase in income tax due to: | | |
| Other non-deductible expenses | (5,683) | (2,045) |
| Over/(Under) provided in prior years | 452 | (4,997) |
| CGT (loss) | (9,207) | - |
| Income subject to CGT treatement | 21,150 | - |
| **Income tax expense on pre-tax accounting profit** | **(148,300)** | **(163,888)** |





### 2.6 Deferred tax assets and liabilities

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

| | Assets | | Liabilities | | Net | |
|---|---|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Property, plant and equipment | - | - | (988,141) | (948,554) | (988,141) | (948,554) |
| Finance lease receivable | - | - | (2,054) | (2,124) | (2,054) | (2,124) |
| Derivatives | - | - | (254,326) | (219,596) | (254,326) | (219,596) |
| Lease incentive asset | - | - | (5,077) | (2,053) | (5,077) | (2,053) |
| Inventories | - | - | (831) | (723) | (831) | (723) |
| Intangibles | 620 | 76 | - | - | 620 | 76 |
| Employee benefits | 5,004 | 4,287 | - | - | 5,004 | 4,287 |
| Other provisions | 19,255 | 15,607 | - | - | 19,255 | 15,607 |
| Interest-bearing liabilities and borrowings | 236,486 | 236,115 | - | - | 236,486 | 236,115 |
| Accruals | 9,843 | 2,986 | - | - | 9,843 | 2,986 |
| **Total deferred tax assets/(liabilities)** | **271,208** | **259,071** | **(1,250,429)** | **(1,173,050)** | **(979,221)** | **(913,979)** |

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

| | Balance at 1 July 2025 $000 | Recognised in profit or loss $000 | Recognised in other comprehensive income $000 | Balance at 30 June 2026 $000 |
|---|---|---|---|---|
| Property, plant and equipment | (948,554) | (39,587) | - | (988,141) |
| Finance lease receivable | (2,124) | 70 | - | (2,054) |
| Derivatives | (219,596) | (1,136) | (33,594) | (254,326) |
| Lease incentive asset | (2,053) | (3,024) | - | (5,077) |
| Inventories | (723) | (108) | - | (831) |
| Intangibles | 76 | 544 | - | 620 |
| Employee benefits | 4,287 | 729 | (12) | 5004 |
| Other provisions | 15,607 | 3,648 | - | 19,255 |
| Interest-bearing liabilities and borrowings | 236,115 | 371 | - | 236,486 |
| Accruals | 2,986 | 6,857 | - | 9,843 |
| **Total deferred tax liabilities** | **(913,979)** | **(31,636)** | **(33,606)** | **(979,221)** |

# Notes to the financial statements (continued)

## 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 2024 $000 | Recognised in profit or loss $000 | Recognised in other comprehensive income $000 | Balance at 30 June 2025 $000 |
|---|---|---|---|---|
| Property, plant and equipment | (870,373) | (78,181) | - | (948,554) |
| Finance lease receivable | (2,186) | 62 | - | (2,124) |
| Derivatives | (239,714) | 1,731 | 18,387 | (219,596) |
| Lease incentive asset | (4,196) | 2,143 | - | (2,053) |
| Inventories | (728) | 5 | - | (723) |
| Intangibles | - | 76 | | 76 |
| Employee benefits | 3,265 | 921 | 101 | 4,287 |
| Other provisions | 18,557 | (2,950) | - | 15,607 |
| Interest-bearing liabilities and borrowings | 235,792 | 323 | - | 236,115 |
| Accruals | 4,502 | (1,516) | - | 2,986 |
| **Total deferred tax liabilities** | **(855,081)** | **(77,386)** | **18,488** | **(913,979)** |





## 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:

| | 2026 $000 | 2025 $000 |
|---|---|---|
| Cash in bank and on hand | 44,032 | 64,388 |
| Cash and cash equivalents | **44,032** | **64,388** |

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

| | Note | 2026 $000 | 2025 $000 |
|---|---|---|---|
| **Profit for the year** | | **368,407** | **358,931** |
| **Adjustments for:** | | | |
| Depreciation and amortisation | | 168,735 | 151,938 |
| Impairment | | 4,099 | 3,412 |
| Capitalised interest | | (38,782) | (32,116) |
| Change in fair value of investment property | 3.6 | (79,754) | (143,094) |
| Hedge ineffectiveness and other hedge accounting impacts | | (3,577) | 5,759 |
| Unrealised foreign exchange loss | | (0) | (10) |
| Amortisation of borrowing costs | | 5,442 | 4,628 |
| Finance lease interest | | 590 | (45) |
| FEC Derivative Overlay Interest Unwind | | 1,876 | |
| Loss on sale of property, plant and equipment | | 656 | 7,246 |
| RPS dividend | 4.1 | 37,810 | 37,675 |
| Income tax expense | 2.5 | 148,300 | 163,888 |
| **Cash flow before changes in working capital and provisions** | | **613,802** | **558,212** |
| Increase in trade receivables and other | | (35,621) | (10,646) |
| Increase in inventories | | (317) | (187) |
| Increase/(decrease) in trade payables and other | | 53,356 | (31,563) |
| Income taxes paid | | (95,372) | (128,542) |
| **Net cash from operating activities** | | **535,848** | **387,274** |

# Notes to the financial statements (continued)

## SECTION 3: OPERATING ASSETS AND LIABILITIES (continued)

### 3.2 Trade receivables and other assets

**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 39 days.

Trade receivables and other are as follows:

| | Note | 2026 $000 | 2025 $000 |
|---|---|---|---|
| **Current** | | | |
| Trade receivables and accrued income | | 81,693 | 57,598 |
| Provision for expected credit losses | 4.3(a) | (2,068) | (3,657) |
| Contract assets | 2.1 | 41,833 | 44,356 |
| Prepayments | | 7,556 | 6,662 |
| Sundry receivables | | 5,170 | 6,299 |
| Finance lease receivable | | 259 | 232 |
| | | **134,443** | **111,490** |
| **Non-current** | | | |
| Finance lease receivable | | 20,073 | 20,331 |
| Sundry receivables | | 13,008 | 3,067 |
| Prepayments | | 548 | 410 |
| Employee benefits | 3.9 | 2,338 | 2,443 |
| | | **35,967** | **26,251** |

### 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:

| | 2026 $000 | 2025 $000 |
|---|---|---|
| **Goodwill** | **823,014** | **823,014** |





## 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.

# Notes to the financial statements (continued)

## 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 2026 was undertaken resulting in the provision for impairment increased to $20.9 million (2025: $19.4 million) for projects which were deferred or are expected to change significantly.





## 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[3] | Leased land $000 | Capital work in progress $000[4] | Total $000 |
|---|---|---|---|---|---|---|---|
| **Cost or deemed cost** | | | | | | | |
| At 1 July 2025 | 1,934,130 | 702,329 | 1,218,658 | 1,198,257 | 122,636 | 701,990 | 5,878,000 |
| Additions/transfers | 13,357 | 145,828 | 265,011 | 94,876 | 14,523 | 103,271 | 636,866 |
| Disposals | (3,779) | - | (6,234) | (2,338) | - | (514) | (12,865) |
| **At 30 June 2026** | **1,943,708** | **848,157** | **1,477,435** | **1,290,795** | **137,159** | **804,747** | **6,502,001** |
| **Accumulated depreciation, amortisation and impairment** | | | | | | | |
| At 1 July 2025 | 332,585 | 235,592 | 686,217 | 618,263 | 24,661 | 19,416 | 1,916,734 |
| Depreciation and amortisation | 36,827 | 19,899 | 56,956 | 53,653 | 1,400 | - | 168,735 |
| Disposals | (3,779) | - | (6,177) | (1,412) | - | - | (11,368) |
| Impairment | - | - | - | - | - | 1,560 | 1,560 |
| **At 30 June 2026** | **365,633** | **255,491** | **736,996** | **670,504** | **26,061** | **20,976** | **2,075,661** |
| **Cost or deemed cost** | | | | | | | |
| At 1 July 2024 | 1,922,640 | 695,740 | 1,166,036 | 1,137,399 | 117,955 | 326,601 | 5,366,371 |
| Additions/transfers | 11,490 | 6,589 | 61,264 | 75,400 | 4,681 | 377,281 | 536,705 |
| Disposals | - | - | (8,642) | (14,542) | - | (1,892) | (25,076) |
| **At 30 June 2025** | **1,934,130** | **702,329** | **1,218,658** | **1,198,257** | **122,636** | **701,990** | **5,878,000** |
| **Accumulated depreciation, amortisation and impairment** | | | | | | | |
| At 1 July 2024 | 301,953 | 216,928 | 642,344 | 578,430 | 23,319 | 19,957 | 1,782,931 |
| Depreciation and amortisation | 30,632 | 18,664 | 49,657 | 51,631 | 1,342 | - | 151,926 |
| Disposals | - | - | (5,784) | (11,798) | - | (3,699) | (21,281) |
| Impairment | - | - | - | - | - | 3,158 | 3,158 |
| **At 30 June 2025** | **332,585** | **235,592** | **686,217** | **618,263** | **24,661** | **19,416** | **1,916,734** |
| **Carrying amounts** | | | | | | | |
| **At 30 June 2026** | **1,578,075** | **592,666** | **740,439** | **620,291** | **111,098** | **783,771** | **4,426,340** |
| At 30 June 2025 | 1,601,545 | 466,737 | 532,441 | 579,994 | 97,975 | 682,574 | 3,961,266 |

There were $30.8 million borrowing costs capitalised to Property, Plant and Equipment in 2026 (2025: $23.9 million), of this $23.1 million relates to capital work in progress (2025: $5.7 million).

[3] Plant and equipment include right of use assets with a carrying value of $4.9 million (2025: $6.2 million) as detailed in note 2.3.

[4] Impairment of capital work in progress (WIP) is a provision for projects at risk of not proceeding.

# Notes to the financial statements (continued)

## 3.5 Capital commitments

Capital expenditure commitments can be analysed as follows:

| | 2026 $000 | 2025 $000 |
|---|---|---|
| Less than 1 year | 506,887 | 406,776 |
| 1 to 5 years | 95,640 | 86,498 |
| | **602,527** | **493,274** |

## 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 2026 valuation was based on independent assessments made by CBRE, an accredited independent valuer (2025: 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.





## 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 |
|---|---|---|---|---|
| **2026** | | | | |
| Balance at 1 July | 2,416,898 | 226,376 | 7,420 | 2,650,694 |
| Additions/(transfers)[5] | 65,585 | 91,352 | 7,997 | 164,934 |
| Disposals | - | (48) | (12) | (60) |
| Reclassified (to)/from property, plant and equipment | (15,300) | - | - | (15,300) |
| Fair value adjustments | 102,411 | (19,704) | - | 82,707 |
| **Balance at 30 June** | **2,569,594** | **297,976** | **15,405** | **2,882,975** |
| **2025** | | | | |
| Balance at 1 July | 2,052,132 | 218,071 | 16,640 | 2,286,843 |
| Additions/(transfers) | 226,059 | 2,199 | (8,524) | 219,734 |
| Disposals | - | 18 | (153) | (135) |
| Reclassified from/(to) property, plant and equipment | (4,239) | 313 | (543) | (4,469) |
| Fair value adjustments | 142,946 | 5,775 | - | 148,721 |
| **Balance at 30 June** | **2,416,898** | **226,376** | **7,420** | **2,650,694** |

There was $7.9 million of borrowing costs capitalised to capital work in progress in 2026 (2025: $8.8 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 | | 2026 $000 | 2025 $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 | 2,867,570 | 2,643,274 |
| | | **2,867,570** | **2,643,274** |

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.

[5] Net additions/transfers to investment property at fair value includes additions and land transfers for works commencing and completed in 2026. Transactions include land transfers to work in progress ($41.5 million) and capitalised work in progress ($96.5 million).

# Notes to the financial statements (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 5.00% and 9.8% (2025: 4.75% and 10.37%).

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 6.50% and 10.50 % (2025: 6.75% and 10.50%), 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:

| | 2026 $000 | 2025 $000 |
|---|---|---|
| Fair value adjustment from valuation by CBRE | 82,707 | 148,721 |
| Less: straight lining of lease income and lease incentives | (2,953) | (5,627) |
| **Fair value recognised in profit or loss** | **79,754** | **143,094** |

## 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% (2025: 2.5%) and an appropriate post-tax discount rate relating to the airport. 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.





## 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 23-day terms. Trade payables and other current liabilities are as follows:

| | Note | 2026 $000 | 2025 $000 |
|---|---|---|---|
| Trade payables and accruals | | 205,524 | 145,671 |
| RPS dividend | | 17,826 | 17,826 |
| Employee benefits | 3.9 | 13,017 | 12,120 |
| Unearned lease revenue | | 9,133 | 8,784 |
| Contract liabilities | | 4,002 | 3,697 |
| Retentions and deposits held on behalf of third parties | | 1,929 | 2,650 |
| Lease liabilities | | 355 | 417 |
| | | **251,786** | **191,165** |

The RPS dividend payable reflects the actual amount due to 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 $3.7 million (2025: $1.0 million).

During the year, BAC recognised a provision in relation to amounts that may be payable under certain contractual arrangements associated with historical insurance recoveries. The provision represents management's best estimate of the expenditure required to settle the obligation as at 30 June 2026.

# Notes to the financial statements (continued)

## 3.9 Employee benefits

**Keeping it simple …**
The BAC Group has 11 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.





## 3.9 Employee benefits (continued)

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

| | Note | 2026 $000 | 2025 $000 |
|---|---|---|---|
| **Current** | | | |
| Wages and salaries accrued | | 3,285 | 3,094 |
| Liability for annual leave | | 4,410 | 4,027 |
| Liability for long service leave | | 5,322 | 4,999 |
| | 3.8 | **13,017** | **12,120** |
| **Non-current** | | | |
| Present value of unfunded obligation | | 4,561 | 4,913 |
| Fair value of plan assets | | (6,899) | (7,356) |
| **Recognised asset for defined benefit obligation** | 3.2 | **(2,338)** | **(2,443)** |
| Liability for annual leave | | 982 | 964 |
| Liability for long service leave | | 3,424 | 2,899 |
| Employee long term incentive provision | | 1,648 | 1,806 |
| | 3.10 | **6,054** | **5,669** |
| **Net non-current employee benefits** | | **3,716** | **3,226** |

## 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 | 2026 $000 | 2025 $000 |
|---|---|---|---|
| Unearned revenue | | 68,317 | 58,496 |
| Employee benefits | 3.9 | 6,054 | 5,669 |
| Lease liabilities | | 1,738 | 2,168 |
| Make-good provision | | 3,657 | 4,139 |
| | | **79,766** | **70,472** |

# 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.

| | 2026 $000 | 2025 $000 |
|---|---|---|
| **Current** | | |
| Secured bank loan | - | 422,000 |
| Secured bank loan transaction costs | - | (230) |
| Secured domestic bond issues | - | 250,000 |
| Secured domestic bond issue transaction costs | - | (281) |
| Secured international bond issues | 336,291 | 100,000 |
| Secured international bond issue transaction costs | (159) | (65) |
| Derivative structured products | 51,783 | - |
| Derivative structured product transaction costs | (8) | - |
| **Total current** | **387,907** | **771,424** |
| | | |
| **Non-current** | | |
| Secured bank loan | 1,145,000 | 687,000 |
| Secured bank loan transaction costs | (13,121) | (6,763) |
| Secured domestic bond issues | 1,017,593 | 1,024,697 |
| Secured domestic bond issue transaction costs | (5,315) | (6,197) |
| Secured international bond issues | 1,916,974 | 1,484,096 |
| Secured international bond issue transaction costs | (7,230) | (3,553) |
| Derivative structured products | 32,349 | 82,277 |
| Derivative structured product transaction costs | (8) | (36) |
| Shareholder loans | 457,986 | 456,045 |
| **Total non-current** | **4,544,228** | **3,717,566** |
| | | |
| **Total interest-bearing liabilities and borrowings** | **4,932,135** | **4,488,990** |





## SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS

### 4.1 Interest-bearing liabilities and borrowings (continued)

| Annual nominal interest rate | Financial year of maturity | Face value 2026 $000 | Carrying amount 2026 $000 | Face value 2025 $000 | Carrying amount 2025 $000 |
|---|---|---|---|---|---|
| **Bank loan – AUD** | | | | | |
| BBSY + margin - Tranche J | 2028 | 171,000 | 170,791 | 171,000 | 170,838 |
| BBSY + margin - Tranche K | 2029 | 74,000 | 72,847 | 422,000 | 421,770 |
| BBSY + margin - Tranche L | 2028 | - | (688) | 216,000 | 214,827 |
| BBSY + margin - Tranche M | 2030 | - | (552) | - | (397) |
| BBSY + margin - Tranche N | 2035 | - | (1,591) | - | (1,780) |
| BBSY + margin - ATL | 2033 | 300,000 | 297,150 | 300,000 | 296,748 |
| BBSY + margin - ATL Facility A | 2032 | 300,000 | 297,430 | - | - |
| BBSY + margin - ATL Facility B | 2035 | 300,000 | 296,492 | - | - |
| | | 1,145,000 | 1,131,879 | 1,109,000 | 1,102,006 |
| **Domestic bonds – AUD** | | | | | |
| Fixed 3.1% | 2026 | - | - | 250,000 | 249,719 |
| Fixed 4.5% | 2031 | 600,000 | 515,552 | 600,000 | 522,203 |
| Fixed 5.9% | 2034 | 500,000 | 496,726 | 500,000 | 496,297 |
| | | 1,100,000 | 1,012,278 | 1,350,000 | 1,268,219 |
| **USPP bonds – AUD** | | | | | |
| BBSW + margin | 2026 | - | - | 100,000 | 99,934 |
| Fixed 8.3% | 2027 | 98,863 | 98,854 | 98,863 | 98,731 |
| Fixed 4.4% | 2029 | 130,000 | 129,783 | 130,000 | 129,678 |
| Fixed 5.6% | 2030 | 152,550 | 152,153 | 152,550 | 152,038 |
| Fixed 5.5% | 2037 | 50,000 | 49,828 | 50,000 | 49,812 |
| Fixed 3.5% | 2030 | 26,000 | 25,948 | 26,000 | 25,913 |
| Fixed 3.7% | 2032 | 24,000 | 23,927 | 24,000 | 23,932 |
| | | 481,413 | 480,493 | 581,413 | 580,038 |
| **USPP bonds – USD** | | | | | |
| Fixed 3.7% | 2027 | 94,504 | 94,194 | 99,297 | 98,391 |
| Fixed 3.8% | 2027 | 145,390 | 143,084 | 152,765 | 149,125 |
| Fixed 4.2% | 2028 | 113,404 | 111,888 | 119,157 | 117,339 |
| Fixed 3.9% | 2029 | 145,390 | 139,213 | 152,765 | 146,668 |
| Fixed 3.9% | 2030 | 36,348 | 35,549 | 38,191 | 37,541 |
| Fixed 4.1% | 2032 | 145,390 | 134,523 | 152,765 | 141,993 |
| Fixed 3.6% | 2030 | 155,567 | 147,911 | 163,459 | 155,754 |
| Fixed 3.7% | 2032 | 157,021 | 145,558 | 164,986 | 153,630 |
| | | 993,014 | 951,920 | 1,043,385 | 1,000,441 |
| **EMTN bonds – Euro** | | | | | |
| Fixed 3.9% | 2036 | 828,950 | 813,465 | - | - |
| | | 828,950 | 813,465 | | |
| **Derivative structured products** | | | | | |
| Fixed 1.6% | 2027 | 16,810 | 16,807 | 16,538 | 16,531 |
| Fixed 1.7% | 2027 | 6,264 | 6,263 | 6,161 | 6,158 |
| Fixed 2.7% | 2027 | 22,755 | 22,750 | 22,152 | 22,142 |
| Fixed 0.8% | 2027 | 2,084 | 2,083 | 2,067 | 2,066 |
| Fixed 0.8% | 2027 | 3,870 | 3,870 | 3,839 | 3,838 |
| Fixed 2.6% | 2028 | 32,349 | 32,341 | 31,519 | 31,506 |
| | | 84,132 | 84,114 | 82,276 | 82,241 |
| **Redeemable preference shares** | | | | | |
| Fixed 7.6% | 2032 | 470,494 | 457,986 | 470,494 | 456,045 |
| | | **5,103,003** | **4,932,135** | **4,636,568** | **4,488,990** |

# 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% (2025: 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 (2026: 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 (2025: $35.9 million) were paid by BACH in FY26. 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 $458.0 million (2025: $456.0 million) impacting the RPS dividend expense in the consolidated statement of profit or loss.

| | 2026 $000 | 2025 $000 |
|---|---|---|
| **Redeemable preference shares dividends** | | |
| Dividend | 35,758 | 35,758 |
| Interest on unpaid dividends | 112 | 127 |
| Change in fair value | 1,940 | 1,790 |
| **RPS dividend recognised in the consolidated statement of profit or loss** | **37,810** | **37,675** |

**Finance facilities**

The BAC Group has bank facilities of $2,308 million (2025: $1,650 million), of which $1,163 million is undrawn (2025: $541 million). $377 million expires in November 2027, $171 million expires in April 2028, $440 million matures in August 2028, $60 million expires in September 2028, $160 million expires in November 2029, $300 million matures in June 2032, $300 million matures in March 2033, $200 million expires in November 2034 and $300 million matures in June 2035.

