

Annual Report

2023–2024



We acknowledge the Noongar people
as the Traditional Custodians of the
land on which Perth Airport is located.
We pay our respects to Elders past,
present and emerging.





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We would like to acknowledge and thank the members of the Perth Airport Operations team who contributed some of the photography for this year's Annual Report.





About Perth Airport

Perth Airport is Australia's Western Hub linking Western Australia to the world. It operates 24 hours a day, seven days a week, and is one of the most important infrastructure assets in Western Australia.

The Perth Airport estate covers an area of approximately 2,105 hectares and currently comprises five terminals (T1 International, T1 Domestic, Terminal 2, Terminal 3 and Terminal 4) as well as a general aviation area. These terminals are supported by two intersecting runways and associated infrastructure. The main runway (03/21) is 3,444 metres long with a north-south orientation. The cross runway (06/24) is 2,163 metres long with a northeast-southwest orientation.

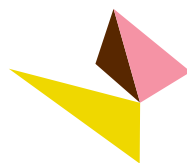
As the fourth-largest domestic and international airport in Australia by passenger volume, Perth Airport connects to more than 20 international airports (including major hubs such as Dubai, Singapore, Hong Kong, Doha and Kuala Lumpur), 11 interstate airports, and 72 Western Australian regional airports.

Perth Airport is a major economic and industry enabler with an estimated \$4.7 billion annual contribution to the Western Australian economy. This is expected to grow to \$9 billion p.a. by 2040. Perth Airport also generates an estimated 16,700 full-time equivalent direct and indirect jobs. This is expected to grow to 36,000 by 2040.

In FY24, more than, more than 16 million passengers moved through Perth Airport's terminals consisting of approximately 5.7million interstate travellers, 6.02 million regional travellers, and 4.3 million international travellers.

Perth Airport is currently preparing to invest more than \$5 billion in a wave of new aviation development to deliver a new parallel runway, new terminal facilities (including a major expansion of the current T1 International), two multi-storey car parks with associated roadworks, an upgrade of Terminal 2 (primarily regional and FIFO flights), and the airport's first hotel.

The new infrastructure will provide the additional terminal capacity our airline partners need to grow their businesses and will allow consolidation of all major flight services into the Airport Central precinct.







Ownership

Perth Airport is a privately held corporation owned by institutional investors, predominantly superannuation funds, managed or represented by the following entities:

Shareholders of Perth Airport Development Group Pty Ltd	Percentage
Utilities Trust of Australia Pty Ltd ATF Utilities Trust of Australia (UTA)	38.26%
The Northern Trust Company (TNTC in its capacity as custodian for Future Fund Investment Company No.3 Pty Ltd (FFIC3), a wholly owned subsidiary of The Future Fund Board of Guardians (FFBG)	30.01%
Utilities of Australia Pty Ltd ATF Perth Airport Property Fund (PAPF)	17.34%
Gardior Pty Ltd as trustee for The Infrastructure Fund	7.19%
AustralianSuper Pty Ltd	5.25%
Australian Retirement Trust	1.95%





CEO's Message



Perth Airport stands on the cusp of a remarkable period of change and transformation.

In FY24 our push for increased international connections paid off with new routes, the post-Covid return of a number of international airlines, and increased flight numbers on several existing routes.

This included the Qantas Perth-Paris service, Vietjet and Vietnam Airlines flights to Ho Chi Minh City, Batik Air and Citilink services to Jakarta, and Singapore Airlines and Cathay Pacific both lifting capacity into Perth.

A record 16.1 million passengers passed through our terminals in FY24 while we successfully and safely managed almost 157,000 flight movements, another record result.

While this was an emphatic statement of the strength of our rebound from the Covid pandemic, it was also a timely reminder of the need for increased capacity at our airport.

With surging demand being driven by the resources sector, tourism and hospitality, increased business travel, international education, and exporters, we will rapidly move past the 20 million passengers a year mark by the end of this decade.

Western Australians have a shared interest in seeing Perth Airport succeed.

When Perth Airport grows and prospers, Western Australia grows and prospers.

The delivery of our long-planned new parallel runway will help unlock the enormous potential of the resources sector while sparking a new wave of tourism opportunities as we look to attract new flight services and further increase capacity on existing routes.

The construction of the first of two multi-storey carparks in the current T1 short term car park will be the first visible sign that our \$5 billion transformation is underway.