**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

## SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

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### 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[6]

| | Average pay fixed rate % | Average pay floating rate | Average USD/AUD exchange rate | Average EUR/AUD exchange rate | Notional maturity profile USD$000 | Notional maturity profile EUR$000 | Notional maturity profile AUD$000 |
|---|---|---|---|---|---|---|---|
| Less than 1 year | 5.4497 | BBSW3m + 177 bps | 0.8085 | - | 165,000 | - | 204,077 |
| 1 to 5 years | 5.6440 | BBSW3m + 196 bps | 0.8011 | - | 310,000 | - | 386,988 |
| More than 5 years | - | BBSW3m + 162 bps | 0.7333 | 0.5612 | 208,000 | 500,000 | 1,174,615 |

Interest rate swaps

| | Average pay fixed rate[7] % | Average pay floating rate[8] | Notional maturity profile AUD$000 |
|---|---|---|---|
| Less than 1 year | - | - | |
| 1 to 5 years | 3.5062 | BBSW3m + 365 bps | 1,767,000 |
| More than 5 years | 4.1961 | | 4,566,000 |

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



## 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 bearing liabilities | Interest rate risk on highly probable floating rate debt | Interest bearing liabilities | Interest bearing liabilities | |
| 2026 | Interest rate swap | Cross currency interest rate swap USD[11] | Cross currency interest rate swap EUR[11] | Interest rate swap | Cross currency interest rate swap USD[9] | Cross currency interest rate swap EUR[10] | |
| | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| **Carrying amount of hedging instruments** | | | | | | | |
| Assets | - | 74,113 | - | 95,396 | 17,590 | - | 187,099 |
| Liabilities | (85,363) | (17,588) | (77,820) | (11,038) | (1,283) | (6,452) | (199,544) |
| | **(85,363)** | **56,525** | **(77,820)** | **84,358** | **16,307** | **(6,452)** | **(12,446)** |
| **At 30 June 2025** | | | | | | | |
| Cumulative fair value adjustment on hedged item[11] | (82,407) | (39,453) | (10,659) | N/A | N/A | N/A | (132,519) |
| Effective portion recognised in reserves[12] | - | (3,615) | (3,089) | 79,718 | 45 | (5,968) | 67,091 |
| **During the year** | | | | | | | |
| Change in fair value of the hedging instrument for effectiveness testing | (7,256) | (29,188) | (77,820) | 76,745 | (20,208) | (6,452) | (64,179) |
| Change in fair value of the hedged item | 7,104 | 30,943 | 72,657 | (80,308) | 20,822 | 6,331 | 57,549 |
| Effective portion of hedging instrument recognised in cash flow hedge reserve[14] | - | (3,924) | (3,089) | 70,129 | (1,970) | (5,968) | 55,178 |
| Change in effective portion of discontinued hedges recognised in cash flow hedge reserve | - | - | - | 56,803 | - | - | 56,803 |
| Hedge ineffectiveness recognised in profit or loss[13] | (152) | 5,679 | (2,074) | 6,616 | (59) | (484) | 9,526 |
| Amount recognised in profit or loss for discontinued hedges | - | - | - | (56,803) | - | - | (56,803) |
| Unwind of inception fair values recognised in profit or loss | 135 | - | - | 50,165 | 553 | - | 50,853 |
| Amount reclassified from hedging reserves to profit or loss | - | - | - | (30,455) | (70,862) | (19,724) | (121,041) |

[9] 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 and EUR borrowings.
[10] 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 and EUR borrowings.
[11] The cumulative fair value adjustment is included in the BAC Group's interest-bearing liabilities.
[12] Hedging reserves includes both cash flow hedge reserve and cost of hedging reserve. Cost of hedging reserve at 30 June 2026 amounts to $7.5 million (gain), a $8.2 million (gain) movement for the financial year.
[13] 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.

# Notes to the financial statements (continued)

## 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 rate swap | Interest rate risk on highly probable floating rate debt | Interest bearing liabilities | |
| | | | Interest rate swap | Cross currency interest rate swap and interest rate swap USD[14] | |
| 2025 | $000 | $000 | $000 | $000 | $000 |
| **Carrying amount of hedging instruments** | | | | | |
| Assets | - | | 21,261 | 36,978 | 161,108 |
| Liabilities | (78,243) | | (63,813) | (1,016) | (160,229) |
| | (78,243) | | (42,552) | 35,962 | 879 |
| **At 30 June 2024** | | | | | |
| Cumulative fair value adjustment on hedged item[15] | (75,303) | | N/A | N/A | (116,005) |
| Effective portion recognised in reserves[16] | - | | (47,214) | 2,015 | (44,890) |
| **During the year** | | | | | |
| Change in fair value of the hedging instrument for effectiveness testing | 34,307 | | (119,034) | 1,548 | (83,129) |
| Change in fair value of the hedged item | (35,228) | | 133,108 | (1,345) | 89,734 |
| Effective portion of hedging instrument recognised in cash flow hedge reserve[17] | - | | (118,143) | (131) | (118,092) |
| Change in effective portion of discontinued hedges recognised in cash flow hedge reserve | - | | 56,803 | - | 56,803 |
| Hedge ineffectiveness recognised in profit or loss[17] | (921) | | (891) | 84 | (8,661) |
| Amount recognised in profit and loss for discontinued hedges | - | | (56,803) | - | (56,803) |
| Unwind of inception fair values recognised in profit or loss | 135 | | 50,358 | (2,187) | 48,306 |
| Amount reclassified from hedging reserves to profit or loss | - | | 1,780 | (53,454) | (51,674) |

[14] 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.
[15] The cumulative fair value adjustment is included in the BAC Group's interest-bearing liabilities.
[16] Hedging reserves includes both cash flow hedge reserve and cost of hedging reserve. Cost of hedging reserve at 30 June 2025 amounts to $0.7 million (gain), a $0.2 million (gain) movement for the financial year.
[17] 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.

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 | 2026 $000 | 2025 $000 |
|---|---|---|
| General ECL from provision matrix | 305 | - |
| Other specific provisions for doubtful debts | 1,206 | 2,820 |
| | **1,511** | **2,820** |

Cash and swaps

Cash, interest rate and cross currency swaps, and bank loans are held with bilateral 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.



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## 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 | 2026 $000 | 2025 $000 |
|---|---|---|---|---|
| Cash and cash equivalents | Current | 3.1 | 44,032 | 64,388 |
| Trade receivables, accrued income, and contract assets | Current | 3.2 | 121,458 | 98,297 |
| Sundry receivables | Current | 3.2 | 5,170 | 6,299 |
| Finance lease receivable | Current | 3.2 | 259 | 232 |
| Sundry receivables | Non-current | 3.2 | 13,008 | 3,067 |
| Finance lease receivable | Non-current | 3.2 | 20,073 | 20,331 |
| Derivative instruments | Current/Non-current | 4.3(d) | 180,879 | 142,944 |
| | | | **384,879** | **335,558** |

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

| | 2026 $000 | 2025 $000 |
|---|---|---|
| Aeronautical | 89,430 | 65,184 |
| Property | 30,319 | 32,179 |
| Other | 1,709 | 933 |
| | **121,458** | **98,297** |

The most significant customer accounted for 33.0% of the trade receivables, accrued income, and contract assets carrying amount at 30 June 2026 (2025: 26.6%).

Impairment losses

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

| | 2026 Gross $000 | 2026 Impairment $000 | 2026 Net $000 |
|---|---|---|---|
| Not past due (0 – 30 days) | 74,744 | (8) | 74,736 |
| Past due (31 – 60 days) | 32,929 | (116) | 32,813 |
| Past due (61 – 90 days) | 3,509 | (161) | 3,348 |
| Past due (more than 90 days) | 12,344 | (1,783) | 10,561 |
| | **123,526** | **(2,068)** | **121,458** |

| | 2025 Gross $000 | 2025 Impairment $000 | 2025 Net $000 |
|---|---|---|---|
| Not past due (0 – 30 days) | 75,269 | (11) | 75,258 |
| Past due (31 – 60 days) | 19,714 | (89) | 19,625 |
| Past due (61 – 90 days) | 1,680 | (77) | 1,603 |
| Past due (more than 90 days) | 5,290 | (3,480) | 1,810 |
| | **101,953** | **(3,657)** | **98,296** |

# 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 anyone 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.

| 2026 | Note | Less than 1 year $000 | 1 – 5 years $000 | More than 5 years $000 | Total $000 |
|---|---|---|---|---|---|
| Floating bank loan | | 66,653 | 468,875 | 1,028,666 | 1,564,194 |
| Floating bonds | | - | - | - | - |
| Fixed bonds | | 487,610 | 1,827,379 | 1,980,467 | 4,295,456 |
| Derivative structured products | | 52,561 | 33,326 | - | 85,887 |
| Derivatives | | (1,547) | 75,556 | 112,555 | 186,564 |
| RPS | | 53,636 | 143,030 | 470,494 | 667,160 |
| | | **658,913** | **2,548,166** | **3,592,182** | **6,799,261** |
| Trade payables and accruals | 3.8 | 205,524 | - | - | 205,524 |
| Lease liabilities | 3.8/3.10 | 355 | 1,738 | - | 2,093 |
| Cross currency interest rate swap - outflow | | 311,507 | 710,147 | 1,445,539 | 2,467,193 |
| Cross currency interest rate swap - inflow | | (309,401) | (658,999) | (1,301,109) | (2,269,509) |
| Interest rate swaps | | (3,653) | 24,409 | (31,875) | (11,119) |





## SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)
## 4.3 Financial risk management (continued)

| 2025 | Note | Less than 1 year $000 | 1 – 5 years $000 | More than 5 years $000 | Total $000 |
|---|---|---|---|---|---|
| Floating bank loan | | 462,636 | 461,974 | 348,386 | 1,272,996 |
| Floating bonds | | 102,860 | - | - | 102,860 |
| Fixed bonds | | 381,382 | 1,533,745 | 1,665,688 | 3,580,815 |
| Derivative structured products | | - | 85,887 | - | 85,887 |
| RPS | | 53,636 | 143,030 | 506,252 | 702,918 |
| | | **1,000,514** | **2,224,636** | **2,520,326** | **5,745,476** |
| Trade payables and accruals | 3.8 | 145,670 | - | - | 145,670 |
| Lease liabilities | 3.8/3.10 | 417 | 2,168 | - | 2,585 |
| Cross Currency Interest Rate Swap – Outflow | | 45,419 | 714,047 | 310,986 | 1,070,452 |
| Cross Currency Interest Rate Swap - Inflow | | (40,182) | (834,128) | (339,358) | (1,213,668) |
| Interest Rate Swaps | | 56,699 | 83,977 | (11,797) | 128,879 |

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 on USD denominated bonds and annually on EUR denominated bond. 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 interest rate swaps and interest rate swaps at inception to maturity, which have the economic effect of converting foreign currency borrowings into AUD borrowings.

BAC Group policy

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:

# Notes to the financial statements (continued)

## 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 Group 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:

| | 2026 $000 | 2025 $000 |
|---|---|---|
| **Nominal fixed interest rate instruments** | | |
| Financial liabilities | **(3,958,003)** | **(3,427,568)** |
| **Nominal variable interest rate instruments** | | |
| Financial assets – cash and cash equivalents | 44,032 | 64,388 |
| Financial liabilities | (1,145,000) | (1,209,000) |
| **Net financial liability** | **(1,100,968)** | **(1,144,612)** |

**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 and EUR**

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 2026 USD$000 | Face value 2026 EUR$000 | Face value 2026 AUD$000 | Face value 2025 USD$000 | Face value 2025 EUR$000 | Face value 2025 AUD$000 |
|---|---|---|---|---|---|---|
| **Total foreign exchange exposures hedged** | **683,000** | **500,000** | **1,821,964** | **683,000** | **-** | **1,043,385** |

**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; 10% EUR depreciation and EUR 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 2026 foreign exchange rate of AUD 1 to USD 0.6878 (2025: AUD 1 to USD 0.6546) has been used in the translation of USD denominated borrowings.

The 30 June 2026 foreign exchange rate of AUD 1 to EUR 0.6031 has been used in the translation of EUR 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 and associated accounting outcomes as follows:

| Movement in interest rates | Profit/(loss) before tax | | Equity before tax | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| 100 basis point increase in interest rates | | | | |
| Net impact | **(17,050)** | **(4,531)** | **177,087** | **148,490** |
| 100 basis point decrease in interest rates | | | | |
| Net impact | **17,050** | **4,531** | **(177,087)** | **(148,490)** |

# Notes to the financial statements (continued)

## SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

### 4.3 Financial risk management (continued)

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.

Analysis for foreign 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 2025 and 2026, 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 FY26, the event of a +/- 10% appreciation/depreciation of the AUD against USD exchange rate would be a corresponding impact to other comprehensive income of $5.2 million loss and $4.3 million gain respectively (FY25: $7.3 million gain / $5.9 million loss).

In FY26, the event of a +/- 10% appreciation/depreciation of the AUD against EUR exchange rate would be a corresponding impact to other comprehensive income of $12.2 million loss and $10.0 million gain respectively.

**(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:





## SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

### 4.3 Financial risk management (continued)

| | Note | Carrying amount 2026 $000 | Fair value 2026 $000 | Carrying amount 2025 $000 | Fair value 2025 $000 |
|---|---|---|---|---|---|
| **Assets carried at fair value** | | | | | |
| Interest rate and cross currency swaps – current | | 32,858 | 32,858 | - | - |
| Interest rate and cross currency swaps – non-current | | 148,021 | 148,021 | 142,944 | 142,944 |
| | | **180,879** | **180,879** | **142,944** | **142,944** |
| **Assets carried at amortised cost** | | | | | |
| Cash and cash equivalents | 3.1 | 44,032 | 44,032 | 64,388 | 64,388 |
| Finance lease receivable – non-current | 3.2 | 20,072 | 20,072 | 20,331 | 20,331 |
| Employee benefits – non-current | 3.2 | 2,338 | 2,338 | 2,443 | 2,443 |
| Trade receivables and accrued income | 3.2 | 79,625 | 79,625 | 53,941 | 53,941 |
| Contract assets | 3.2 | 41,833 | 41,833 | 44,356 | 44,356 |
| | | **187,900** | **187,900** | **185,459** | **185,459** |
| **Liabilities carried at fair value** | | | | | |
| Interest rate and cross currency swaps – current | | - | - | 35,171 | 35,171 |
| Interest rate and cross currency swaps – non-current | | 193,326 | 193,326 | 106,894 | 106,894 |
| | | **193,326** | **193,326** | **142,065** | **142,065** |
| **Liabilities carried at amortised cost** | | | | | |
| Secured bank loan | 4.1 | 1,131,878 | 1,141,506 | 1,102,006 | 1,107,825 |
| Secured domestic bond issues | 4.1 | 1,012,278 | 1,075,226 | 1,268,219 | 1,350,334 |
| Secured USPP bond issues | 4.1 | 1,432,413 | 1,443,781 | 1,580,479 | 1,598,941 |
| Secured EMTN bond issue | 4.1 | 813,465 | 828,178 | | |
| Derivative structured products | 4.1 | 84,115 | 82,677 | 82,241 | 80,981 |
| RPS | 4.1 | 457,986 | 440,868 | 456,045 | 438,721 |
| RPS dividend | 3.8 | 17,826 | 17,826 | 17,826 | 17,826 |
| Lease liability – non-current | 3.10 | 1,738 | 1,738 | 2,168 | 2,168 |
| Trade payables and accruals | 3.8 | 205,693 | 205,693 | 145,598 | 145,598 |
| Contract liabilities | 3.8 | 4,002 | 4,002 | 3,697 | 3,697 |
| | | **5,161,394** | **5,241,495** | **4,658,279** | **4,746,091** |
| **Net liabilities** | | **4,985,941** | **5,066,042** | **4,471,941** | **4,559,753** |

**(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.

# Notes to the financial statements (continued)

## SECTION 4: CAPITAL STRUCTURE AND FINANCING COSTS (continued)

### 4.4 Changes in liabilities arising from financing activities

| | 1 July 2025 $000 | Cash flows $000 | Non-cash transaction $000 | Foreign exchange movement $000 | Fair value Movement $000 | Capitalised Interest $000 | 30 June 2026 $000 |
|---|---|---|---|---|---|---|---|
| Secured bank loan | 1,109,000 | 36,000 | - | - | - | - | 1,145,000 |
| Secured domestic bond issues | 1,274,698 | (250,000) | - | - | (7,104) | - | 1,017,594 |
| Secured USPP bond issues | 1,596,395 | (100,000) | - | (50,372) | 1,249 | - | 1,447,272 |
| Secured EMTN bond issue | - | 887,830 | 3,118 | (61,998) | (10,659) | | 818,291 |
| Derivative structured products | 82,277 | - | - | - | - | 1,856 | 84,133 |
| RPS | 456,045 | - | - | - | 1,941 | - | 457,986 |
| Lease liabilities – non-current | 2,168 | (736) | 175 | - | - | - | 1,607 |
| **Total liabilities from financing activities**[24] | **4,520,583** | **573,094** | **3,293** | **(112,370)** | **(14,573)** | **1,856** | **4,971,883** |

| | 1 July 2024 $000 | Cash flows $000 | Non-cash transaction $000 | Foreign exchange movement $000 | Fair value Movement $000 | Capitalised Interest $000 | 30 June 2025 $000 |
|---|---|---|---|---|---|---|---|
| Secured bank loan | - | 1,109,000 | - | - | - | - | 1,109,000 |
| Secured domestic bond issues | 1,589,469 | (350,000) | - | - | 35,229 | - | 1,274,698 |
| Secured USPP bond issues | 1,675,100 | (87,101) | - | (23,165) | 31,561 | - | 1,596,395 |
| Secured EMTN bond issue | - | - | - | - | - | - | - |
| Derivative structured products | 138,692 | (58,498) | - | - | - | 2,083 | 82,277 |
| RPS | 454,254 | - | - | - | 1,791 | - | 456,045 |
| Lease liabilities – non-current | 1,848 | 320 | - | - | - | - | 2,168 |
| **Total liabilities from financing activities**[24] | **3,859,363** | **613,721** | **-** | **(23,165)** | **68,581** | **2,083** | **4,520,583** |

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





## 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.

| | 2026 000 | 2025 000 |
|---|---|---|
| Ordinary shares | | |
| On issue at 30 June | **681,887** | **681,887** |

The holders of ordinary shares in BACH are entitled to receive dividends a1s 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:

| | 2026 $000 | 2025 $000 |
|---|---|---|
| Balance at the beginning of the financial year | (31,422) | 11,480 |
| Gain/(loss) recognised on cross currency and interest rate swaps | (59,790) | (166,887) |
| Income tax related to amounts recognised in other comprehensive income | 17,937 | 50,066 |
| (Gain)/loss on cash flow hedges transferred to profit and loss | 171,770 | 105,598 |
| Income tax related to amounts reclassified to profit and loss | (51,531) | (31,679) |
| **Total** | **46,964** | **(31,422)** |

Dividends

During the current financial year, BACH declared and paid ordinary dividends of $350.0 million (2025: $300.0 million).

| | 2026 $000 | 2025 $000 |
|---|---|---|
| Dividend franking account: | | |
| The taxable value of franking credits for subsequent financial years | **5,263** | **26,676** |

# Notes to the financial statements (continued)

## 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 |
| Henry Tuttiett | Executive General Manager Communications & Public Affairs |
| Jane Dionysius | Executive General Manager People, Culture & Governance |
| Raechel Paris | Executive General Manager Strategy, Planning & Sustainability |
| Krishan Tangri | Executive General Manager Infrastructure |
| Ryan Both | Executive General Manager Aviation |
| Scott Norris | 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 24 (Plan 24) was 1 July 2023, with an initial base value of $1 per unit. Total units outstanding under Plan 24 were 1,138,333 (2025: 1,138,333 The value of entitlements under Plan 24 payable at 30 June 2026 was $898,470 (2025: $580,983).