This will be followed by the first airport hotel and the second multi-storey carpark.

We will provide our international airline partners with a significantly expanded terminal while the Qantas Group will move to an adjoining terminal for all their flight services.

This will build on works already well underway to deliver increased capacity with a major expansion of the Terminal 2 apron, construction of a new maintenance hangar for Virgin Australia Regional Airlines, and the development of a new Aviation Support precinct to provide additional aviation support. All of these projects made significant progress in FY24.

Perth Airport continued to deliver exceptional value to its airline partners and passengers. Despite airfares remaining relatively high, Perth Airport's aviation revenue per passenger (excluding mandatory security) fell to just \$13.60 and remained below FY19 levels in real terms. This once again confirms that airport charges make up only a relatively small portion of airfares.

Our Property portfolio continues to record outstanding results with an occupancy rate of more than 99 per cent while delivering the new Dunreath Village shopping centre, KFC, McDonalds and an IMO carwash.

Retail and ground transport revenue has grown while delivering a range of new product offerings for passengers including new food and beverage outlets and increased undercover parking.

Demand for parking continues to grow and we added two new Long Term car parks and expanded our Premium car park offer in T3/T4 to accommodate this increase. All the new car parks are proving popular with customers and experienced high occupancy rates.

We have laid the foundations for our future growth. Perth Airport is now well positioned to deliver its ambitious program of major new infrastructure developments that will underpin growth in aviation and the Western Australian economy for decades to come.

I'd like to acknowledge and thank our Chair and Board for their support and guidance and our shareholders for their ongoing commitment to Perth Airport.

Jason Waters
CEO





Board of Directors



Rob Cole
Chair

BSc, LLB (Hons), AMP (Harvard)

Term: Non-Executive Director appointed in January 2023. Chair from March 2023.



Lyndon Rowe
BEc (Hons), FAICD

Term: Non-Executive Director appointed in August 2004.



Elizabeth Albergoni
LLB, LLM (Hons)

Term: Non-Executive Director appointed in July 2018.



Clive Appleton
BEc, MBA, FAID, AMP (Harvard)

Term: Non-Executive Director appointed in February 2014.



Gillian Denison
LLB, BCom

Term: Non-Executive Director appointed in May 2023.



Amanda McMillan OBE
CA

Term: Non-Executive Director appointed in August 2019.



Ankit Mehta
BIS, BCom (Hons)

Term: Non-Executive Director appointed in June 2023.



John Poynton AO
CitWA, FAICD, SFFin, FAIM

Term: Non-Executive Director appointed in October 2022.



Monica Ryu
BA

Term: Non-Executive Director appointed in February 2021.

Executive Team



Jason Waters
Chief Executive Officer
MBA



Andras Berta
Acting Chief Financial Officer
CA, ACCA



Kate Holsgrove
Chief Commercial and
Aviation Officer
MBA



Simon McPhee
Chief Corporate
Services Officer
BA/LLB (Hons), MBA



Steve Moreland
Chief Planning &
Projects Officer
BSc(Hons), MBA, MRICS



Dan Sweet
Chief Property Officer
BCom



Scott Woodward
Chief Operating Officer
MBA



FY24 Passenger Snapshot



16.1 million

Passengers passed through Perth Airport



4.34 million

International passengers



5.74 million

Interstate passengers



6.01 million

Regional passengers





FY24 Financial Snapshot



\$420.8 million

Operating profit



\$657 million

Total revenue



\$125.4 million

Net profit



\$217.3 million

Capital expenditure





2024 Highlights



Cathay Pacific increased capacity to Perth increasing to daily services in February 2024



Citilink's direct Jakarta services commenced on 31 July 2023



Perth Airport takes ownership of Aviation fuel supply and fuel facilities from August 2023



Batik Air Malaysia commenced Auckland – Perth services, six times a week from August 2023



Batik Air commenced a daily direct Perth - Jakarta service in September 2023



Nexus Airlines commenced services between Geraldton and Perth in July 2023



All Nippon Airways (ANA) recommenced direct seasonal Perth – Tokyo services from October 2023



Vietjet commenced first ever Perth – Ho Chi Minh City flight in November 2023



Vietnam Airlines commenced Perth – Ho Chi Minh City direct flights in December 2023