The grant date of units for the ELTIP 25 (Plan 25) was 1 July 2024, with an initial base value of $1 per unit. Total units outstanding under Plan 25 were 1,690,545 (2025: 1,690,545). The value of entitlements under Plan 25 payable at 30 June 2026 was $441,869 (2025: $419,743).

The grant date of units for the ELTIP 26 (Plan 26) was 1 July 2025, with an initial base value of $1 per unit. Total units outstanding under Plan 26 were 2,367,427. The value of entitlements under Plan 26 payable at 30 June 2026 was $307,621.





## SECTION 5: OTHER (Continued)

### 5.1 Related parties (continued)

**Key Management Personnel compensation**

The KMP compensation for the year was as follows:

| | 2026 $ | 2025 $ |
|---|---|---|
| Short term employee benefits | 7,837,946 | 7,083,787 |
| Post-employment benefits | 457,932 | 421,163 |
| Other long-term benefits | 926,596 | 878,054 |
| Termination benefits | 1,851 | 154,456 |
| | **9,224,325** | **8,537,460** |

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:

Technical Services Agreement

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 $476,206 (2025: $874,396 ). As at 30 June 2026, the amount payable was $nil (2025: $359,893).

Intellectual Property Agreement

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 $4,618,685 (2025: $4,526,889). As at 30 June 2026, the amount payable was $nil (2025: $nil).

Board fees and travel expenses

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 2026, the Board reviewed Director remuneration taking into consideration remuneration benchmarks and market movements.

Board fees and travel expenses paid to the Directors for the year amounted to $1,836,991 (2025: $1,911,972).

# Notes to the financial statements (continued)

## 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 $157,038 for the year (2025: Alan Wu $155,198);
- QIC Private Capital Pty Ltd, a company related to David Kenny, received $164,576 for the year (2025: David Kenny $159,011); and
- IFM Investors (Nominees) Limited, a company related to Lyell Strambi, and Marigold Look, received $312,596 for the year (2025: Lyell Strambi and Marigold Look, $314,375).

### 5.2 Parent entity disclosures

| | 2026 $000 | 2025 $000 |
|---|---|---|
| **Results of BACH** | | |
| Profit for the year | 359,410 | 309,550 |
| Total comprehensive income | **359,410** | **309,550** |
| | | |
| **Financial position of BACH** | | |
| Current assets | 97,375 | 65,874 |
| Non-current assets | 929,941 | 929,941 |
| **Total assets** | **1,027,316** | **995,815** |
| | | |
| Current liabilities | 43,186 | 22,666 |
| Non-current liabilities | 456,980 | 455,409 |
| **Total liabilities** | **500,166** | **478,075** |
| | | |
| **Net assets** | **527,150** | **517,740** |
| | | |
| **Equity** | | |
| Issued capital | 470,494 | 470,494 |
| Retained earnings | 56,656 | 47,246 |
| **Total equity** | **527,150** | **517,740** |

### 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 to the date of signing, there were no other subsequent events to report.





# Directors' declaration

In the opinion of the Directors of BAC Holdings Limited:

**(a)** the consolidated financial statements and notes set out on pages 19 to 67 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 2026 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulation 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 consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in Brisbane on 25 September 2026 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.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Level 23, Riverside Centre
123 Eagle Street
Brisbane, QLD, 4000
Australia

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## 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 2026, 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 2026 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 APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits 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 Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

*Other information*

The directors are responsible for the other information. The other information comprises the information included in the Group's directors' report and corporate governance statement for the year ended 30 June 2026, 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. The other information includes the sustainability report upon which we have performed a review of specified sustainability disclosures and issued a separate auditor's review report.

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.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.



BAC Holdings Limited
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

# Independent auditor's report (continued)

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.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

**R G Saayman**
Partner
Chartered Accountants
25 September 2026





# Auditor's independence declaration

Deloitte.

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Brisbane, QLD, 4000
Australia

Phone: +61 7 3308 7000
www.deloitte.com.au

25 September 2026

The Board of Directors
BAC Holdings Limited
11 The Circuit
BRISBANE AIRPORT QLD 4008

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 report and review of the sustainability report of BAC Holdings Limited for the financial year ended 30 June 2026, 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 of the financial report and review of the sustainability report; and
- Any applicable code of professional conduct in relation to the audit or review.

Yours faithfully

Deloitte Touche Tohmatsu

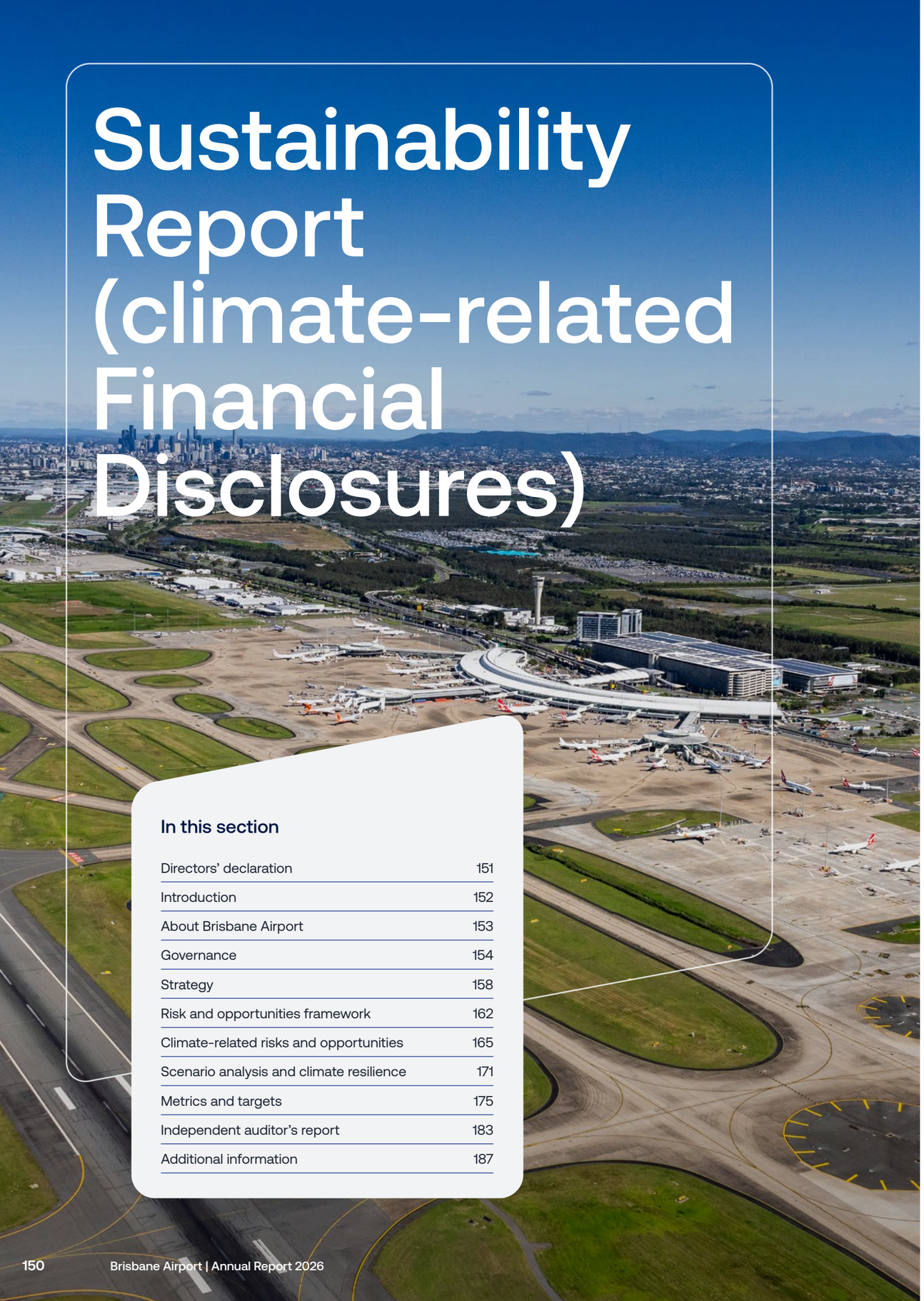
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R G Saayman
Partner
Chartered Accountants

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# Sustainability Report (climate-related Financial Disclosures)



## In this section


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## Directors' declaration

The Directors declare that, in the Directors' opinion, BAC Holdings Limited has taken reasonable steps to ensure the substantive provisions of the attached Sustainability Report (climate-related Financial Disclosures) for the financial year ended 30 June 2026 are in accordance with the Corporations Act 2001, including:

- complying with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures; and
- making the Climate Statements disclosures required by section 296D of the Corporations Act 2001, including information derived from or about climate-related scenario analysis required by section 2960(28).

Signed in accordance with a resolution of the Directors made pursuant to section 296A(7) of the Corporations Act 2001.

**David Peever**
Director

25 September 2026

# Introduction

## About this report

Brisbane Airport has an established approach to sustainability, with climate-related considerations embedded within its strategy, risk management and decision-making processes over several years. This includes ongoing investment in climate resilience, operational decarbonisation and engagement across its value chain.

This is the inaugural Sustainability Report of BAC Holdings Limited (BACH) and its controlled entities (collectively referred to throughout this report as Brisbane Airport) for the year ended 30 June 2026. The disclosures presented in this report build on these existing practices and reflect our first year of reporting under the AASB S2 Climate-related Disclosures standard.

This report contains the climate-related financial disclosures required by section 292A of the Corporations Act 2001 (Cth) (Corporations Act). It addresses the requirements of section 296A(1) of the Corporations Act and has been prepared in accordance with the Australian Accounting Standards Board's Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2).

The climate-related financial disclosures in this report have been prepared for the same reporting entity and reporting period as the Group's Consolidated Financial Statements for the year ended 30 June 2026 and should be read in conjunction with those financial statements.

Unless otherwise stated, all monetary amounts disclosed in this report are presented in Australian dollars, being the presentation currency of the Group's Consolidated Financial Statements. Amounts have been rounded to the nearest million dollars and one decimal place, unless otherwise indicated.

### Forward looking statements, judgements, estimates and assumptions

Brisbane Airport's assessment of climate-related risks and opportunities (CRROs) is based on relevant climate science, market data and company-specific information. This assessment considers potential impacts across the business model and value chain, and the extent to which existing mitigation measures, contractual arrangements and strategic initiatives address these risks and opportunities.

Climate-related scenario analysis has been undertaken using a range of plausible assumptions to assess the resilience of Brisbane Airport's strategy and business model to both physical and transition risks. Given the inherent uncertainty associated with scenario analysis, outcomes are indicative only and subject to change as methodologies and data evolve.

The preparation of this disclosure requires the application of judgement and the use of estimates and assumptions, particularly in relation to scenario inputs, risk assessment and the evaluation of financial impacts. These estimates rely on available data, including the use of proxies where required, and reflect current understanding of future climate, policy and market conditions. Significant judgements include:

- The determination and application of our materiality position, including the $50 million financial-consequence threshold used to determine the level of disclosure and the resulting judgement that four CRROs were deemed to have the potential to materially affect Brisbane Airport's prospects over the short, medium or long term.
- Brisbane Airport's scenario selection aligns with reporting requirements, including the use of proxy data to supplement where scenario specific data was not available.
- No climate-related opportunities were deemed to materially affect Brisbane Airport's prospects over the short, medium or long term.
- The judgement that the anticipated financial effects of climate-related risks and opportunities are not separately identifiable, or are subject to a high degree of measurement uncertainty, such that quantitative disclosure would not be decision-useful at this time.
- The determination of our reporting boundary, measurement approaches, proxies and emissions factors for our scope 1 and scope 2 emissions.

Further details on judgements can be found in relevant report sections.

More broadly, the data and assumptions used in preparing these climate-related financial disclosures are consistent, to the extent possible, with those used in preparing Brisbane Airport's related financial statements for the year ended 30 June 2026, and no significant differences between them have been identified.

Due to the reliance on assumptions, evolving methodologies and data limitations, there is a high degree of measurement uncertainty associated with certain disclosures, including financial impact quantification and asset vulnerability. These areas will continue to be refined as data quality, methodologies and industry practices mature.



# About Brisbane Airport

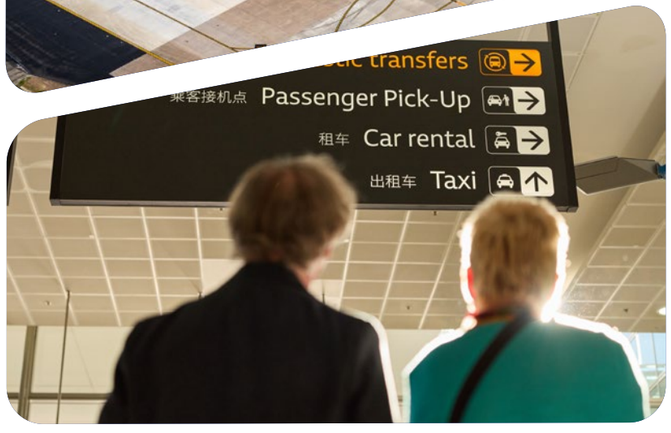
Brisbane Airport is Queensland's primary aviation gateway, connecting passengers, freight and businesses to domestic and international destinations.

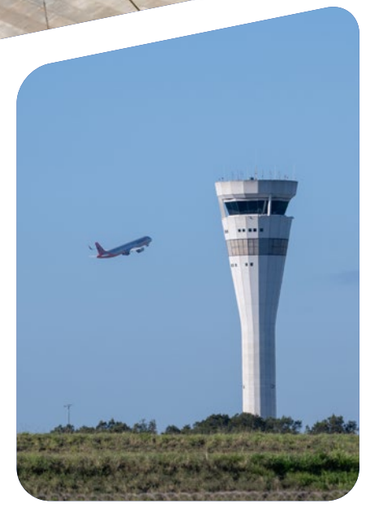
As the owner and operator of the airport, Brisbane Airport Corporation manages significant aviation, property and infrastructure assets and plays an important role in supporting economic growth across South-east Queensland. Climate change presents both risks and opportunities to the airport's long-term operations, assets and stakeholders.

Brisbane Airport has an established approach to sustainability, with climate-related considerations embedded within its strategy, risk management and decision-making processes over several years. This includes ongoing investment in climate resilience, operational decarbonisation and engagement across its value chain.

The disclosures presented in this report build on these existing practices and reflect our first year of reporting under the AASB S2 Climate-related Disclosures standard.





# Governance

## Our climate-related governance structure

Figure 1: Our governance structure

### BAC Board of Directors

- The BACH Board of Directors has ultimate oversight of strategy, risk management and climate-related risks and opportunities (CRROs).
- Oversees and approved climate-related policies, commitments and targets, including BAC's Sustainability Policy, Environment Policy, Risk Appetite and Enterprise Risk Management Framework.
- Receives updates from management and Board committees on CRROs climate scenario analysis, climate disclosures and sustainability reporting to support strategic decision-making and oversight.

#### Finance, Audit and Risk Management (FARM) Committee

- Oversees financial reporting, risk amanegment, audit and assurance, and climate disclosures, including review of CRROs, sustainability strategies and targets.
- Meets at least five times per year.

#### Property Committee

- Oversees BAC's property portfolio, including property strategy, planning and development, ensuring sustainability and climate considerations are incorporated into development and investment decisions.
- Meets at least five times per year.

#### Terminal 3 Precinct Program (T3PP) Committee

- Oversees governance, strategic direction and key decisions relation to the T3PP, including consideration fo climate and environmental matters in program design, procurement and investment decisions.
- Meets at least quarterly.

#### Human Resources and Remuneration Committee

- Oversees Board and executive capability, remuneration and climate-related performance measures, including climate considerations within executive incentives and Board skills development.
- Meets at least three times per year.

### Executive Leadership Team

- The Board delegates day-to-day management to the CEO and ELT, which is responsible for delivering BACH's strategy, business plans and major projects.
- The ELT is accountable for delivering BACH's Sustainability Commitment and climate targets, integrating climate considerations into strategic planning, business planning, financial forecasting and operational decision-making.
- ELT members are responsible for managing climate-related risks and opportunities within their areas and reporting to the ELT. The EGM Strategy, Planning and Sustainability consolidates these inputs to provide an enterprise-wise view of climate-related risks, opportunities and performance.
- The ELT oversees climate-related risks and opportunities through regular monitoring and reporting, escalating material issues to the CEO and Board as required.
- The ELT supports the preparation of climate-related disclosures, including AASB S2, and maintains appropriate governance, controls and data processes.

#### Chief Executive Officer (CEO)

- Accountable for overall performance and implementation of Board strategy and risk appetite.
- Implements the ERMF, ensuring climate-related risks and opportunities are effectively managed.
- Embeds Sustainability Commitment and climate targets across strategy, operations and decision-making.
- Ensures climate considerations are integrated into business planning, investment and budgeting.
- Provides updates to the Board on progress against climate targets and risk management.

#### Chief Financial Officer (CFO)

- Leads climate-related financial analysis and assurance readiness, ensuring CRROs are reflected in budgets, forecasts and investment decisions and coordinating engagement with external auditors and assurance providers.

#### EGM Strategy, Planning and Sustainability (SPS)

- Oversees implementation of the Sustainability Policy, Sustainability Commitment and climate targets and leads the development and delivery of BACH's corporate strategy to support sustainable growth.
- Acts as the central coordinating function for climate-related risk and opportunity oversight across the business.

#### EGM Infrastructure

- Embeds climate resilience into infrastructure planning, design and delivery, ensuring projects address physical climate risks and future conditions and oversees implementation of adaptation and resilience measures across assets.

#### EGM Commercial

- Oversees the integration of climate considerations into commercial strategy and precinct development, including retail, property and ground transport.

#### EGM Aviation

- Leads engagement with airline partners and aviation stakeholders to support the decarbonisation of aviation operations and operational efficiencies.

#### EGM People, Culture and Governance (PCG)

- Leads the development and oversight of executive and organisational performance frameworks, ensuring climate-related objectives are embedded within ELT KPIs and aligned to BACH's Sustainability Commitment.

## Board oversight

The Brisbane Airport Board of Directors (Board) has ultimate oversight of strategy and risk management, supported by four standing committees with defined roles under their charters. Brisbane Airport considers climate-related risk management a key element of sustainability, which is embedded within the Board and committee charters. Climate is managed as a material topic within Brisbane Airport's broader sustainability framework and is considered alongside other material matters to support integrated oversight and decision-making. This ensures climate risk is integrated into strategy and decision-making.

All committee papers and minutes are made available to Directors, regardless of committee membership, and each committee Chair provides updates at Board meetings on matters discussed since the prior Board meeting. This structured information flow helps ensure the Board remains informed of CRROs and their implications for Brisbane Airport's strategy and risk management.

The Sustainability Report, sustainability data and climate scenario analysis, including CRROs are standing items on the Board's Annual Work Planner and were considered during the reporting year. The Board oversees CRROs through Brisbane Airport's risk management, annual and strategic planning, sustainability commitments, and approval of the annual Business Plan. This is supported by the Sustainability Policy and Environment Policy, which position climate resilience and operational decarbonisation as core to the business.

During FY26, the Executive Leadership Team (ELT) provided climate-related updates to the Board on two occasions, including updates on CRROs, adaptation planning, scenario analysis and climate disclosures, with formal updates provided at least annually.

### Board

Under the Board Charter, the Board is responsible for overseeing material business risks including climate-related risks. Where relevant, Board Decision Papers require consideration of sustainability implications, including how the proposal supports BAC's Sustainability Commitment and any material sustainability impacts, in addition to compliance with BAC's design guidelines. Such proposals will also outline whether climate-related risks and opportunities have been considered as part of the options analysis.

During the reporting period, the following climate-related matters were considered and approved by the Board:

- the Carbon Management Plan, outlining the pathway to:
  - reduce reliance on offsets through further Scope 1 emissions reductions, maintain 100% renewable energy for Scope 2, and
  - identify actions to influence and reduce Scope 3 emissions
- a refreshed target to maintain net zero (Scope 1 and 2) for Brisbane Airport's emissions while supporting the broader aviation sector's commitment to net zero Scope 1, 2 and 3 emissions by 2050 (refer to section 8 for climate target details)
- the climate scenarios used to assess Brisbane Airport's climate resilience (refer to section 7.1)
- Brisbane Airport's CRROs
- the runway upgrade program which specifically considered climate-related risks
- the annual asset management plan, which included capital expenditure for climate-related flood assessment
- No material climate-related trade-offs requiring Board-level consideration were identified in FY26.

### FARM Committee

The FARM Committee Charter assigns responsibility for reviewing, and endorsing to the Board, annual statutory reporting and overseeing the operation and maturity of BAC's risk management framework. In the reporting period, the FARM Committee considered and endorsed:

- key climate-related judgments and disclosures supporting Brisbane Airport's AASB S2 readiness
- the Carbon Management Plan
- the climate scenarios used to assess Brisbane Airport's climate resilience (refer to section 7.1)
- updates to the CRRO register.

### Property Committee

The Property Committee Charter includes responsibility for reviewing, monitoring and making recommendations to the Board on the incorporation of sustainable design principles across BAC's property portfolio. During the reporting period, the Property Committee considered and endorsed:

- three developments within the Skygate Precinct and four developments within Airport Industrial Park each of which considered climate via our sustainable design guidelines and Green Star requirements; and
- integration of sustainability and climate requirements into property development.

### Human Resources and Remuneration (HRR) Committee

While the HRR Committee Charter does not explicitly assign responsibility for sustainability or climate matters, the Committee considers and makes recommendations to the Board regarding the Executive incentive programs, which includes sustainability-related performance measures. During the reporting period, the HRR Committee considered and endorsed:

- the FY26 CEO Performance Targets including climate-related performance elements on decarbonisation and climate scenario planning; and
- new long-term incentive (LTI) Plan including climate-related performance elements.

### Terminal 3 Precinct Program (T3PP) Committee

The T3PP Committee Charter includes responsibility for monitoring and reporting to the Board on matters specific to the T3PP, including sustainability and environmental matters. During the reporting period, the T3PP Committee considered and endorsed the investment case to progress the T3PP concept design, with confirmation that sustainable design (including climate change and resilience) had been appropriately considered.

Section 8 contains information about our climate-related targets and how the Board monitors progress towards those targets.

## Board Skills and training

The Board maintains a skills matrix, updated when Board composition changes, that includes capabilities relevant to oversight of CRROs, including 'environmental and social', 'risk compliance and audit oversight' and 'Finance, reporting and debt capital markets'. While not a standalone skill, climate change forms part of these capability areas to support Board oversight of CRROs. The skills assessment helps ensure the Board has the collective capability to oversee Brisbane Airport's CRROs.

Under the Board Governance Policy, directors undertake biennial performance evaluations and must meet continuing professional education expectations. Performance evaluations include a director self-assessment of performance against Board and Committee charters and specified goals. Through the evaluation process, the Board may identify areas in which the Board or a committee requires additional training or briefings, to increase collective knowledge in areas relevant to Brisbane Airport. The Board further develops its skills through seeking input from management and external advisors where required.

During the reporting period, the Board received a briefing from management on climate scenario analysis and mandatory climate reporting requirements, including director obligations, and some directors undertook a site visit to Western Sydney International Airport to understand how climate resilience has been integrated into its development.

## Executive remuneration

As the operators of a substantial public asset, Brisbane Airport recognises that sustainability is essential for the airport to enable long-term responsible growth which is key to delivering value to communities, customers, employees and shareholders. The ELT's remuneration is tied to the achievement of financial and non-financial key performance areas including:

- Long Term Incentive (LTI) Plan which includes financial and non-financial performance targets, assessed over a three-year performance period. Under Plan 24 and LTI Plan 25, 10% weighting is allocated to the achievement of performance goals against the Airport Carbon Accreditation (ACA) criteria, the global carbon management certification program for airports. This component represents an average of 2% of the Executive's aggregate remuneration. Vesting outcomes are determined by the Board at the end of the performance period.
- Short Term Incentive (STI) Program which includes climate-related goals as relevant to the Executive's roles and responsibilities. These goals are considered in determining annual STI performance incentive outcomes. The climate-related focus areas for the ELT represent on average 10-25% weighting which varies subject to the Executive's performance agreements, which are based on the scale and complexity of their role.

## Controls and procedures used by management to support oversight of climate-related risks and opportunities

Climate-related risk is not managed in isolation and is embedded into BAC's enterprise risk management, finance, business planning, capital approval and operational processes. The Enterprise Risk Management Framework and Risk Appetite Statement provide the mechanism through which climate risk is assessed and escalated alongside other enterprise risks. Climate-related risks and opportunities are integrated into BAC's annual and strategic business planning processes, helping inform priorities, investment decisions and business initiatives. Financial reporting and capital investment decisions also incorporate climate considerations as business as usual, and day-to-day asset and operational management is guided by the Climate Adaptation Plan with oversight ultimately reported back to the FARM Committee and Board. Refer to section 5 for more details of how management supports oversight of CRROs through our risk management processes.

# Strategy

## Business model and value chain

Brisbane Airport's purpose is to create value for its four stakeholders, community, customers, employees and shareholders, through the ownership, operation and development of Brisbane Airport. Brisbane Airport's business model is underpinned by six value drivers: aviation growth, commercial growth, infrastructure development and delivery, safe, secure and efficient operations, fostering social licence to grow, and our people and culture. These value drivers support the delivery of Brisbane Airport's strategy, which is focused on three priorities: enhanced connectivity, thriving precincts and empowered performance.

Core operational activities are enabled by a range of upstream inputs, including policy and regulatory settings, capital and finance, technology and innovation, procurement and supply chain partnerships, airport partners (including airlines, ground handlers and tenants), industry and market dynamics, and materials and equipment. Through these activities, Brisbane Airport supports aviation and commercial growth and creates value for downstream stakeholders, including passengers, airlines, tenants, the community and shareholders. Figure 2 illustrates Brisbane Airport's business model and value chain.

Figure 2: Brisbane Airport's value chain

### Our enablers

**Policy and regulation**

Government frameworks and aviation standards that shape airport operations and strategic direction

**Capital and finance**

Funding and investments that enable infrastructure development and long-term growth

**Technology and innovation**

Systems and creative solutions that drive efficiency, safety and passenger experience

**Procurement and supply chain**

Processes and partnerships that ensure timely delivery of goods, services and infrastructure inputs

**Airport partners**

Stakeholders such as airlines, ground handlers and tenants who contribute to operational capability

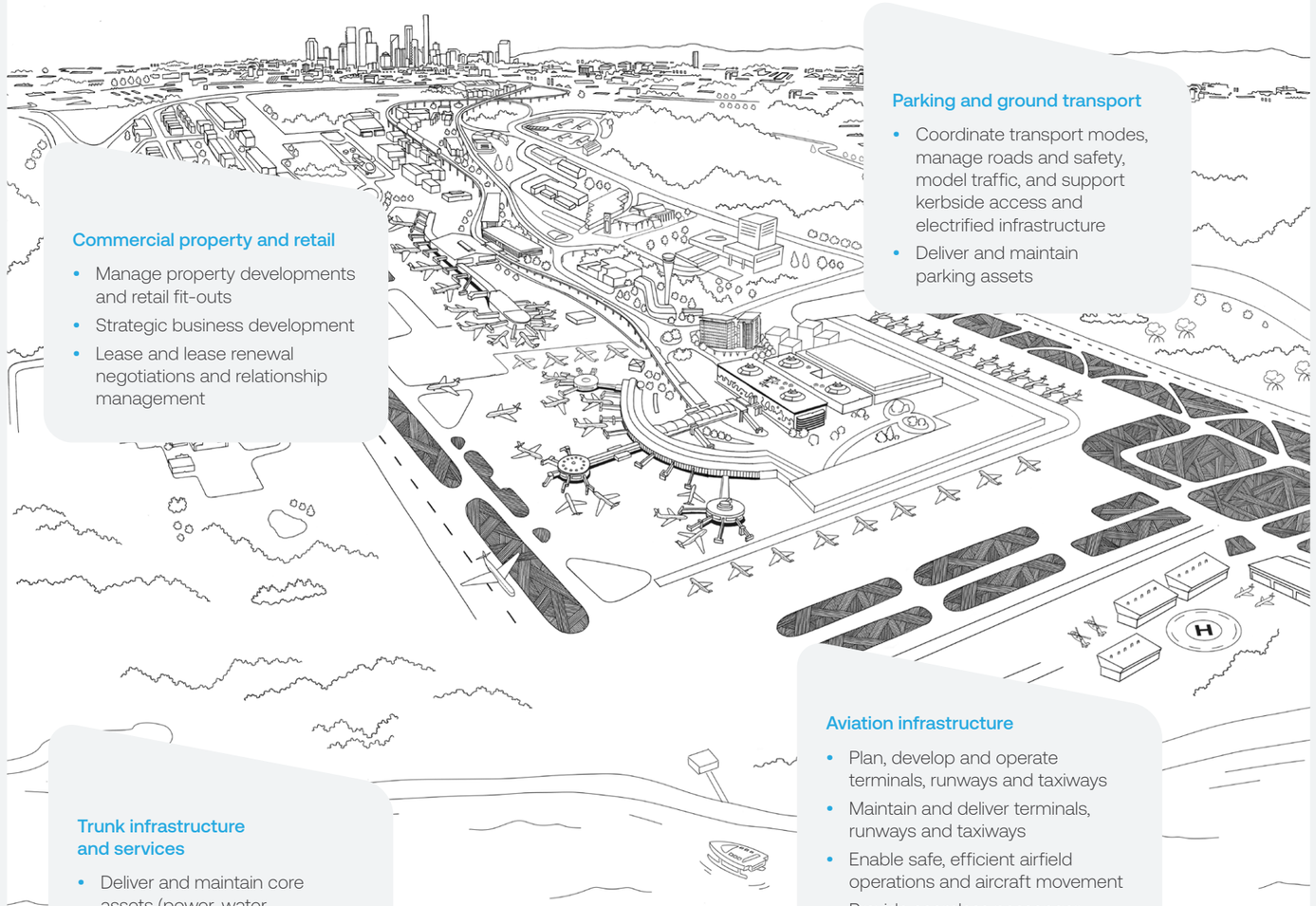
**Industry and market dynamics**

Trends, competition and demand shifts that influence strategic priorities and service offerings

**Materials and equipment**

Physical resources and tools required for construction, maintenance and day-to-day airport functions

### Our operations



**Commercial property and retail**

- Manage property developments and retail fit-outs
- Strategic business development
- Lease and lease renewal negotiations and relationship management

**Parking and ground transport**

- Coordinate transport modes, manage roads and safety, model traffic, and support kerbside access and electrified infrastructure
- Deliver and maintain parking assets

**Trunk infrastructure and services**

- Deliver and maintain core assets (power, water, telecommunications)
- Land preparation for future developments
- Plan long-term development through capacity planning

**Aviation infrastructure**

- Plan, develop and operate terminals, runways and taxiways
- Maintain and deliver terminals, runways and taxiways
- Enable safe, efficient airfield operations and aircraft movement
- Provide seamless passenger experiences through accessible, high-quality facilities
- Support long-term growth through strategic forecasting, route planning and capacity development

### Our value creation

**Community**

- Economic growth, jobs and investment
- Tourism, trade and business activity
- Global and regional connectivity
- Reduced environmental and community impacts
- Social licence to operate and grow

**Customers**

- Connectivity to markets and destinations
- Business and investment opportunities
- Safe and reliable airport services
- Industrial, retail and commercial precincts
- Access to aviation, transport and logistics networks

**Employees**

- Safe and inclusive workplace
- Career development opportunities
- Meaningful and rewarding work
- Employee wellbeing and support

**Shareholders**

- Sustainable long-term financial returns
- Asset value growth and diversification
- Resilient and future-ready infrastructure
- Enhanced reputation and stakeholder confidence

## Brisbane Airport's climate-related strategy

Brisbane Airport's climate-related strategy comprises adaptation planning to build our resilience to physical climate risks; operational decarbonisation to maintain our net zero emissions status through ongoing growth; and facilitation of value-chain emissions reduction through relationships with suppliers, airlines, tenants and other key stakeholders.

Brisbane Airport's Adaptation Plan focuses on five resilience-building workstreams:

1. Enhancing climate-related data collection and modelling, including refining flood modelling, and updating asset criticality assessment and design guidelines;
2. Incorporating climate data into strategic and operational decisions, including asset placement, upgrade and protection, and refining triggers for climate-related warnings from monitoring systems;
3. Investigating design and site layout options for pavements, foundations, terminals, buildings and lighting that address extreme weather risks;
4. Integrating climate risk management in drainage maintenance, Business Continuity Planning and emergency response planning; and
5. Engagement with key external stakeholders such as Brisbane City Council and other stakeholders on flood management and emergency response.

Since the Adaptation Plan was developed in 2023, BAC has implemented a range of resilience initiatives, including updated flood mitigation and design standards, sustainable design requirements, enhanced weather monitoring and response procedures, improved drainage management, and strengthened business continuity and emergency response planning. The Adaptation Plan will be updated in FY27 to cover the FY27–30 period.

Brisbane Airport achieved net zero operational emissions (Scope 1 and 2) from 1 January 2025, abating 97% of emissions through 100% renewable electricity via a power purchase agreement (PPA), 12.2MW of onsite solar PV, and electrification of nearly half our fleet vehicles. Residual emissions (remaining 3%) are addressed through carbon removal projects and carbon credits (refer to section 8).

Our commitment is to maintain net zero operational emissions (Scope 1 and 2) as the airport grows. Our Carbon Management Plan sets out the pathway, including renewing our PPA, expanding onsite solar and battery storage, further fleet electrification and reduction, incorporating renewable diesel into equipment, fleet and generators, transitioning some of our large tractors to robotic mowers (subject to a successful trial), replacing 50% of $SF_6$ switches, and limited refrigerant replacement in HVAC systems. High-quality carbon offsets will continue to address residual emissions (see Section 8.4.1).

Brisbane Airport also recognises the importance of supporting emissions reduction across the broader aviation value chain. While these emissions are not directly controlled by Brisbane Airport, we can play an important role through infrastructure planning, stakeholder collaboration and industry advocacy. Guided by our Carbon Management Plan, Brisbane Airport's approach is to lead, connect and partner across initiatives depending on our role, leading where we have direct influence over infrastructure and operations, connecting stakeholders across the aviation value chain, and partnering with airlines, ground handlers, fuel producers and government to support collective action.

A key priority is providing the infrastructure our airside partners need to decarbonise. This includes charging infrastructure to support the electrification of Ground Support Equipment (GSE), provision of ground power units (GPU) and pre-conditioned air (PCA) at high-use gates to displace auxiliary power unit fuel use and support lower-emission operations. Brisbane Airport is implementing charging equipment to enable 100% electric GSE by 2030 and planning for GPU and PCA installation at high-use gates is underway.

Regarding Sustainable Aviation Fuel (SAF), significant uncertainty remains around domestic production scale-up, cost reduction and the policy settings needed to support both. Brisbane Airport is working with airlines, fuel producers and other stakeholders to support the policy, accounting and infrastructure settings required to grow SAF demand. During FY26, Brisbane Airport further developed its SAF advocacy position and partnered with the Australian Airports Association (AAA) to develop an industry-wide SAF advocacy position.

Brisbane Airport is also working with stakeholders across areas including ground transport, property development and tenant energy use to improve data, identify opportunities and support emissions reduction outcomes where appropriate.

Brisbane Airport's Carbon Management Plan serves as our operational transition plan for maintaining net zero Scope 1 and 2 emissions while supporting broader aviation sector decarbonisation. Delivery of the plan relies on key assumptions and external dependencies that may change over time. These include the renewal of a power purchase agreement on commercially comparable terms, the cost-competitiveness of onsite solar and battery storage, the availability of sustainable aviation fuel and renewable diesel at scale, and supportive regulatory and carbon pricing settings.

Delivery also depends on factors partly outside Brisbane Airport's control, including supplier and technology availability, capital funding, the continued availability of high-quality carbon offsets, and the outcomes of initiatives still under trial. Brisbane Airport monitors these factors through its planning and risk management processes and will refine the plan as conditions evolve.

Brisbane Airport is resourcing climate strategy implementation through dedicated internal capability across Sustainability, Facilities, Development and Delivery, Strategy, and Risk and Resilience functions, supported by external advisors providing technical, modelling, and assurance expertise.

Climate considerations are also embedded within Brisbane Airport's Master Plan, informing long-term land use planning, infrastructure development, asset design and investment decisions. This ensures that climate-related risks, opportunities and resilience considerations are incorporated into the airport's future growth and development pathway.



# Risks and opportunities framework

## Brisbane Airport identifies, assesses and manages CRROs in accordance with our Enterprise Risk Management Framework.

Climate change resilience is one of 14 strategic risks within our Enterprise Risk Profile. The Board has no appetite for decisions that would compromise Brisbane Airport's net zero Scope 1 and 2 emissions status and low appetite for decisions that do not consider climate adaptation requirements. Brisbane Airport acknowledges that climate-related risks can drive other enterprise risks including loss of social licence and precinct-wide operational disruptions.