Works commenced in September 2023 to grow the regional aviation sector. Projects include the T2 apron expansion, a new maintenance hangar for VARA, and a new Aviation Support Precinct to provide aviation support facilities for airport operators



Dunreath Village Shopping centre opened on 27 September 2023 featuring Woolworths, Priceline and Sushi Hub



New Noongar language welcome signs installed at estate entry points



Perth wins the hosting rights for Routes Asia 2025



McDonald's and IMO open on airport estate in December 2023



China Eastern's four week seasonal Chinese New Year service between Perth and Shanghai commenced on 19 January 2024



Singapore Airlines' new SilverKris Lounge opened in at T1 International



Singapore Airlines returns to four daily Perth – Singapore services from March 2024



AirAsia Malaysia commenced direct Kuala Lumpur – Perth services in March 2024



Thai Airways Bangkok – Perth services recommenced on 31 March 2024



Air North commences Perth – Alice Springs services in March 2024



SAA recommences direct Perth – Johannesburg services in April 2024



Perth Airport wins Best Airport Staff Service in Australia & Pacific at the World Airport Awards



Historic commercial agreement reached between Perth Airport and Qantas which unlocks a multi-billion dollar wave of investment at Perth Airport and will deliver new international and domestic services to Perth



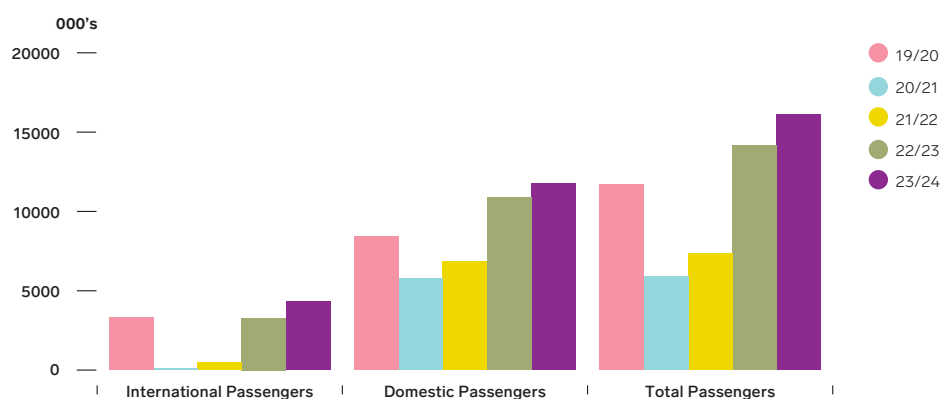
New Express Pick-up/Drop-off system activated at T3/T4



Our Stats

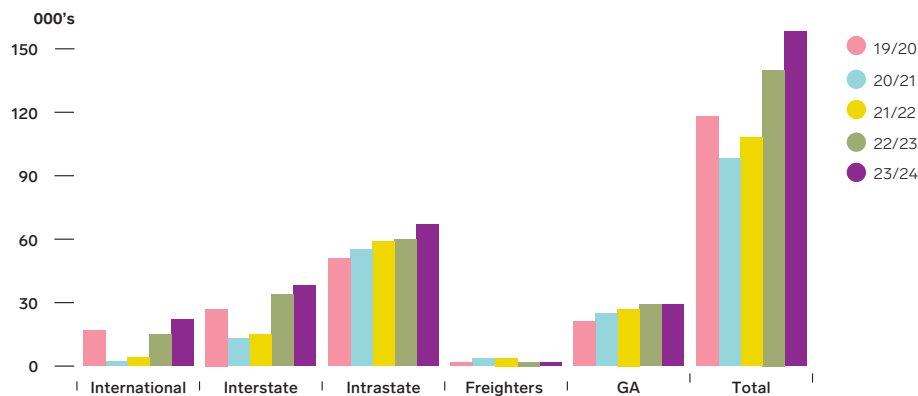
Five Year Comparison for International and Domestic* Passengers

Source: PAPL



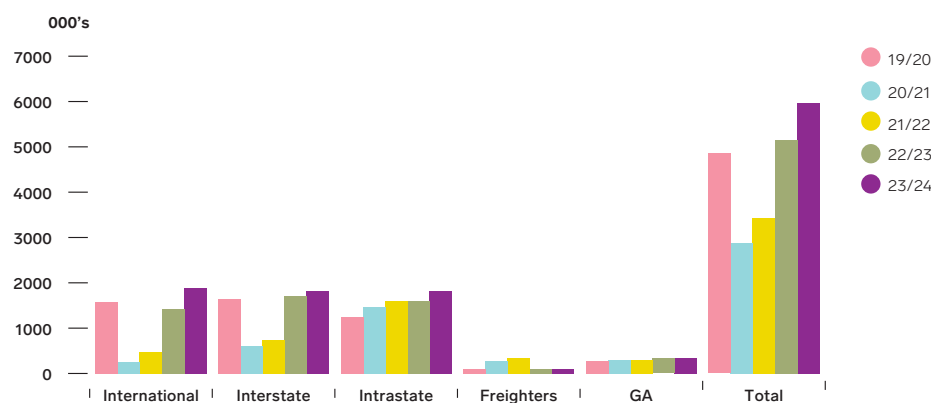
Five Year Comparison for Total Movements

Source: PAPL



Five Year Comparison for Total Landed Tonnes

Source: PAPL



* (Domestic passengers include Interstate, Regional and General Aviation passengers)



On 31 May 2024, Perth Airport reached an historic commercial agreement with Qantas which helps unlocks a multi-billion-dollar wave of investment.



Our Business



QANTAS AGREEMENT

On 31 May 2024, Perth Airport reached an historic commercial agreement with Qantas which helps unlock a multi-billion-dollar wave of investment and delivers new international and domestic flights, giving a major boost to Australia's tourism industry.

As part of the 12-year agreement, Perth Airport will invest around \$3 billion in new terminal facilities for the Qantas Group in Airport Central which will generate immediate and ongoing economic growth and job creation.

This will form part of a \$5 billion capital investment program by Perth Airport – the largest ever private infrastructure development in Perth – which will also deliver a new parallel runway, two multi-storey carparks, major access roadworks, and the airport's first hotel.

Qantas and Jetstar will relocate all services to a new terminal in the Airport Central precinct that will, along with the airline's major investment in new aircraft, enable the growth required to turn Western Australia into a major domestic and international hub for the airlines.

The agreement puts to rest all historical issues and paths a new way forward for both parties.

TERMINALS

In April 2024, Perth Airport received the award for Best Airport Staff Service in Australia & Pacific at the World Airport Awards, held at the Passenger Terminal Expo in Frankfurt, Germany.



The award is testament to the Perth Airport team's commitment to providing an outstanding and world-class customer experience for passengers travelling through our terminals. It acknowledged all front-line staff including our airline partners and their ground handlers, government agencies, retail and food and beverage, security and cleaning, airport operations and our fantastic Gold Coat Ambassadors.

This award pays tribute to the airport community who strive to provide the best service possible, 24 hours seven days a week.

In October 2023, Australian Border Force introduced new Generation 3 Smart Gates at T1 International which greatly improved international arriving passenger processing. The high-tech infrastructure is now a two-step process, taking less than 30 seconds, making it easier and faster for passengers. E passports from 28 countries as well as Australian citizens over 10 years old can use the new facilities.

SAFETY AND SECURITY

Our partnership with security provider ISS grew to a record high headcount to facilitate the growing passenger numbers recorded at Perth Airport.

Overall, we have trained 740 security staff in the program which helps passengers with Hidden Disabilities who may need extra support or assistance when travelling.

Training/information sessions were also conducted with the Ostomy Association of WA and ISS Security to improve the screening process for ostomates.

Indigenous employment remained at 3.1 per cent, with five of the 18 indigenous staff employed being upskilled from a Customer Service role to an Aviation Protection Officer role.

We increased the capability of the newly implemented computed tomography x-ray machines, by activating a remote screen operation. This initiative has seen an increase in screener performance, particularly regarding threat detection.





AVIATION MARKETS

Perth Airport recovered pre-Covid international traffic and recorded a record-breaking annual result of 16.1 million total passengers in FY24.

Domestically, interstate travel returned to 97 per cent of pre-Covid levels and regional travel, underpinned by the FIFO market, continued to surge, up 43 per cent from 2019.

We continued to work closely with the State Government and Tourism WA to realise the significant opportunity and

economic contribution of the tourism and aviation sector for Western Australia.

In March 2024, the Aviation Business Development team won the Routes Asia 2024 Aviation Marketing Award (Airport 5-20 million passengers) for the second year in a row. Perth was also announced as the host venue for Routes Asia 2025 after a successful joint bid by Perth Airport and Tourism WA.