CRROs are identified, assessed and managed through BAC's existing planning, risk management and decision-making processes. The Board and ELT oversee the identification and prioritisation of the most significant CRROs and consider their implications for BAC's strategy and operations.

These priorities are then incorporated into annual objectives, group business plans and budgeted initiatives, with delivery supported through management plans, project governance frameworks and operational programs. Progress against key actions and outcomes is monitored through executive and organisational performance measures.

### Identification

In FY26 external consultants were used to support CRRO identification and extend it through Brisbane Airport's business model and value chain. This approach was workshopped with stakeholders from Sustainability, Strategy, Risk and Resilience, Development and Delivery, Airside Standards, Parking and Transport, and Facilities.

Brisbane Airport refreshed its identified CRROs to reflect changes in Brisbane Airport's strategic, market and operating context considering all the Task Force on Climate-related Financial Disclosures (TCFD) risk sub-categories to capture all potential CRROs.

Climate-related opportunities are identified through ongoing monitoring internal and external trends and through the climate-related risk management process.

In FY26, Brisbane Airport used climate scenario analysis to identify CRROs that could impact our prospects, including impacts on our ability to meet our strategic, operational and project objectives. Refer to section 7.1 for our scenario analysis methodology.

### Time horizons

Brisbane Airport identifies and assesses CRROs across the following time horizons:

Table 1: Time horizons

| Time horizons | | Rationale |
|---|---|---|
| Short-term | 1-5 years (FY2030) | The short-term time horizon is used for operational and business planning, annual budgeting, sustainability initiatives, asset maintenance, workforce planning, and delivery of committed capital projects. This horizon is aligned with business planning and Airport Development Plan cycles, supporting operational planning, budgeting and committed capital project. |
| Medium-term | 5-20 years (FY2040) | The medium-term time horizon is used for major capital investment decisions, infrastructure planning, precinct development, asset renewal programs, and transition planning associated with emerging technologies and changing market conditions. This horizon aligns with Brisbane Airport's Master Plan and is used for major capitalinvestment, infrastructure planning and asset renewals. |
| Long-term | 20+ years (FY2050) | The long-term time horizon is used for strategic planning relating to airport growth, ultimate capacity, long-life infrastructure, land use planning and climate resilience. This horizon aligns with Brisbane Airport's long-term growth vision, supporting long-life infrastructure, land use planning and climate resilience. |

### Assessment

Brisbane Airport assesses all risks against the Enterprise Risk Management Framework criteria, which serves to integrate climate risk into, and inform, our overall risk management process.

Identified climate-related risks are assessed across short, medium and long-term time horizons using qualitative and quantitative criteria which consider the nature, likelihood, and consequence of potential impact on our performance and prospects. Each risk is scored on both an inherent and residual basis, considering current controls to mitigate against these potential events. Risk ratings are determined by combining likelihood with potential consequence across categories (i.e. health and safety, environment, business interruption, reputation, legal and regulatory and finance), using Brisbane Airport's risk matrix to assign a risk rating from Low to Very High.

Climate-related opportunities are assessed using the proximity of the opportunity and its financial impact (i.e. the size of the opportunity in revenue terms or cost savings) to determine an inherent rating and considered barriers to implementing the opportunity to determine its residual rating.

Key inputs to the climate-related risk assessment carried out in FY26 included climate hazard data and projections (from the Queensland Future Climate Dashboard), external climate risk analysis (National Climate Risk Assessment, Queensland's State Heatwave Risk Assessment, IPCC AR6), aviation sector research and analysis, climate policy and carbon pricing projections, and internal analysis of the impacts of historic extreme weather events.

### Materiality

Brisbane Airport has determined material information provided in this disclosure using the following approach:

#### Assessment of climate-related materiality

Brisbane Airport identifies CRROs where they could reasonably be expected to affect the entity's cash flows, access to finance, or cost of capital over the short, medium or long term (i.e. Brisbane Airport's prospects). Enterprise value is considered the mechanism through which primary users assess those prospects. The identification and prioritisation of CRROs is informed by Brisbane Airport's Enterprise Risk Management Framework. This includes assessments of likelihood and consequence across financial, operational, health and safety, legal and regulatory, and reputational dimensions. These assessments are supported by climate scenario analysis aligned to Brisbane Airport's strategy and resilience planning, and input from relevant operational, engineering, financial and sustainability subject-matter experts.

A climate-related risk or opportunity is assessed as materially affecting Brisbane Airport's business model and value chain, and therefore its primary users, where it presents a residual major or greater consequence across one or more of the financial, operational, health and safety, legal and regulatory, or reputational impact categories.

#### Determination of disclosure and level of detail

For risks and opportunities assessed as material, Brisbane Airport determines the nature and extent of disclosure based on whether omitting, misstating or obscuring the information could reasonably be expected to influence the decisions of investors, lenders or other creditors.

CRROs that are assessed as having a major financial consequence, are disclosed in greater detail, including more granular analysis and quantification where feasible. A major financial consequence is defined as:

- an estimated cash flow impact of greater than $50 million and / or a potential downgrade to sub-investment grade by at least one credit rating agency; and
- that presents residual major-level consequences across one or more non-financial impact categories (health and safety, environment, business interruption, reputation, or legal and regulatory).

Where material risks and opportunities do not meet this major consequence threshold, Brisbane Airport provides qualitative disclosure that explains the nature of the risk or opportunity, its relevance to Brisbane Airport's prospects, and the expected direction of impacts, ensuring information remains decision-useful for primary users.

### Use of quantitative and qualitative information

Where anticipated financial effects are separately identifiable and can be estimated with sufficient reliability to be decision-useful, Brisbane Airport provides quantitative information about those effects. Where quantitative information cannot be provided, including where impacts are not separately identifiable, relevant data is not available, data quality is insufficient, or measurement uncertainty is significant, Brisbane Airport explains the reasons and provides qualitative information describing the nature of the risk or opportunity and the expected direction.

### Additional contextual disclosures

Brisbane Airport recognises that certain climate-related matters, such as operational disruptions, community impacts or reputational considerations, may be of interest to users of this report even where they are not deemed to be financially material. Where such matters are assessed as not reasonably expected to affect Brisbane Airport's enterprise value, Brisbane Airport may nevertheless provide qualitative disclosure where this information is considered useful for understanding the broader context of CRROs, including their potential to evolve into financially material matters over time.

## Prioritisation

Brisbane Airport prioritises CRROs based on their potential impact to our prospects, including impacts on our ability to meet our strategic, operational and project objectives, as determined by those with the highest residual risk ratings. Our risk appetite influences risk prioritisation, noting climate-related risks sitting outside of appetite must be reported, treated and escalated to the Business Leadership Team (BLT), the ELT, CEO and/or Board, in accordance with the Enterprise Risk Management Framework.

## Monitoring

Brisbane Airport monitors climate-related risks through its Enterprise Risk Management Framework in the following manner:

- Climate-related risks that are recorded in Brisbane Airport's enterprise risk profile (including strategic risks) and operational risks are reviewed, at minimum, biannually. A risk will be reassessed sooner if strategic objectives or operating conditions materially change.
- Management is responsible for maintaining the accuracy and relevance of risks, monitoring controls effectiveness, tracking risk trends and emerging risks, and escalating changes as required.
- Risks must be reviewed following material economic, regulatory or environmental events, such as new climate-related regulation, significant updates to climate science or an extreme weather event.

Brisbane Airport monitors climate-related opportunities through Board and ELT oversight of annual goals, group plans and budgeted initiatives, supported by ongoing performance monitoring. Climate-related opportunities are also integrated into capital planning and approvals processes, including investment prioritisation, funding decisions and project delivery across the portfolio.



# Climate-related risks and opportunities

## Climate-related risks

Based on our Risk and Opportunity Framework process, the following section provides an overview of the CRROs that could affect our prospects over the short, medium and long-term time horizons, including areas of our business model and value chain where impacts could be most significant.

Climate-related risks are concentrated in key areas of Brisbane Airport's business model, with physical risks primarily impacting core operations and assets, and transition risks most significantly affecting upstream procurement and downstream passenger demand and associated revenue.

All risks in Table 2 are assessed as having residual major consequences under BAC's Enterprise Risk Management Framework over the long term, with extreme rainfall also assessed as having a residual major consequence in the medium term.

A major consequence may arise from financial impacts, operational disruption, safety outcomes, reputation impacts or other risk categories.

Initial scenario analysis, incorporating quantitative modelling of passenger demand and revenue impacts across three climate scenarios, Flying Forward (low warming), Turbulent Take-off (moderate warming) and Final Call (high warming) (see Section 7.1 for full scenario methodology and assumptions), indicates that over the long term, the transition risks of increasing cost of carbon and changing consumer perceptions of the aviation sector may result in major financial consequences. The projected impacts arise from a moderation in passenger growth relative to Brisbane Airport's current baseline forecast. Passenger volumes continue to increase over time, but growth is slower long-term.

The impacts from the transition are more strongly felt in Flying Forward, and to a lesser extent, Turbulent Take-off, with minimal impacts in Final Call. Impacts across scenarios diverge in the short to medium term due to the divergent nature of policy and consumer preferences.

For physical risks, including extreme rainfall and storms, financial impacts remain uncertain due to modelling assumptions and data limitations. However, the scenario analysis suggests potential for major non-financial consequences from business interruption. Impacts from physical risks are more significant in Final Call and Turbulent Take-off, though impacts across all scenarios, including Flying Forward are greater than those experienced today. Impacts across all scenarios remain relatively comparable in the short to medium term, with scenarios diverging more significantly in the long term.

The impacts presented in Table 2 reflect aggregated insights across the scenarios, with variation in severity and timing outlined in Table 3.

Table 2: Overview of Brisbane Airport's Climate-related risks and opportunities

| Climate-related risk or opportunity | Element of business model and value chain impacted | Residual rating across each applicable time horizon | | |
|---|---|---|---|---|
| | | Short | Medium | Long |
| **Physical risks** | | | | |
| Direct damage, degradation or disruption to physical infrastructure assets from extreme rainfall | Core operations — Airside Operations, Carparking and Ground transport, Commercial Property, Infrastructure Delivery & Asset Management | Medium | High | High |
| Direct damage, degradation or disruption to physical infrastructure assets due to storm events | Core operations — Airside Operations, Carparking and Ground transport, Commercial Property Infrastructure Delivery & Asset Management | Medium | Medium | Very high |

| Climate-related risk or opportunity | Element of business model and value chain impacted | Residual rating across each applicable time horizon | | |
|---|---|---|---|---|
| | | Short | Medium | Long |
| **Transition risks** | | | | |
| Increasing cost of carbon | Upstream — Utilities, Materials & Equipment, Capital & Finance<br>Core Operations — Planning<br>Downstream — Aviation & Commercial Growth | | Medium | High |
| Changing consumer perceptions of the aviation sector | Downstream — Aviation & Commercial Growth, Social License | | Low | Medium |
| | | | | Very high |

Climate-related risks may affect Brisbane Airport's revenue, operating expenses, capital expenditure, cash flows and the carrying value of long-lived assets. The nature of these potential impacts is described in Table 3.

Table 3: Key climate-risks in detail

| Physical risk:<br>**Direct damage, degradation or disruption to physical infrastructure assets from extreme rainfall** | |
|---|---|
| Potential impact to Brisbane Airport's business model and value chain | Extreme rainfall may disrupt Brisbane Airport's operations through damage to, or reduced functionality of, critical infrastructure. This may constrain terminal precinct and airside operations, resulting in flight delays, cancellations and access disruptions for passengers, staff and service providers. Increased rainfall intensity may also elevate health and safety risks. |
| Anticipated financial impacts | Increased maintenance and repair costs may arise from clean-up, repairs and more frequent maintenance of assets exposed to inundation. Capital expenditure may also increase over time to support asset renewal, drainage upgrades and resilience enhancements, with potential impacts on property, plant and equipment, useful lives, and depreciation and amortisation. Financial impacts may also arise through reduced aeronautical, landside transport, investment property, retailer and operating property revenue, during periods of operational disruption, reduced passenger throughput or constrained precinct access, with flow-on impacts to cash flows from operating activities. |
| Current response actions | Brisbane Airport manages exposure to extreme rainfall and storm events through an integrated approach to design, planning and operational response. Flood modelling and analysis indicates approximately 98% of infrastructure across the precinct located above the 1-in-100-year flood level. This is supported by ongoing assessment of rainfall risk to inform how infrastructure is designed and developed over time. Operational readiness is maintained through coordinated planning response and recovery plans. Brisbane Airport also coordinates its response with Local and District Disaster Management Groups (LDMG and DDMG) at a Council and State level to ensure alignment. |
| Monitoring | Occurs through weather monitoring and early warning systems, supported by flood sensors and drainage monitoring to track rainfall conditions and inform operational response. |

| Physical risk:<br>**Direct damage, degradation or disruption to physical infrastructure assets due to storm events** | |
|---|---|
| Potential impact to Brisbane Airport's business model and value chain | Severe storm events may disrupt Brisbane Airport's operations through damage to, or failure of, critical infrastructure and systems, including impacts from wind, rainfall and debris. This can constrain terminal precinct and airside operations, resulting in flight delays, cancellations and access restrictions for passengers, staff and service providers. Storm events may also generate unsafe conditions for people and assets, including foreign object debris, which can further disrupt operations and restrict access. |
| Anticipated financial impacts | Increased maintenance and repair costs may arise from clean-up, repairs and unplanned maintenance of damaged infrastructure. Additional capital expenditure may be required to repair, replace or enhance the resilience of airport assets, with potential impacts on property, plant and equipment, useful lives, and depreciation and amortisation. Financial impacts may also arise through reduced aeronautical, landside transport, investment property, retailer and operating revenue, associated with flight delays, cancellations and restricted access, together with impacts on cash flows from operating activities. |
| Current response actions | Brisbane Airport's infrastructure is designed and maintained to withstand wind, lightning and debris impacts, supported by targeted planning and maintenance activities to manage storm related risks. Response measures focus on maintaining safe and coordinated operations during storm events through defined procedures, communication and incident management frameworks, alongside continuity planning to support response and recovery and ongoing service delivery. Brisbane Airport also coordinates its response with Local and District Disaster Management Groups (LDMG and DDMG) at a Council and State level to ensure alignment. |
| Monitoring | Occurs through weather monitoring and lightning and thunderstorm warning systems, supported by alert systems to inform timely operational response. |

| Transition risk: **Increasing cost of carbon** | |
|---|---|
| Potential impact to Brisbane Airport's business model and value chain | The introduction and tightening of domestic and international carbon reduction policies may increase the cost of emissions-intensive activities across the aviation value chain. These costs may increase airline operating costs and ticket prices over time, which could reduce passenger demand growth. Additionally, rising costs associated with materials and business operations, driven by the low-emissions transition, carbon-related cost pressures and increasing resilience requirements, may impact property and infrastructure development across the precinct. |
| Anticipated financial impacts | Higher explicit and implicit carbon costs may increase airline operating costs through the passthrough of carbon pricing and sustainable aviation fuel costs on ticket pricing, potentially placing upward pressure on airfares and moderating passenger demand growth over time, with potential impacts on aeronautical, landside transport and retail revenue. Separately, the transition to lower emissions, increasing resilience requirements and carbon-related cost pressures may increase infrastructure, materials, construction, maintenance and repair costs, increasing capital expenditure across Brisbane Airport's asset base. These impacts may affect operating expenses, depreciation and amortisation, and cash flows from operating activities over the medium to long term. |
| Current response actions | Brisbane Airport manages direct exposure to increasing carbon costs through existing commercial and contractual arrangements across its operations and property portfolio. Brisbane Airport addresses its indirect exposure through its transition to zero-emission ground operations and support for the development of a domestic SAF market (see section 4.2 for more detail). Brisbane Airport also considers cost implications as part of decision-making for future developments and investments, including the selection of lower carbon materials and design approaches that support emissions reduction and long-term resilience. |
| Monitoring | Occurs through ongoing assessment of regulatory and market developments, including conducting scenario analysis incorporating multiple carbon price pathways to understand potential impacts across Brisbane Airport's operations. |

| Transition risk: **Changing consumer perceptions of the aviation sector** | |
|---|---|
| Potential impact to Brisbane Airport's business model and value chain | Growing public concern about aviation emissions, reinforced by corporate decarbonisation targets, policy measures and social pressures, may influence leisure and business travel behaviour. This may reduce passenger demand, particularly business travel, and affect airline engagement and long-term growth across Brisbane Airport's aviation and commercial activities. |
| Anticipated financial impacts | Reduced passenger demand growth may affect aeronautical, landside transport and retail revenue, resulting in slower revenue growth and reduced cash flows from operating activities over the medium to long term. Sustained changes in demand may also influence future capital expenditure requirements and depreciation and amortisation where demand expectations affect future development plans. |
| Current response actions | Brisbane Airport manages exposure to changing consumer perceptions through proactive stakeholder engagement, transparent corporate reporting and communication of its sustainability initiatives and broader climate position (see section 4.2). This includes progressing the transition to net zero operations, undertaking a sustainable aviation fuel (SAF) study to understand pathways for supply and uptake, and supporting industry collaboration through the Australian Airport Associations Sustainability Working Group (SWG). Brisbane Airport is also incorporating climate considerations into projects through sustainable design incorporations including lower carbon materials. |
| Monitoring | Monitoring occurs through ongoing engagement with key consumer groups and airlines, supported by qualitative and quantitative scenario analysis to assess potential impacts on demand and reputation. This includes tracking outcomes from the SAF study, monitoring progress in maintaining net zero (scope 1 and 2), and assessing market, policy and industry developments that may influence consumer expectations and sentiment towards aviation. |

In addition to the CRROs presented above, Brisbane Airport has assessed a broader set of potential CRROs as part of its enterprise risk management processes. These include acute and chronic physical risks such as extreme heat, bushfires, drought, and sea level rise, as well as transition risks including electricity price volatility, evolving reporting and regulatory requirements, emerging aviation technologies, and changing investor expectations. Brisbane Airport also assessed a range of opportunities, including the adoption of energy efficiency and decarbonisation initiatives, and engagement with tenants and airlines to support their decarbonisation objectives.

These risks and opportunities were considered not to materially affect Brisbane Airport's prospects over the short, medium or long term. Brisbane Airport continues to monitor these risks as part of its ongoing risk management and climate scenario analysis processes to ensure that any changes in risk profile are identified and appropriately managed over time.

## Climate-related opportunity metrics

Climate-related opportunities are activities, investments or assets that are expected to enhance Brisbane Airport's enterprise value by reducing costs, generating revenue, strengthening resilience, or improving access to capital in response to the transition to a low-carbon and climate-resilient economy.

When applying this definition to Brisbane Airport's climate-related opportunities it was determined that they are not material to the Brisbane Airport's financial position, financial performance or cash flows at this time.

## Financial implications of risks and strategy

### Current financial impacts

Brisbane Airport has not identified any separately identifiable material financial impact of climate-related risks and opportunities on its financial position, financial performance or cash flows during the reporting period.

Climate-related expenditure during FY26, including the $21.7 million invested in climate resilience activities described in Section 8.3, forms part of Brisbane Airport's normal capital and operating programs. While this expenditure contributes to climate resilience, it also supports broader operational, asset renewal and development objectives and is not considered a material climate-related impact on Brisbane Airport's financial position, financial performance or cash flows for the reporting period.

### Anticipated financial impacts

Brisbane Airport has not identified any significant risk of material adjustment to the carrying amounts of assets and liabilities in the next annual reporting period as a result of climate-related risks or opportunities, and no material climate-related adjustments have been made to financial statement line items.