The following services were either introduced or returned during FY24:

Airline	Destination	Frequency	Launch date
Citilink	Jakarta	Three times per week	31 Jul 2023
Batik Air	Auckland	Six times per week	26 Aug 2023
Batik Air Indonesia	Jakarta	Five times per week	22 Sep 2023
ANA	Tokyo	Three times per week (seasonal)	29 Oct 2023
VietJet	Ho Chi Minh City	Five times per week	21 Nov 2023
Vietnam Airlines	Ho Chi Minh City	Three times per week	7 Dec 2023
China Eastern Airlines	Shanghai	Three times per week (seasonal)	19 Jan 2024
AirAsia Malaysia	Kuala Lumpur	Daily	11 Mar 2024
Airnorth	Alice Springs	Three times per week	25 Mar 2024
Thai Airways	Bangkok	Daily	31 Mar 2024
Singapore Airlines	Singapore	Four times per day	31 Mar 2024
South African Airways	Johannesburg	Three times per week	28 Apr 2024

PROPERTY

Perth Airport's property portfolio maintained a very high occupancy rate during the year and was 100 per cent leased at the year end.

A number of leases were renewed or commenced during the year including Sadleirs, McDonalds, Manheim, IMO Car Wash, Department of Agriculture, Fortescue Future Industries, Menzies, Sulzer and DHL.

Construction was completed on the Neighbourhood Shopping Centre with the grand opening taking place in October 2023. Anchor tenant Woolworths was joined by Priceline and Sushi Hub. During the year, Buttermen Café also opened, along with a kiosk within the centre. Dan Murphy's was announced to join the centre in the future.

Air Radiators and a new Officeworks Customer Fulfillment Centre were completed and opened in October 2023.

Construction commenced on a new 13,000sqm warehouse for logistics operator Border Express and construction activity continued on the speculative development of a 10,000sqm warehouse facility at 58 Anderson Place.

Construction activity also continued on the Aviation Support Precinct located south of the Terminal 2 apron. This site will become home to a new hangar for Virgin Australia Regional Airlines (VARA).



RETAIL

Perth Airport continues to work with our retail partners to improve the retail offering and customer experience. During the year the following outlets were opened or refurbished:

Terminal 1 International

- JB Hifi
- wINDOWNESIA
- Gaming Point
- Paul Lucas Art
- Little Creatures
- WH Smith Travel Essentials megastore

Terminal 1 Domestic

- Longneck and Toby's Estate

Terminal 2

- Otherside Brew lounge
- Hudson's Café

Terminal 4

- Paul Lucas Art

The T1 International Aspire Lounge won Oceania's Leading Airport Lounge 2023 at the World Travel Awards. This was the second time the Lounge has won the award since opening.

All media and digital advertising assets across terminals and the airport precinct were upgraded during the year and the vending contract was awarded to Coke, resulting in an upgrade to vending machines across all terminals.

A new duty-free contract was awarded to Avolta which will see a significant upgrade to the existing duty-free stores and offering in FY25.

Travellex was awarded a new contract continuing the airport's 30-year partnership with the group.

Tenders were also released during the year, providing current and prospective retailers with an opportunity to secure up to 32 retail sites across food & beverage and specialty categories at Perth Airport as part of the upcoming redevelopment.

GROUND TRANSPORT

There are approximately 25,600 car bays across the Perth Airport estate.

In FY24 Perth Airport continued to provide greater choice for customers with its parking through the following initiatives:

- A new LongTerm Undercover car park with 600 additional shaded parking bays was completed and opened, accessed from Brearly Avenue
- A new General Aviation Undercover car park was completed and opened providing 140 additional shaded parking bays
- Works were completed on the refurbishment of the Premium car park at Terminals 3 and 4 with new canopies, new lighting and an additional exit boom gate as part of the works
- In T3/4 a new Forecourt Management system was introduced in March 2024 greatly reducing the congestion experienced by people wanting to drop off or pick up outside the terminals
- In T3/T4 a new Passenger Information System was installed to inform drivers where there are free bays available to drop off and pick up
- The T3/4 Forecourt capacity was expanded by an additional 20 drop off and pick up bays
- A new bay-finding system was introduced into the T2 ShortTerm car park to make it easier for customers to find a bay and park

We also offered:

- 10 minutes free in all ShortTerm car parks
- One hour free parking in all standard LongTerm car parks
- Four hours for \$10 in all standard LongTerm car parks
- \$99 for up to 99 days parking in selected LongTerm car parks

Domestically, interstate travel returned to 97 per cent of pre-Covid levels and regional travel, underpinned by the FIFO market, continued to surge up 43 per cent from 2019.