Brisbane Airport is actively progressing initiatives to manage its material CRROs across both transition and physical risk categories, embedded within existing capital and operating plans. Over the short term (1–5 years), planned capital expenditure includes $159.1 million allocated to physical risk mitigation including embedding climate resilience across new and current infrastructure projects, and $52.4 million allocated to transition-related initiatives including airside electrification to support the transition of ground operations and reduce aviation emissions. Over the medium and long term, Brisbane Airport expects continued increases in climate-related operating and capital expenditure as resilience and decarbonisation initiatives mature, funded through a combination of operating cash flows and external debt funding. A revised Climate Adaptation Plan, to be developed in FY27, will inform the scale, timing and prioritisation of this future investment.

As a long-life infrastructure business, Brisbane Airport maintains financial flexibility through stable operating cash flows, a commitment to an investment grade credit rating, access to long-term debt facilities and debt capital markets, and disciplined capital allocation processes. This supports Brisbane Airport's ability to fund, prioritise and, where required, reallocate or bring forward climate-related investment as risks evolve.

Quantitative information about the anticipated financial effects of climate-related risks and opportunities has not been provided, either individually or in aggregate. Brisbane Airport has undertaken qualitative and quantitative assessments of its material climate-related risks and opportunities; however, scenario modelling of potential financial impacts relies on multiple uncertain variables, including climate projections, technology pathways, policy settings and market developments, resulting in a high degree of measurement uncertainty. As a result, Brisbane Airport has concluded that quantitative estimates of anticipated financial effects, either individually or in aggregate, would not currently provide reliable or decision-useful information. The anticipated financial effects of material climate-related risks and opportunities are instead described qualitatively, including reference to the financial statement line items most likely to be affected, where relevant. Brisbane Airport will continue to refine its assessment of these financial effects, with the intention of enhancing quantitative disclosure as data quality, scenario analysis, climate quantification methodologies and transition planning maturity continue to improve.



# Scenario analysis and climate resilience

Climate scenario analysis was used to assess Brisbane Airport's material CRROs, and to evaluate the resilience of our business model and strategy under a range of plausible future climate conditions.

Section 7.1 sets out the methodology, scenarios and assumptions underpinning this analysis, while Section 7.2 presents the resulting assessment of Brisbane Airport's climate resilience, including the key sources of resilience identified, limitations, and our adaptive capacity across the short, medium and long term.

## Scenario analysis methodology

In FY26, Brisbane Airport conducted scenario analysis to assess the resilience of its business model and value chain across the short, medium and long-term time horizons outlined in section 5.1.1.

Three bespoke climate scenarios were developed using established global reference frameworks while also tailoring to the Queensland and aviation context. The scenarios tested different assumptions relating to climate policy ambition, macroeconomic conditions, aviation decarbonisation, travel demand and physical climate impacts, enabling Brisbane Airport to assess a range of physical and transition risk drivers over time.

The **Flying Forward scenario** (low warming) reflects an orderly transition broadly aligned with limiting global warming to ~1.4°C by 2100 and meets the requirements under section 296D(2B)(a) of the Corporations Act.

The **Final Call scenario** (high warming) reflects a disorderly, high-emissions pathway resulting in ~3.6°C warming by 2100 and meets the requirements under section 296D(2B)(b).[1]

Brisbane Airport also included the **Turbulent Take-off scenario** (moderate warming) to assess a more uneven transition pathway, and one that potentially may be more likely than either of the extremes.

Brisbane Airport conducted qualitative scenario analysis across six physical risks, two opportunities and four transition risks to assess how impacts may evolve across the business and value chain. Brisbane Airport also undertook quantitative scenario analysis on its four most significant risks to assess the potential magnitude of impacts on Brisbane Airport's prospects across the short, medium and long term.

Brisbane Airport developed three scenarios exploring structured, plausible representations of how climate-related trends, uncertainties and transition pathways may evolve over time. They were used to challenge business-as-usual assumptions and assess Brisbane Airport's resilience under a range of future conditions. Key uncertainties considered in our scenario analysis are:

### Physical

- Changing frequency and severity of chronic and acute physical risk events.

### Transition

- The pace and coordination of global decarbonisation (domestic and international), including timing, stringency, and enforcement
- Macroeconomic outcomes of the transition, including impacts on GDP growth and capital allocation
- The availability, cost and scalability of aviation decarbonisation technologies, particularly sustainable aviation fuel, electric aircraft and hydrogen, and the timing of their widespread adoption
- Changing travel demand patterns, including shifts in business travel, leisure preferences, and consumer sustainability behaviour
- Fuel and electricity price trajectories and the resilience of energy supply during the transition.

1 These scenarios also reflect the guidance in paragraph 2.17 of the explanatory memorandum to the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024* (Cth) that an increase of above 2.5°C would be considered to well-exceed 2°C of warming, as required by section 296D(2B)(b) the Corporations Act.

The following table sets out the key inputs, assumptions and data sources used for each scenario.

Table 4: Climate Scenarios

| | Flying Forward | Turbulent Take-off | Final Call |
|---|---|---|---|
| **Scenario details** | | | |
| Global temperature rise | Achieves Paris Agreement goals. Estimated rise of ~1.4°C by 2100. | Estimated rise of ~2.7°C by 2100. | Estimated rise of ~3.6°C by 2100. |
| Scenario description | An orderly, coordinated transition with strong climate policy and international cooperation driving rapid decarbonisation. Investment in low-carbon technologies accelerates, supporting aviation transition. Physical impacts stabilise over time and adaptation improves resilience. There is a rapid transition away from fossil fuels, with marked and continued uptake of renewables. | A fragmented and uneven transition pathway with limited global coordination and slower progress toward decarbonisation. Adoption of low-emissions technologies remains constrained by policy, cost and infrastructure barriers. Escalating physical climate risks drive more frequent disruptions over time. While there is moderate uptake in renewables, fossil fuels persist, with policy diverging regionally. | A disorderly and reactive transition pathway characterised by rising nationalism, limited international cooperation and weak climate policy. Escalating physical climate impacts increasingly disrupt infrastructure, supply chains and economic activity. Fossil fuels retain a large share of the energy mix, with incremental growth in renewables. |
| Key scenario sources | IPCC[2]: SSP[3]1-1.9 (SSP1-2.6 proxy data for physical risks) NGFS[4]: Highway to Paris (short-term), Net Zero by 2050 (long-term) | IPCC: SSP2-4.5<br>NGFS: Diverging Realities (short-term), Fragmented World (long-term) | IPCC: SSP3-7.0<br>NGFS: Disasters and Policy Stagnation (short-term), Current Policies (long-term) |
| **Key assumptions** | | | |
| Climate-related policies | Governments rapidly strengthen climate policy and international cooperation, accelerating decarbonisation through tighter carbon regulation, increased climate finance and investment in low-carbon technologies and infrastructure. Both Australia and Queensland's electricity grid decarbonise rapidly through coordinated investment. | Climate policies strengthen gradually but remain uneven across jurisdictions, with inconsistent implementation and limited coordination slowing the pace of grid electrification, decarbonisation and investment in low-carbon technologies. | Ambition weakens over time, resulting in declining application of climate policy. Focus shifts to energy security, cost of living pressures and domestic industry protection. The grid decarbonises moderately over time, aligned with current planning. |
| Macroeconomic trends | Short-term economic disruption, but investment in low-carbon industries, renewable energy and emerging technologies supports longer-term economic resilience and productivity growth. South-east Queensland experiences continued population growth. | Economic growth becomes increasingly uneven across regions as recurring climate disruptions, fragmented policy responses and varying levels of resilience drive volatility. South-east Queensland experiences continued population growth. | Economic growth weakens due to rising nationalism, trade tensions and escalating physical climate impacts, with increasing disruption to infrastructure and supply chains placing sustained pressure on the economy. South-east Queensland experiences continued population growth. |
| Aviation and travel | Aviation decarbonisation accelerates through stronger policy support, growing SAF uptake and development of low-carbon aviation technologies. Travel demand shifts toward lower-emissions options over time. | SAF uptake and low-carbon aviation technologies develop gradually but remain constrained by high costs, uneven policy support and infrastructure limitations.Climate impacts increasingly influence travel demand and destination choices. | Aviation decarbonisation remains limited. Rising fuel prices, environmental degradation and escalating physical climate impacts reduce travel demand and increase disruption across aviation and tourism. |

2 IPCC: Intergovernmental Panel on Climate Change (IPCC).
3 SSP: Shared Socioeconomic Pathway.
4 NGFS: Network for Greening the Financial System.

The outputs of the scenario analysis informed the assessment of all identified climate-related risks and opportunities. Combined with Brisbane Airport's risk management and materiality assessment processes, this analysis supported the identification of the four climate-related risks disclosed in Sections 5 and 6 as having the potential to materially affect Brisbane Airport's prospects over the short, medium and long term.

## Brisbane Airports climate resilience

The scenario analysis indicated that Brisbane Airport has established measures that support resilience to physical climate risks. However, flooding and severe storm events remain material physical climate risks due to the concentration of assets and operations at a single location. Brisbane Airport also remains exposed to transition impacts, with long-term passenger growth sensitive to the pace and ambition of carbon policy and aviation decarbonisation technology development.

Six key areas support Brisbane Airport's resilience to climate related risks:

- **Location advantage.** Strong population growth and diversified travel demand in South-east Queensland, combined with vast travel distances, support ongoing growth in demand for air travel via BNE.
- **Proactive climate risk management.** Brisbane Airport has active plans underway to address its climate-related risks and opportunities, including implementation of its Carbon Management Plan and Climate Adaptation Plan, and delivery of decarbonisation, adaptation and extreme weather response initiatives.
- **Ability to delay or divert flights.** Brisbane Airport's operational flexibility means that many extreme weather events that temporarily disrupt operations do not typically result in material financial impacts. Flights can be delayed, rescheduled or diverted during events such as flooding, reducing disruption and supporting continuity of operations.
- **Assets designed to withstand major climate hazards.** Critical infrastructure is designed and maintained to manage impacts of extreme weather events, with existing protections (e.g. drainage and asset management) reducing exposure to flooding and storm impacts. Brisbane Airport manages its asset base through established asset management and capital planning processes, enabling assets to be upgraded, repurposed or decommissioned as operational and climate-related requirements evolve. Given the long operational life of key infrastructure such as runways, taxiways and terminals, adaptation is generally delivered through asset renewal, upgrades and evolving design standards, with newer infrastructure designed to climate-adapted standards.
- **Strong WHS procedures to manage workforce exposure.** Brisbane Airport's Adverse Weather Plan, together with established WHS controls, adaptive work practices and defined protocols, supports workforce safety and operational continuity during climate-related hazards.

- **Mature business continuity and emergency response planning.** Established business continuity and emergency management frameworks support preparedness for climate-related disruptions and enable a coordinated response to extreme weather events.

In addition to the above, Brisbane Airport's resilience is supported by a broad range of operational, contractual, supply chain and other risk management controls embedded across its business model and value chain, as outlined in section 4.

These sources of resilience were tested through the scenario analysis, with some limitations identified, including:

- **Location exposure.** Brisbane Airport's concentration of assets, operations and revenue at a single coastal site means it remains exposed to flooding, storm surge and severe storm events. While adaptation measures can reduce vulnerability and support recovery, the airport cannot eliminate its underlying exposure to physical climate hazards.
- **Exposure to demand shifts.** Passenger demand remains sensitive to climate impacts, carbon costs, and changing travel behaviour, which may moderate the rate of passenger volume growth relative to Brisbane Airport's baseline forecast. As the baseline forecast continues to assume substantial long-term growth, these impacts represent slower growth rather than an absolute decline in passenger numbers.
- **Operational flexibility has limits.** Brisbane Airport's ability to delay, reschedule and divert flights, together with existing resilience measures, has historically reduced the impacts of extreme weather on airport operations. However, severe, prolonged or compound events may exceed these measures, resulting in flight cancellations, operational disruption or temporary airport closures.
- **Asset design thresholds may be exceeded.** The severity and frequency of future climate hazards may exceed historical design assumptions, increasing the risk of asset damage, operational downtime and maintenance costs over time.
- **Dependence on the resilience of external systems and partners.** Brisbane Airport's resilience is partly dependent on the resilience of external systems and partners, including energy supply, transport access infrastructure, critical suppliers and airline transition pathways.

While the analysis demonstrated resilience across Brisbane Airport's business model and strategy, Brisbane Airport recognises the evolving nature of climate-related risks and the need to refresh and refine its analysis on a regular basis. Table 4 outlines the climate scenarios used to assess Brisbane Airport's resilience.

The outcomes from this analysis indicate that Brisbane Airport's strategy and business model already incorporate key transition-related impacts, with a focus on managing policy, technology and market changes over time. Physical risks are not currently expected to materially alter Brisbane Airport's strategy or business model, with existing infrastructure design, adaptation measures and asset management approaches supporting resilience. Brisbane Airport does not anticipate any changes to its business model as a result of climate-related risks or opportunities.

Brisbane Airport's ability to respond to climate-related risks is supported by the integration of climate considerations into long-term planning frameworks, including the Airport Master Plan, infrastructure planning and capital investment processes.

We anticipate:

- Infrastructure resilience remaining an ongoing priority, including implementation of Brisbane Airport's Adaptation Plan and continued investment in critical assets, maintenance and design standards to manage rising physical risks and potential increases in insurance costs
- Enhanced operational planning, to maintain continuity under more severe or prolonged climate events
- Strengthened response and recovery capabilities, with ongoing enhancement of emergency management, business continuity and recovery planning to support response to climate-related disruptions
- Greater collaboration with airline partners and industry, particularly to support decarbonisation pathways (e.g. SAF and emerging technologies) and preparation for associated infrastructure requirements
- Ongoing integration of climate considerations into decision-making, including monitoring of policy, technology and market signals to inform timing of capital investment and strategic priorities.

Brisbane Airport's capacity to adjust its strategy and business model in response to climate-related risks varies across the short, medium and long term. In the short term, adaptive capacity is supported by existing controls, operational flexibility, business continuity and emergency response plans, and committed climate-related capital investment. In the medium term, adaptive capacity will be strengthened through implementation of Brisbane Airport's updated Adaptation Plan and ongoing asset renewal and upgrade programs. Over the long term, adaptive capacity will increasingly depend on future infrastructure decisions, the availability and maturity of aviation decarbonisation technologies, and the resilience of external systems and partners. Brisbane Airport considers it retains sufficient flexibility to adapt its strategy and investment priorities as climate-related risks and opportunities evolve.

In preparing the Strategy section disclosures, Brisbane Airport has considered cross-industry metric categories outlined in section 8.



# Metrics and targets

## Greenhouse gas emissions

Brisbane Airport has been disclosing its scope 1 and 2 emissions voluntarily since 2016, highlighting our commitment to transparent reporting and emissions reductions. Our emissions for FY26 are stated in Table 5.

Table 5: Scope 1 and 2 emissions data

| Scope | Brisbane Airport's emissions | FY26 |
|---|---|---|
| Scope 1 emissions | Diesel | 493 $tCO_2$-e |
| Scope 1 emissions | Petrol | 9 $tCO_2$-e |
| Scope 1 emissions | SF6 | 40 $tCO_2$-e |
| Scope 1 emissions | Refrigerants | 351 $tCO_2$-e |
| Scope 2 emissions (location based) | Grid electricity | 30,052 $tCO_2$-e |
| Scope 2 emissions (market based) | Grid electricity | 0 $tCO_2$-e |
| | **Total scope 1 and 2 emissions (location-based)** | **30,945 $tCO_2$-e** |

### Brisbane Airport reporting boundary

Brisbane Airport defines its organisational boundary using the operational control approach.

Under this approach, entities, assets and activities are included where Brisbane Airport has the authority to introduce and implement operating, health and safety, and environmental policies. The organisational boundary includes activities undertaken by the following Brisbane Airport entities where operational control is retained:

- BAC Holdings Limited (controlling corporation)
- BAC Holdings No. 2 Pty Limited
- Brisbane Airport Corporation Pty Limited.

Activities in which Brisbane Airport holds an ownership interest but does not retain operational control are excluded from the organisational boundary and are considered, where relevant, within indirect or value-chain disclosures.

Brisbane Airport's greenhouse gas emissions are reported for the same reporting entity as its consolidated financial statements using the operational control approach. The entities included within the organisational boundary for GHG reporting are the same entities consolidated within the BAC Holdings Limited financial statements for the year ended 30 June 2026.

Brisbane Airport does not have any associates, joint ventures or unconsolidated investees whose emissions are included in or excluded from this disclosure. Where Brisbane Airport holds an interest in an activity over which it does not have operational control, that activity is excluded from Scope 1 and Scope 2 emissions and considered, where relevant, within Scope 3 value-chain disclosures.

## Operational boundary

The operational boundary includes assets, facilities and activities under Brisbane Airport's operational control across the Brisbane Airport precinct.

This includes, but is not limited to:

- Terminal building operations
- Office and maintenance buildings
- Carparks
- Trunk and utilities infrastructure
- Fleet vehicles and mobile plant
- Diesel generators and stationary equipment
- Runways, taxiways and apron operations
- Purchased electricity consumption.

## Scope 1 and 2 methodology

For the calculation of scope 1 emissions and location-based scope 2 emissions, Brisbane Airport follows the National Greenhouse and Energy Reporting (NGER) Scheme. Market-based scope 2 emissions are calculated in accordance with the Greenhouse Gas Protocol Scope 2 Guidance.

Brisbane Airport is a registered corporation under the National Greenhouse and Energy Reporting (NGER) framework and therefore reports under this jurisdictional requirement and therefore has availed itself of the jurisdictional relief. Greenhouse gas emissions are reported in accordance with the National Greenhouse and Energy Reporting Act 2007, the National Greenhouse and Energy Reporting Regulations 2008 and the National Greenhouse and Energy Reporting (Measurement) Determination 2008. Consistent with AASB S2, Brisbane Airport has applied the available jurisdictional relief by using emissions information prepared under the NGER framework for the purposes of its climate-related disclosures. Global Warming Potential (GWP) values are derived from the Fifth Assessment Report (AR5) published by the Intergovernmental Panel on Climate Change (IPCC). Location-based scope 2 emissions are calculated using the average annual emissions intensity of the Queensland electricity grid.

Scope 2 market-based emissions are calculated using the Greenhouse Gas Protocol Scope 2 Guidance as the primary methodology, supplemented by National Greenhouse and Energy Reporting (NGER) and Clean Energy Regulator guidance.

Brisbane Airport in 2022 entered a six-year agreement to secure power that is linked to renewable energy from Queensland's Clarke Creek Wind Farm & Blue Grass Solar projects from 1 January 2025. Under this contract Brisbane Airport procures up to 185 GWh of renewable-backed electricity and renewable energy certificates per year, equivalent to the entirety of its annual consumption of grid electricity. On this basis, market-based scope 2 emissions are reported as zero (Table 5).

No changes are noted in measurement approach, inputs or assumptions as this is the first year of reporting.

Inputs and assumptions to Brisbane Airport's scope 1 and 2 emissions calculations can be found in Table 6.