Perth Airport aspires to be a sustainability leader and commits to act ethically, sustainably and responsibly in our commercial operations.





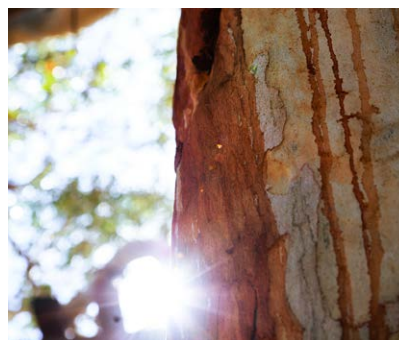
Sustainability

Perth Airport aspires to be a sustainability leader and commits to act ethically, sustainably and responsibly in our commercial operations. To support these aspirations, the Perth Airport Board has approved an Environmental, Social, People, and Governance (ESPG) framework. This framework utilises the traditional Environment, Social and Governance (ESG) pillars and the added 'People' pillar so we could also set targets and aspirations relating to our internal workforce, along with our customers and external community who are represented under the 'Social' pillar. Sustainability is at the heart of our business strategy and informs and guides our plans to grow responsibly in a way that delivers positive outcomes to our customers, investors, and the communities in which the airport operates.

FY24 saw the progress in a range of sustainability areas:

ENVIRONMENT

Energy & Carbon	– Upgraded to ACA Carbon Accreditation Level 3 'Optimization' – Prepared a Stakeholder Engagement Plan that included an interface between PAPL and tenants to advance discussions and forums to help reduce estate wide emissions – Gold Standard VERs from the Yarra Yarra Biodiversity corridor offsetting PAPL Scope 3 emissions.
Waste Management	– In FY24, 143,000 drink containers collected and more than \$11,000 was donated to Guide Dogs WA. – 11 tonnes of containers diverted from landfill – 25 tonnes of organics diverted from landfill – Development of Perth Airport's Operational Waste Strategy and Action Plan 2024-2030 – Developed waste sorting resources for Retailers and Airline Lounges
Water Sensitivity	– Reviewed PAPL's water meter network and infrastructure to align with Sustainability targets and reduce unaccounted water use across the estate. – Investigating feasibility of a large water project on existing infrastructure and/or retrofitting current infrastructure to improve holistic water efficiency and overall resilience.
Sustainable Development	– Sustainability Design and Technical Requirements (DATR) have been developed and implemented across the capital works. Sustainability DATR requires projects to address a range of sustainability issues including climate change, operational and embodied emissions, energy efficiency, water efficiency, and sustainable procurement. – Achieved 4-star Green Star Design & As Built v1.3 rating for 1 Tarlton Cr (Officeworks Customer Fulfilment Centre) and Dunreath Village Shopping Centre. – Targeting 4-star Green Star Design & As Built v1.3 rating for 44 Fawcett Cr and 58 Anderson Pl. – Targeting 4-star Green Star Buildings v1.0 rating for Virgin Aviation Hangar, Airport West Office, and 17 Tarlton Cr (Border Express Distribution Centre). – Targeting a Bronze rating under a Pilot version of Infrastructure Sustainability (IS) v2.1 Essentials tool for Aviation Support Precinct Stage 1 & T2 Apron Expansion project. – Targeting Infrastructure Sustainability (IS) v2.1 Silver rating for Perth's New Runway project and Bronze rating for Ground Transport Consolidation Project (GTCP).
Biodiversity and Habitat	– 142 hectares of natural vegetation enhanced via weed management and dieback treatment. This is informed by undertaking weed mapping and dieback mapping to target specific areas and put in place focused actions that will provide the best outcomes for the vegetation and habitat.



ENVIRONMENT continued

Water Efficiency	– Implementation of a Water Management Plan for the Perth Airport estate which provides the framework for the management of groundwater and surface water resources and incorporates management strategies to reduce potential impacts to groundwater and surface water due to site development, off-site water migration and on-site operations. This includes standardised sampling for baseline conditions of 39 groundwater bores, 23 irrigation bores and 23 surface water locations.
Noise Management	– Continued baseline monitoring of ground-based noise at five locations across the estate in accordance with the requirements of the Airport (Environmental Protection) Regulations 1997 in order to capture representative baseline conditions and inform future planned construction works.
Air Quality	– Installation and commissioning of a fixed air quality monitoring and weather station and five mobile volatile organic compound canisters across the estate to enable monitoring and management of non-aviation emissions and to feed into Sustainability and other forms of corporate reporting.
PFAS Management	– The Northern Main Drain PFAS Treatment Plant continued to treat water exiting the estate to below accepted recreational levels. – An estate-wide PFAS Contamination Management Plan, including soil and management frameworks was implemented to put in place accepted management actions to allow the effective management of PFAS impacted materials during construction projects and business as usual operations.
Environmental Management System	– Ongoing development of Perth Airport's Environmental Management System including targeted workshops on environmental emergency and incident response, environmental aspects and impacts and process mapping of key environmental management processes.



SOCIAL

Community Partnerships

Perth Airport has a long-standing and proud tradition of supporting the people of Western Australia through a range of memberships, donations, and sponsorships under our Community Support Program.

In FY24, we continued our support through:

- Major partnerships with Telethon, Telethon Speech & Hearing Centre, Foodbank WA, Ronald McDonald House, Lifeline WA and the Smith Family
- Support of the City of Swan Avon Descent Family Festival
- Support of the City of Gosnells Sunset Cinemas
- Community Boost supporting grassroots local initiatives and organisations. This program provided funding of \$44,000 to 57 local schools and not for profit groups.
- Perth Airport Local Schools (PALS) Program working with the West Coast Fever, Perth Wildcats, Perth Glory, Perth Festival and Black Swan State Theatre Company to provide workshops with our local primary and high schools. This program also provided \$5,000 worth of new books during National Book Week to Greenmount Primary School, in partnership with Dymocks Children's Charities
- Our Surrendered and Lost Property items auctions raised more than \$70,000 and was used to purchase vital equipment for Perth Children's Hospital
- The Terminal collection boxes and Containers for Change program raised more than \$11,000 for Guide Dogs WA

Community Consultation

Perth Airport's relationship with the Western Australian community is an essential part of our company values and plays a key role in the continued transformation of Perth Airport.

Perth Airport is committed to effective and transparent engagement and employs a range of ongoing consultation and education mechanisms to:

- inform stakeholders and the community about on-airport land use planning, developments and potential impacts,
- seek input on alternative approaches and options,
- maintain transparency, accountability and stakeholder focused relationships,
- provide feedback opportunities and one-on-one information sessions,
- provide a conduit for information exchange between Perth Airport and key stakeholders, including the community,
- meet legal and regulatory responsibilities, and
- provide stakeholders with the opportunity to influence the future of Perth Airport.

Part of Perth Airport's ongoing consultation process with stakeholders includes the airport's facilitation of, and involvement in, various forums. These forums enable Perth Airport to engage with Commonwealth, State and Local Government authorities, airlines and the community. Perth Airport currently engages regularly through the following forums:

Planning Coordination Forum

Supports effective engagement between Perth Airport and Commonwealth, State and Local government agencies on strategic planning issues, including land use and aircraft noise impacts.

Perth Airports Municipalities Group (PAMG)

Perth Airport actively participates in the Perth Airports Municipalities Group (PAMG) which includes 13 Local Government authorities whose communities have an interest in Perth and Jandakot Airports (Local Government Authorities of Armadale, Bassendean, Bayswater, Belmont, Canning, Cockburn, Gosnells, Kalamunda, Melville, Mundaring, South Perth, Swan and Victoria Park).

The PAMG meets two times a year to discuss matters which are of interest to the community such as aircraft noise, flight paths, and off-airport and on-airport development. The PAMG has proven to be an important means of engagement with local communities for more than 30 years.

Perth Airport Consultative Environment and Sustainability Group

Comprises representatives from Perth Airport tenants, Commonwealth, State and Local government agencies, and community-based environmental groups.

Perth Airport Aircraft Noise Technical Working Group

The Perth Airport Aircraft Noise Technical Working Group contributes to the successful management of aircraft noise impact at Perth Airport. The group, chaired by Airservices Australia, meets on an as-required basis determined by Airservices Australia and comprises representatives from Perth Airport, Airservices, and airlines.