## Inputs and assumptions for emissions calculations

Table 6: Brisbane Airport emissions calculations inputs and assumptions

### Scope 1

| Emissions source and description | Inputs and assumptions | Source of GWP and Emissions Factor (EF) | Measurement approach and rationale | Calculation method | Data quality and uncertainty |
|---|---|---|---|---|---|
| **Transport Fuels (Diesel)** Diesel used in Brisbane Airport owned fleet vehicles. | **Inputs**: Fuel system transaction reports and Fuel card transaction reports. | EFs sourced from the NGER (Measurement Determination 2008). | Emissions are reported in accordance with the National Greenhouse and Energy Reporting Regulations 2008, with Method 1 applied under the National Greenhouse and Energy Reporting (Measurement) Determination 2008 to ensure consistency with national reporting standards. | Energy content and emissions factors are applied to recorded fuel consumption data. *Fuel consumption × energy content × EF* | Fuel transaction data is considered accurate; the onsite fuel farm and fuel card systems are electronically metered. **Low uncertainty** as data is all electronically recorded. |

### Scope 1

| Emissions source and description | Inputs and assumptions | Source of GWP and Emissions Factor (EF) | Measurement approach and rationale | Calculation method | Data quality and uncertainty |
|---|---|---|---|---|---|
| **Stationary Fuels (Diesel Generators)** Diesel used in Brisbane Airport owned generators. | **Inputs**: • Contractor monthly fuel dips (Brisbane Airport managed generators) are integrated into an in-house fuel usage/volume tracking spreadsheet. • Contractor fuel reports (non-Brisbane Airport managed). | EFs sourced from the NGER (Measurement Determination 2008). | Emissions are reported in accordance with the National Greenhouse and Energy Reporting Regulations 2008, with Method 1 applied under the National Greenhouse and Energy Reporting (Measurement) Determination 2008 to ensure consistency with national reporting standards. | Energy content and emissions factors are applied to recorded fuel consumption data. *Fuel consumption × energy content × EF* | Fuel dips process (Brisbane Airport managed) has governance processes in place (recorded manually and electronically) with robust record keeping spreadsheets. Non-Brisbane Airport managed generators are contractor managed, accuracy is dependent on contractor record keeping/reporting, resulting in medium levels of uncertainty (<1% of generator emissions). |
| **Transport Fuels (Mobile Plant)** Diesel used in Brisbane Airport owned mobile plant equipment (e.g. tractors and mowers etc.). | **Inputs**: Fuel system transaction reports and fuel card transaction reports. | EFs sourced from the NGER (Measurement Determination 2008). | Emissions are reported in accordance with the National Greenhouse and Energy Reporting Regulations 2008, with Method 1 applied under the National Greenhouse and Energy Reporting (Measurement) Determination 2008 to ensure consistency with national reporting standards. | Energy content and emissions factors are applied to recorded fuel consumption data. *Fuel consumption × energy content × EF* | Fuel transaction data is considered accurate as the onsite fuel farm and fuel card systems are electronically metered. **Low uncertainty** as data is all electronically recorded. |
| **Transport Fuels (Petrol)** Petrol used in Brisbane Airport owned fleet vehicles. | **Inputs**: Fuel card transaction reports. | EFs sourced from the NGER (Measurement Determination 2008). | Emissions are reported in accordance with the National Greenhouse and Energy Reporting Regulations 2008, with Method 1 applied under the National Greenhouse and Energy Reporting (Measurement) Determination 2008 to ensure consistency with national reporting standards. | Energy content and emissions factors are applied to recorded fuel consumption data. *Fuel consumption × energy content × EF* | Fuel card data is considered accurate as the systems are electronically controlled. **Low uncertainty** as data is all electronically recorded. |

## Scope 1

| Emissions source and description | Inputs and assumptions | Source of GWP and Emissions Factor (EF) | Measurement approach and rationale | Calculation method | Data quality and uncertainty |
|---|---|---|---|---|---|
| **Stationary Fuel (Fire Pumps)** Diesel used in Brisbane Airport owned fire pumps. | **Inputs**: Contractor fuel reports (non-Brisbane Airport managed). | EFs sourced from the NGER (Measurement Determination 2008). | Emissions are reported in accordance with the National Greenhouse and Energy Reporting Regulations 2008, with Method 1 applied under the National Greenhouse and Energy Reporting (Measurement) Determination 2008 to ensure consistency with national reporting standards. | Energy content and emissions factors are applied to recorded fuel consumption data. *Fuel consumption × energy content × EF* | Contractor managed data, accuracy is dependent on contractor record keeping and data. **Medium uncertainty** due to reliance on third party data. |
| **SF6** Gas used in switchgear and circuit breakers. | **Inputs**: SF6 stock/ nameplate data provided by utilities team. | GWP's sourced from IPCC AR5. | Emissions are reported in accordance with the National Greenhouse and Energy Reporting Regulations 2008, with Method 1 applied under the National Greenhouse and Energy Reporting (Measurement) Determination 2008 to ensure consistency with national reporting standards. | Default leakage rate and relevant GWP are applied to the recorded SF6 stock level. *Stock × leakage × GWP* | Data is based on nameplate data maintained by the utilities team; these are considered accurate for inventory purposes. **Medium uncertainty** due to the reliance on default leakage rates rather than direct measurement. |
| **Refrigerants** Refrigerant usage in chillers and HVAC systems. | **Inputs**: Contractor monthly refrigerant refill reports. **Assumptions**: All completed refills indicate leakages of refrigerants. | GWP's sourced from IPCC AR5. | Emissions are reported in accordance with the National Greenhouse and Energy Reporting Regulations 2008, with Method 3 applied under the National Greenhouse and Energy Reporting (Measurement) Determination 2008 to ensure consistency with national reporting standards. | Relevant emissions factor is applied to the recorded refrigerant refill amounts. *Refill Amount x GWP* | Data is based on contractor refrigerant refill reports, which provide measured volumes of refrigerant added. **Medium uncertainty** arises from the reliance on contractor reporting and record keeping. |

## Scope 2

| Emissions source and description | Inputs and assumptions | Source of GWP and Emissions Factor (EF) | Measurement approach and rationale | Calculation method | Data quality and uncertainty |
|---|---|---|---|---|---|
| **Purchased Electricity** Purchased electricity for Brisbane Airport Operations | **Inputs**: Utility invoices and internal meter reading spreadsheet. | National Greenhouse Accounts (NGA) Factors. | **Location based** Electricity emissions are calculated using Method A1 under the National Greenhouse and Energy Reporting (Measurement) Determination 2008, consistent with the National Greenhouse and Energy Reporting Regulations 2008 and national reporting requirements. **Market based** Scope 2 market-based emissions methodolog y aligns with Greenhouse Gas Protocol a scope 2 guideline, supplemented by NGER and CER guidance. Brisbane Airport surrenders the required number of LGC's in CER's REC Registry for the calendar year and completes a voluntary surrender in June to capture the total financial year consumption. | Relevant emissions factor is applied to electricity usage. **Location based** *Grid Emissions Factor x Electricity usage* **Market based** *Contractual Emissions Factor x Electricity usage* | Data is based on meter readings and invoices which are considered accurate for billing and operational purposes. **Low uncertainty** as invoices and meters provide reliable data. |

## Climate-related metrics related to climate-related risks and opportunities

Brisbane Airport has focused climate vulnerability metric development on its most material risks, including carbon pricing, changes in consumer perception, cyclones (wind) and flooding. We define climate vulnerability as the extent to which Brisbane Airport's assets, operations, value chain or financial performance are sensitive to the climate-related risks to which they are exposed, considering Brisbane Airport's capacity to anticipate, withstand, respond to and recover from the resulting impacts.

Brisbane Airport has not identified any assets or business activities that are aligned with climate-related opportunities. As described in section 6.2, climate-related opportunities were assessed and determined not to be material to Brisbane Airport's financial position, financial performance or cash flows at this time.

Over the past year, Brisbane Airport has worked to develop climate-related metrics aligned with AASB S2 requirements. Our selected metrics are outlined below and will be matured over time as processes are refined and data quality improves.

### Transition risks vulnerability

Approximately 80% of Brisbane Airport's activities (~$1.0 billion) are exposed and sensitive to transition risks from changing consumer travel preferences and carbon pricing, due to the airport's reliance on aeronautical activities and passenger demand. Shifts in consumer perceptions of aviation emissions and the indirect impacts of carbon pricing on airlines may affect passenger volumes, airline capacity and demand for airport services, constraining Brisbane Airport's ability to mitigate these risks in the short to medium term.

The remaining ~20% of activities (~$0.3 billion), primarily non-aviation property assets, are not materially vulnerable, as demand is not dependent on passenger travel and Brisbane Airport has a high degree of control over carbon-related costs through energy efficiency and renewable energy measure.

### Physical risks vulnerability

Nearly all of Brisbane Airport's asset base (~95-100%, $7.3 billion) is exposed to physical climate risks from tropical cyclones and storm-related flooding, reflecting the concentration of assets, operations, and revenue on a single coastal site.

While exposure is widespread, vulnerability varies by hazard type and asset class based on differences in sensitivity and Brisbane Airport's capacity to anticipate, withstand, and recover from severe weather events. Newer infrastructure, designed to climate-adapted standards, demonstrates lower vulnerability than legacy assets. Brisbane Airport's established preparedness, emergency management, insurance, and recovery arrangements further reduce residual vulnerability. However, the scale, value, and long-life nature of airport infrastructure, combined with single-site revenue concentration, means cyclones and flooding remain a material source of physical climate risk.

Brisbane Airport is progressing the quantification of asset-level vulnerability, with outcomes expected to inform its next Sustainability Report (climate-related Financial Disclosures). This includes:

- Asset level climate exposure mapping: overlaying detailed flood modelling and cyclone hazard data against Brisbane Airport's asset register and valuations.
- Sensitivity and criticality assessment: evaluating damage sensitivity by asset class based on set criteria (i.e. age, design standard, condition, and operational criticality etc.).
- Adaptive capacity review: assessing existing and planned controls, including design standards, drainage capacity, insurance coverage, and emergency response capability, to determine residual vulnerability.

This work will support the understanding of Brisbane Airport's vulnerability to cyclones (wind) and flooding and inform ongoing refinement of adaptation planning and capital investment prioritisation.

## Climate-related Capital Deployment Metrics

During FY26, Brisbane Airport invested $21.7 million in climate resilience activities including raising minimum development levels across airfield and ground transport infrastructure to account for climate change projections, GSE electrification charging infrastructure at both the international and domestic terminals, incorporation of low carbon concrete and recycled materials (including reclaimed asphalt, recycled aggregates and recycled plastic) across construction projects, drainage and flood resilience upgrades, sustainable design integration across the capital program, and delivery of Green Star-rated industrial buildings.

## Climate-related targets

Brisbane Airport is committed to minimising its environmental footprint, evidenced by its achievement of its Net Zero (Scope 1 and 2) target in 2025. Brisbane Airport's commitment for FY26 was maintaining this target.

In setting and disclosing its net zero target, Brisbane Airport has considered the applicability of the cross-industry metric categories in AASB S2 paragraph 29. The target is expressed in absolute Scope 1 and 2 GHG emissions ($tCO_2$-e), consistent with paragraph 29(a). Brisbane Airport also discloses information relevant to the other cross-industry metric categories elsewhere in this report, including transition and physical risk exposure (Sections 8.2.1 and 8.2.2), climate-related capital deployment (Section 8.3), internal carbon pricing (Section 8.5), and climate-related executive remuneration (Section 3.4).

Table 7: Details of scope 1 and 2 emissions target

| Details | Status against the target and progress in FY26 |
|---|---|
| Target and objective | Brisbane Airport achieved its Net Zero Scope 1 and Scope 2 emissions target in 2025 through emissions reduction initiatives, renewable electricity procurement (market-based Scope 2 emissions) and offset procurement for residual emissions. Brisbane Airport's target is now to maintain this position as the airport grows. |
| Target type and reduction | Brisbane Airport's net zero position targets an absolute reduction in scope 1 and 2 GHG emissions. |
| Boundary and exclusions | This target is limited to scope 1 and 2 emissions with Brisbane Airport's operational boundary detailed in Section 8.1.1 |
| Base period and period | This is an ongoing annual target to maintain Net Zero Scope 1 and 2 emissions. The target was originally established in 2022 with a baseline year of FY17, and since 2025 applies on a continuing basis. Progress is assessed and reported annually in line with Brisbane Airport's financial reporting period. The target has no fixed end date and is intended to be maintained as the airport grows. |
| Greenhouse gases included | This target includes all of Brisbane Airport's Scope 1 and 2 emissions detailed in Section 8.1.3 |
| Carbon credits | Under Brisbane Airport's target, it has reduced scope 1 and 2 emissions by 97% against a 2017 baseline. The remaining 3% are offset through native bush regeneration projects in southwest Queensland via Tasman Environmental Markets (TEM). |
| Associated gross GHG emissions target | Brisbane Airport's net zero target relates to its Scope 1 and 2 emissions. Brisbane Airport has achieved a 97% reduction in Scope 1 and 2 emissions (market-based) relative to its FY17 baseline. To maintain net zero emissions as the airport grows, Brisbane Airport's associated gross greenhouse gas emissions target is to maintain operational abatement of at least 90% of Scope 1 and 2 emissions relative to the FY17 baseline. Any residual emissions are addressed through the procurement and retirement of carbon credits, with residual emissions currently representing approximately 3% of the FY17 baseline (see Section 8.4.1). This gross target reflects the minimum level of emissions reduction that underpins Brisbane Airport's net zero commitment before the application of offsets. |
| Alignment with jurisdictional commitments | Brisbane Airport's net zero Scope 1 and 2 target is informed by the Paris Agreement's goal of limiting warming to well below 2°C and pursuing efforts towards 1.5°C. In response, Brisbane Airport brought forward its net zero commitment from an original target year of 2050 to 2025, reflecting increased ambition consistent with the Paris Agreement, and supporting Australia's national emissions reduction commitments and the global aviation sector's goal of net zero by 2050. While the target was not derived using a sectoral decarbonisation pathway, the Paris goals informed its ambition, scope and timing, and a Paris-aligned pathway (~1.4°C) is used in Brisbane Airport's scenario analysis (refer to Section 7). |

| Details | Status against the target and progress in FY26 |
|---|---|
| Process for setting and reviewing the target | The net zero Scope 1 and 2 target was established internally by Brisbane Airport and approved by the Board. The target itself has not been validated by a third party. Carbon credits used to address residual emissions are ACCU verified and issued under the Australian Government's Emissions Reduction Fund.<br>Brisbane Airport will continue to assess opportunities to strengthen third-party validation and assurance of its emissions and targets over time, including as assurance requirements under AASB S2 are progressively phased in.<br>The target to 'maintain' net zero for Scope 1 and 2 emissions was approved by the Brisbane Airport Board in April 2026. Management provides annual updates on broader sustainability measures and progress in a monthly Board report. |
| Process to monitor performance towards the target | Brisbane Airport undertakes detailed emissions reporting annually for numerous initiatives in addition to AASB S2 reporting, including NGER and ACA accreditation. Environmental reporting at Brisbane Airport follows a structured timeline to ensure timely and accurate disclosure of information. The reporting cycle aligns with the Australian financial year, with quarterly data updates preferred to track progress and address any emerging issues promptly. |
| Revisions to target | There are currently no plans to revise this target. |
| Performance against target during the financial year and status at year end | In this reporting period, Brisbane Airport maintained its net zero (Scope 1 and 2) position, first met in 2025. |
| Target derived using a sectoral decarbonisation approach | The targets were not derived using a sectoral decarbonisation pathway. |

### The role of offsets in Brisbane Airport's targets

Brisbane Airport's net zero Scope 1 and 2 target was achieved predominantly through operational abatement measures, including fleet electrification and the procurement of 100% renewable electricity through a power purchase agreement. A small residual portion of emissions (893 $tCO_2e$ in FY26) remains hard to abate, primarily associated with remaining fuel use from Brisbane Airport's fleet vehicles and plant equipment, refrigerants from HVAC systems and SF6. Carbon credits are used solely to offset these residual emissions, representing approximately 3% of Brisbane Airport's total Scope 1 and 2 footprint.

Brisbane Airport sources all carbon credits exclusively through Tasman Environmental Markets (TEM), an authorised representative of TEM Financial Services Pty Limited (AFSL 430036).

Credits purchased are Australian Carbon Credit Units (ACCUs) generated under the Australian Government's Emissions Reduction Fund (ERF) from Human Induced Regeneration (HIR) projects, native forest regeneration on previously degraded pastoral land in southwest Queensland. Brisbane Airport has completed due diligence on multiple ERF-registered projects from which credits are sourced, and does not purchase credits from any project that has not undergone this process.

Brisbane Airport's due diligence framework and process is guided by the Property Council of Australia and Green Building Council of Australia's Carbon Offsets: Last but not later framework and assesses each project against criteria including permanence, leakage risk, additionality and environmental co-benefits.

All credits are formally retired upon purchase, with retirement certificates recorded in Brisbane Airport's Offset Register and retained for audit purposes. In FY26, Brisbane Airport retired 893 ACCUs to maintain its net zero Scope 1 and 2 target.

## Internal carbon pricing

Brisbane Airport does not currently use a carbon price in decision-making.

## Other metrics

In addition to the climate-related metrics required under AASB S2 and reported in Table 5, Brisbane Airport has voluntarily disclosed Scope 3 greenhouse gas emissions to provide greater transparency regarding value chain emissions. Scope 3 disclosures are presented as additional information and are not included within the scope of the FY26 external assurance engagement.



## Independent auditor's report

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### Independent Auditor's Review Report to the Members of BAC Holdings Limited

*Review Conclusion*

We have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of BAC Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 30 June 2026 as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* ("ASSA 5010") issued by the Auditing and Assurance Standards Board ("AUASB"):

| Sustainability Disclosures | Reporting requirement of Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* ("AASB S2") (including related general disclosures required by Appendix D) | Location in the Sustainability Report[1] |
|---|---|---|
| Governance | Paragraph 6 | "Governance" Section 3 on pages 6-9 |
| Strategy (risk and opportunities) | Subparagraphs 9(a), 10(a) and 10(b) | "Overview of Brisbane Airport's Climate-related risks and opportunities" in Table 2 on pages 15-16. |
| Scope 1 and 2 emissions | Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v) | "Greenhouse gas emissions" Section 8.1 on pages 22-27 |

The requirements of AASB S2 identified in the table above form the criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the "Act").

We have not become aware of any matter in the course of our review that makes us believe that the Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

*Basis for Conclusion*

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* ("ASSA 5000") issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

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Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the '*Summary of the Work Performed'* section of our report below.

Our responsibilities under ASSA 5000 are further described in the '*Auditor's Responsibilities'* section of this report.

We are independent of the Group in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024 (the "Code"), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

We confirm that the independence declaration required by the Act, 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.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

*Other information*

The directors of the Group are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026 but does not include the specified Sustainability Disclosures and our auditor's review report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon. The other information includes the financial report upon which we have performed an audit and issued a separate auditor's report.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities for the Specified Sustainability Disclosures*

The Directors of the Group are responsible for:

a) The preparation of the specified Sustainability Disclosures in accordance with the Act; and

b) Designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the Act that are free from material misstatement, whether due to fraud or error.



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*Inherent Limitations in Preparing the Specified Sustainability Disclosures*

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

The specified Sustainability Disclosures include judgements and assumptions about future events and circumstances. Actual outcomes may differ from those described and, accordingly, the disclosures are subject to a higher level of inherent uncertainty.

*Auditor's Responsibilities*

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. 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.

*Summary of the Work Performed*

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Performed inquiries, walkthroughs, and inspection of documentation to understand the processes, systems, methodologies and personnel involved in preparing the specified Sustainability Disclosures.
- With respect to Governance disclosures:
  - Inquired with management and personnel responsible for the oversight of climate-related risks and opportunities to obtain an understanding of the Group's processes, controls and procedures to monitor, manage and oversee its climate-related risks and opportunities; and
  - Inspected internal information (e.g. Board meeting minutes, terms of reference, committee charters and internal policies) supporting the Governance disclosures.

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- With respect to Strategy (climate-risks and opportunities) disclosures:
  - Obtained an understanding of the Group's process for identifying and assessing its climate-related risks and opportunities across its reporting boundary, including management's materiality assessment process by performing inquiries to understand the sources of the information used by management; and
  - Assessed whether the climate-related risks and opportunities disclosed are appropriate and complete, based on management's process and judgements, and whether they have been accurately described and classified.
- With respect to Scope 1 and 2 emissions disclosures
  - Obtained an understanding of the measurement approach, inputs and assumptions used to measure the Group's greenhouse gas emissions through inquiries, walkthroughs and inspection of calculations and underlying support;
  - Agreed a sample of the underlying emissions data to supporting documentation and checked the mathematical accuracy of management's calculations;
  - Assessed the relevance and reliability of emissions factors used by management; and
  - Evaluated whether management has appropriately applied the requirements of AASB S2, the GHG Protocol and the National Greenhouse and Energy Reporting legislation in developing estimates used to report emissions, and whether the methods for developing such estimates are appropriate and have been applied consistently.
- Reconciled the specified Sustainability disclosures in the Sustainability Report to the underlying outcome of procedures performed.
- Evaluated the disclosure and overall presentation of the specified Sustainability Disclosures against the relevant requirements of AASB S2.

Our procedure did not include assessing the adequacy of the design or operating effectiveness of controls, assessing the adequacy of the Group's governance framework and processes or separately developing our own estimate to compare the with Group's estimates.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

**R G Saayman**
Partner
Chartered Accountants

Brisbane, 25 September 2026

# Additional information

Brisbane Airport has historically reported Scope 3 greenhouse gas emissions in its Annual Report. While the Group has elected to apply the Scope 3 transition relief available under AASB S2, the additional information presented in Table 8 has been included for consistency, transparency and comparability purposes only.

This information does not form part of Brisbane Airport Corporation's AASB S2 Climate-related Disclosures Report, has not been prepared in accordance with AASB S2, and is unaudited and has not been subject to external assurance.

## Scope 3 FY26 Performance

Brisbane Airport has voluntarily disclosed Scope 3 greenhouse gas emissions to provide stakeholders with greater transparency regarding emissions across its value chain.

These disclosures are supplementary to the assured disclosures contained within the AASB S2 Climate-related Disclosures Report.

Brisbane Airport's FY26 Scope 3 emissions performance is presented in Table 8 below.

Table 8: Scope 3 emissions data

| Brisbane Airport's scope 3 emissions | FY26 |
|---|---|
| Category 1: Purchased Goods and Services | 1,606.4 $tCO_2$-e |
| Category 2: Capital Goods | 40,997.6 $tCO_2$-e |
| Category 3: Fuel and Energy Related Activities | 1,884.9 $tCO_2$-e |
| Category 4: Upstream Transportation and Distribution | Not applicable |
| Category 5: Waste Generated in Operations | 1,401.1 $tCO_2$-e |
| Category 6: Business Travel | 172.5 $tCO_2$-e |
| Category 7: Employee Commuting | 638 $tCO_2$-e |
| Category 8: Upstream leased Assets | Not applicable |
| Category 9: Downstream Transportation and Distribution | Not applicable |
| Category 10: Processing Sold Products | Not applicable |
| Category 11: Use of Sold Products | 4,945,865.1 |
| Category 12: End of Life Treatment of Sold Products | Not applicable |
| Category 13: Down Stream Leased Assets | 50,872.2 $tCO_2$-e |
| Category 14: Franchises | Not applicable |
| Category 15: Investments | Not applicable |
| **Total scope 3 emissions** | **5,043,438 $tCO_2$-e** |

## Scope 3 Methodology

For the calculation of scope 3 GHG emissions, Brisbane Airport applies the Airports Council International (ACI) Airport Carbon Accreditation (ACA) methodology, implemented through the Airport Carbon and Emissions Reporting Tool (ACERT). ACERT applies airport specific activity data and industry recognised emission factors in a manner consistent with the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard. The use of ACERT reflects its relevance to airport operations, its widespread application across the global airport sector, and its alignment with recognised international best practice for Scope 3 emissions estimation. Brisbane Airport considered all 15 scope 3 categories defined under the GHG Protocol for relevance to its operations and value chain. Category relevance is reviewed periodically and reassessed in the event of significant changes in operations, boundary definitions, or other material changes that may affect Brisbane Airport's value chain.

Brisbane Airport has 7 scope 3 categories which are immaterial or do not apply outlined in table 8.

Brisbane Airport prioritises the use of activity-based data where available, such as measured fuel consumption. Where activity-level data is not available, industry-recognised estimation approaches are applied, including average data methodologies for categories such as business travel and employee commuting. Emission factors are primarily applied through the ACI Airport Carbon Accreditation Emissions Calculation Tool (ACERT), with National Greenhouse Accounts (NGA) emission factors applied where appropriate for specific emissions sources, such as aviation fuels. Emissions are estimated using a combination of internally managed data and externally sourced datasets. Data quality and uncertainty are assessed as part of the inventory development process, with all Scope 3 data inputs subject to internal review and verification.

Brisbane Airport's material Scope 3 emissions are concentrated in the following sources, aircraft fuel, landside ground access and tenant electricity, accounting for approximately 99% of scope 3 emissions. Aircraft fuel accounts for ~91% and is calculated based on fuel uplifted from the airport through the Joint User Hydrant Infrastructure (JUHI) facility. Landside access (including passenger, airport and tenant staff and visitors) accounts for ~7% and is calculated by combining activity data with mode share, vehicle occupancy and fuel mix assumptions derived from airport census and external transport datasets. Tenant electricity accounts for ~1% and is calculated by applying location-based electricity emissions factors to metered electricity consumption on-sold to tenants.

No changes are noted in measurement approach, inputs or assumptions as this is the first year of reporting. Inputs and assumptions to Brisbane Airport's scope 3 emissions calculations can be found in Table 9.

Table 9: Brisbane Airport emissions calculations inputs and assumptions

Scope 3

| Emissions source and description | Inputs and assumptions | Source of GWP and Emissions Factor (EF) | Measurement approach and rationale | Calculation method | Data quality and uncertainty |
|---|---|---|---|---|---|
| **Category 1: Purchased goods and services – Fire Training**<br>Emissions from fire training activities conducted by Airservices Australia | **Inputs**:<br>Fuel consumption summary spreadsheet provided by Airservices.<br>**Assumptions**:<br>Provided data represents all fuel combusted. | ACA ACERT tool emissions factors are implemented. | The ACA ACERT tool has been used to calculate greenhouse gas emissions using an airport-specific methodology consistent with the Greenhouse Gas Protocol and ACI guidance. | The ACA ACERT calculation method has been applied to estimate greenhouse gas emissions using activity data and industry recognized emissions factors, consistent with the Greenhouse Gas Protocol and ACI guidance. | Fire training data is provided by Airservices Australia as a third party. While considered reasonable for emissions calculation, reliance on externally prepared data introduces a **higher level** of uncertainty due to limited control over measurement methods and record keeping. |

Scope 3

| Emissions source and description | Inputs and assumptions | Source of GWP and Emissions Factor (EF) | Measurement approach and rationale | Calculation method | Data quality and uncertainty |
|---|---|---|---|---|---|
| **Category 1: Purchased goods and services — Airport Construction**<br>Emissions from construction activity and construction waste on Airport | **Inputs:**<br>Contracted construction data is provided to Brisbane Airport Delivery managers.<br>**Assumptions:**<br>All construction activity data made available by contractors to Brisbane Airport Delivery Managers has been captured and reported. | ACA ACERT tool emissions factors are implemented. | The ACA ACERT tool has been used to calculate greenhouse gas emissions using an airport-specific methodology consistent with the Greenhouse Gas Protocol and ACI guidance. | The ACA ACERT calculation method has been applied to estimate greenhouse gas emissions using activity data and industry recognized emissions factors, consistent with the Greenhouse Gas Protocol and ACI guidance. | Contracted construction data is provided by third-party contractors. While considered reasonable for emissions calculation, reliance on externally prepared data introduces a **higher level** of uncertainty due to limited control over measurement methods, assumptions, and the completeness of activity data provided. |
| **Category 2: Capital Goods** | **Inputs:**<br>Embodied emissions from the production and delivery of capital goods purchased by Brisbane Airport, including major infrastructure (e.g., terminals, runways, taxiways), buildings, heavy plant and equipment.<br>**Assumptions:**<br>Capital goods with a useful life of >1 year are included; embodied carbon of existing assets is excluded (only new capital purchases in the reporting period are captured). | | | | **Higher level** of uncertainty applies due to reliance on secondary emissions factors, limited supply chain data, and the absence of established embodied carbon accounting for airport infrastructure assets. |
| **Category 3: Fuel and Energy related activities**<br>Upstream emissions from the production of fuels and electricity purchased/ consum ed by Brisbane airport including transmission and distribution losses | **Inputs:**<br>Quantities of fuel and electricity consumed.<br>**Assumptions:**<br>Emissions associated with fuel combustion is excluded as covered in scope 1 and 2. | | | | Upstream emissions related to fuel and electricity are based on secondary data sources. While considered reasonable for emissions calculation, reliance on upstream factors introduces **medium uncertainty** due to limited control over supplier methodologies and underlying assumptions. |

Scope 3

| Emissions source and description | Inputs and assumptions | Source of GWP and Emissions Factor (EF) | Measurement approach and rationale | Calculation method | Data quality and uncertainty |
|---|---|---|---|---|---|
| **Category 5: Waste Generated in Operations**<br>Third-party treatment/ disposal of waste generated by Brisbane Airport controlled operations (solid waste and wastewater) | **Inputs:**<br>Reports from waste providers including breakdowns of weights and waste streams.<br>**Assumptions:**<br>• Transport of waste is excluded from calculations.<br>• 78% of the water discharge estimate from Queensland Urban Utilities (QUU) is applied. | ACA ACERT tool emissions factors are implemented. | The ACA ACERT tool has been used to calculate greenhouse gas emissions using an airport-specific methodology consistent with the Greenhouse Gas Protocol and ACI guidance. | The ACA ACERT calculation method has been applied to estimate greenhouse gas emissions using activity data and industry recognized emissions factors, consistent with the Greenhouse Gas Protocol and ACI guidance. | Waste and wastewater emissions are estimated using third-party data and standard emission factors. While considered reasonable for emissions calculation, this reliance introduces **medium uncertainty** due to limited control over measurement approaches and treatment assumptions. |
| **Category 6: Business Travel**<br>Third party transport for Brisbane Airport employees (Aircraft, Rideshare) | **Inputs:**<br>Corporate Traveler reports and business unit rideshare reports.<br>**Assumptions:**<br>All ride-share travel undertaken for business purposes is completed using corporate ride-share accounts. | | | | Business travel emissions are estimated using third-party data sources, including Corporate Traveller booking records for air travel and corporate ride-share account data for ground transport, together with standard emission factors.<br>Air travel is centrally managed through Corporate Traveller, providing high confidence in data completeness and record-keeping and resulting in **low uncertainty**.<br>Ride-share data, while considered reasonable for emissions calculation, it is assessed as having **medium uncertainty** due to potential variability in booking practices, and limited visibility over travel undertaken outside corporate accounts. |



Scope 3

| Emissions source and description | Inputs and assumptions | Source of GWP and Emissions Factor (EF) | Measurement approach and rationale | Calculation method | Data quality and uncertainty |
|---|---|---|---|---|---|
| **Category 7: Employee Commuting**<br>Staff travel between home and workplace via third-party transport | **Inputs:**<br>HR team provide Employee numbers, commuting numbers, working days, passengers per vehicle, average single length trip, work from home rates, home office options.<br>**Assumptions:**<br>Employee commuting numbers based on FTE. (80% assuming work from home once a week, Excludes shift workers) Each employee commuting uses personal vehicle, average trip length (Skygate to CBD, 4.34km). 90% of home offices assumed to have air-conditioning. Travel method assumptions: 90% Car, 4% Motorbike, 1% bus, 1% Train. | ACA ACERT tool emissions factors are implemented. | The ACA ACERT tool has been used to calculate greenhouse gas emissions using an airport-specific methodology consistent with the Greenhouse Gas Protocol and ACI guidance. | The ACA ACERT calculation method has been applied to estimate greenhouse gas emissions using activity data and industry recognized emissions factors, consistent with the Greenhouse Gas Protocol and ACI guidance. | Employee commuting data quality is considered relatively high due to the use of centrally managed HR records. **Medium uncertainty** arises primarily from assumptions regarding commuting behaviour, transport mode distribution, and home working patterns. |
| **Category 11: Use of Sold Products – Full Flight Emissions**<br>Emissions from the journey of flights uplifted from Brisbane Airport to the next destination (tourist helicopter flights excluded) | **Inputs:**<br>Jet A1 annual fuel volumes are provided by Viva Energy. | | | | Jet fuel data quality is considered high due to regulated supply arrangements and metered records, **low levels** of uncertainty present. NGER methodology and NGA Factors have been implemented to generate a more accurate emissions profile. |
| **Category 11: Use of Sold Products – Aircraft Engine Run Ups (MRO)**<br>Fuel used by aircraft completing maintenance and engine run ups | **Inputs:**<br>Number of aircraft run-ups provided by airside operations team.<br>**Assumptions:**<br>All run up activity is captured by airside operations team. | | | | MRO emissions are calculated using operational activity data. **Moderate uncertainty** due to variability in run-up duration and operating conditions not captured in detailed records and the use of generic emissions factors. |

## Scope 3

| Emissions source and description | Inputs and assumptions | Source of GWP and Emissions Factor (EF) | Measurement approach and rationale | Calculation method | Data quality and uncertainty |
|---|---|---|---|---|---|
| **Category 11: Use of Sold Products — Tenant Related Emissions (Vehicles)**<br>Fuel use of third party GSE and landscaping equipment | **Inputs:**<br>Annual fuel usage reports are provided by GSE and landscaping providers.<br>**Assumptions:**<br>All contracted fuel consumption made available has been captured and reported. | ACA ACERT tool emissions factors are implemented. | The ACA ACERT tool has been used to calculate greenhouse gas emissions using an airport-specific methodology consistent with the Greenhouse Gas Protocol and ACI guidance. | The ACA ACERT calculation method has been applied to estimate greenhouse gas emissions using activity data and industry recognized emissions factors, consistent with the Greenhouse Gas Protocol and ACI guidance. | Fuel usage data provided by GSE and landscaping contractors is considered robust, with strong confidence in record-keeping practices and data completeness, resulting in **lower uncertainty**. |
| **Category 11: Use of Sold Products — Tenant Related Emissions — Buildings (Gas)**<br>Gas used by tenants across the airport terminals | **Inputs:**<br>Annual Gas report provided by the Brisbane Airport Utilities Team. | | | | Gas usage data is managed directly by Brisbane Airport, resulting in **very low uncertainty** due to strong control over measurement and record-keeping. |
| **Category 11: Use of Sold Products – Public Landside Access**<br>Emissions from trips taken by passengers, airport staff and visitors to and from the airport | **Inputs and assumptions:** Fuel splits applied from Qld Transport and Main roads (TMR), mode share data applied from airport census report, percentage of passengers taking connecting flights -0.3%, average passengers per vehicle 1.7 — applied from transport team, number of tenants, tenant employees and visitors to each tenant applied from airport census report. | | | | Public landside access emissions are estimated using transport datasets, airport census data, and documented assumptions relating to mode share and vehicle occupancy.<br>Emissions are calculated using the ACA ACERT tool and recognised emission factors consistent with the Greenhouse Gas Protocol, with **moderate uncertainty** driven by behavioural assumptions and airport census coverage. |
| **Category 13: Down Stream Leased Assets**<br>Electricity on-sold to tenants on the airport precinct | **Inputs:**<br>Electricity on-sold to tenants is captured in the Brisbane Airport utilities report. | | | | Tenant electricity consumption is captured within Brisbane Airport Utilities report and transaction reports. Potential metering discrepancies create **low level uncertainty**. |



## ADDITIONAL INFORMATION

BAC Holdings Limited, ACN 108 568 038, incorporated and domiciled in Australia, is an unlisted public company limited by shares.

### Registered office:

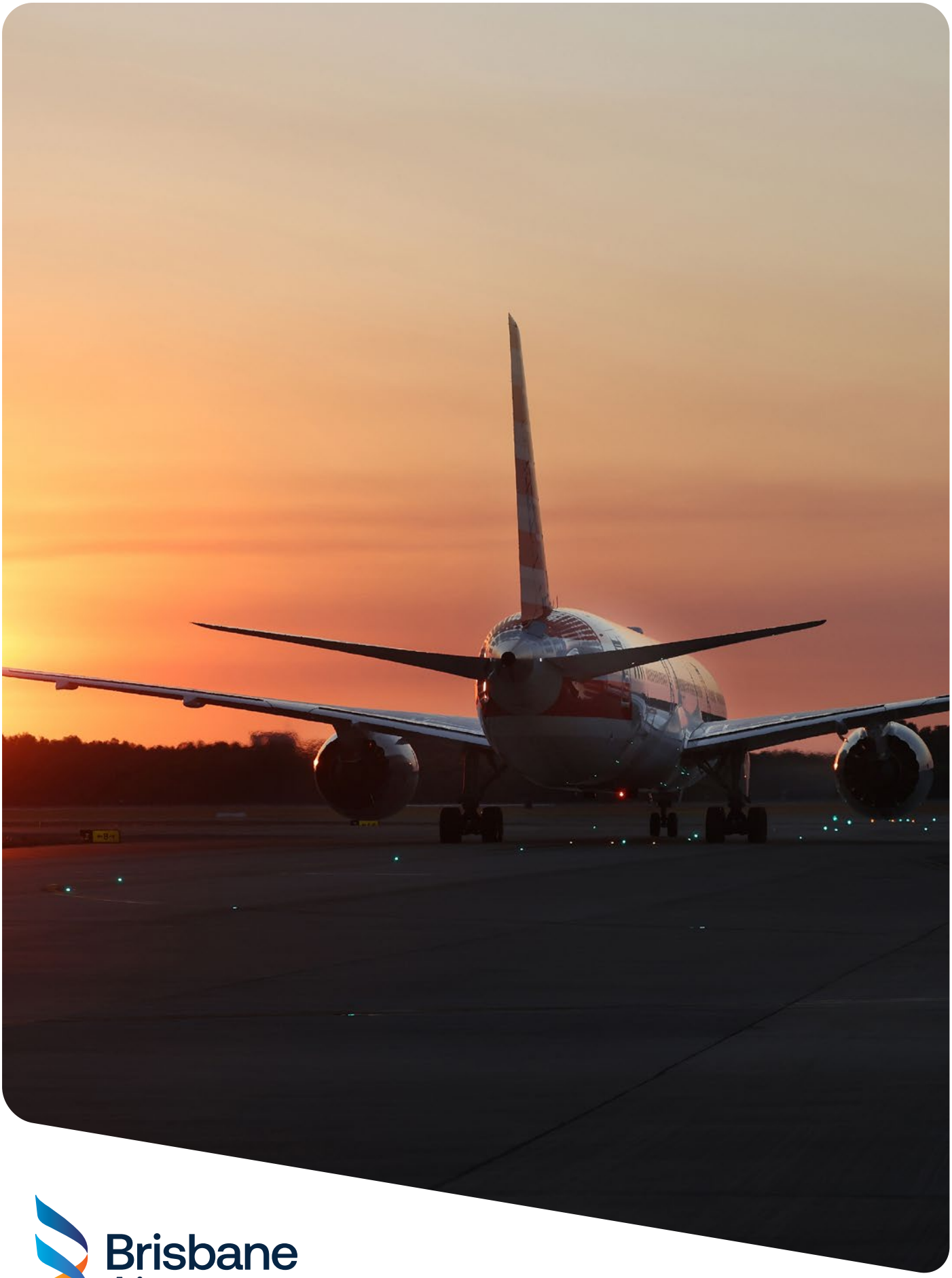
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