Perth Airport Community Briefing Group (CBG)

The CBG provides members the opportunity to raise and discuss issues relating to the operation and development of the airport and Major Development Plans. The CBG meets twice yearly at Perth Airport.

The CBG is attended by representatives from Perth Airport, Airservices Australia, the Perth Airports Municipalities Group (PAMG), nominated community members, and local business groups.

Attendance to Local Government Community Events

Perth Airport attends and sponsors Local Government free community events such as the Avon Valley Descent. These events provide the opportunity for direct engagement with local residents.

Airport Experience Centre Open Days

Open Days provide the opportunity for members of the public to meet with representatives from Perth Airport and raise and discuss issues relating to the operation and development of the airport.

Notification of Open Days are provided via Perth Airport's social media channels.

Indigenous Engagement

Our relationship with Aboriginal people seeks to respect and recognise the heritage values of the Perth Airport estate and to make a positive contribution to the Aboriginal community of Western Australia.

The land on which Perth Airport is located forms part of the traditional network of communication routes, meeting places and camping sites of the Noongar people. As the Traditional Custodians of the land, the Noongar people maintain a strong interest in the Perth Airport estate and its management.

In FY24, we proudly continued our engagement through:

- Regular meetings with the Aboriginal Partnership Agreement Group (PAG) to discuss issues related to airport development, conservation management and ongoing support for cultural awareness activities
- Associate membership of the Western Australian Indigenous Tourism Operators Council (WAITOC)
- Indigenous Welcome signs were erected at entry points across the estate. Created by contemporary Noongar artist and designer Jarni McGuire in consultation with Ash and Jayden from Ngalak Nidja and the local community, the signs are adorned with Indigenous symbols that reflect the landscape and meaning of Wadjak Boodja, illuminating at night to reflect the six seasons of the Noongar calendar
- Engagement with the Whadjuk Aboriginal Corporation
- Installation of an artefact display within our Head Office foyer. Some artefacts are dated at being 41,000 years old. The Head Office foyer was refurbished to allow dedicated display of some of the artefacts and photographs, along with the storylines of the Allawah Grove community.

PEOPLE

As at 30 June 2024, Perth Airport employed 394 team members over the year.

The workforce was comprised of:

- 37 per cent females
- 63 per cent males
- 29 different nationalities
- 26 contractors

Leadership Development

Perth Airport arranged 18 mentoring relationships and eight women attended the annual Women in Leadership Program. Individualised coaching sessions were offered to our Leaders.

Learning and Development

The professional development of our team is an important priority:

- With access to 129 Courses, 112 training days were attended by 51 team members with 64 courses attended.
- Social Capital Workshops were provided to all team members through Tomorrow Architects.
- 50 team members accessed Franklin Covey courses via the online platform (three F2F workshops)
- 43 Team members participated in individualised coaching sessions facilitated by external provider, Integral.
- Four team members were supported to complete tertiary studies through the annual tertiary study support program





Work Health and Safety (WHS)

During the year, our Work Health and Safety Team:

- Established and developed a robust contractor evaluation process in support of current business activities and in preparation for future growth.
- Developed and released an airside awareness induction to provide safety critical information to ensure all airport operators understand the applicable risks and hazards in their airport operating environment.
- Identified a key area of improvement and delivered an Aerobridge endorsed training program to better support our airport operators.

2023/2024	Perth Airport	Contractor
Annual Hours	648,474	1,685,732
Number of Lost Time Injuries	0	2
Lost Time Injury Frequency Rate*	0.00	1.19
Number of Medically Treated Injuries	1	3
Medically Treated Injury Frequency Rate	1.54	1.78
Total Recordable Injury Frequency Rate	1.54	2.96

*LTIFR/HPIFR = Lost Time Injury of High Potential Incident Frequency Rate per 1,000,00



Financial Statements

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Directors' Report

The directors present their report together with the annual report of Perth Airport Development Group Pty Ltd and its controlled entities ("PADG" or "the Company") for the financial year ended 30 June 2024 and the auditor's report thereon. The financial report complies with both Australian Accounting Standards and International Financial Reporting Standards as disclosed in Note 1(b)(ii).

The consolidated annual report of Perth Airport Development Group Pty Ltd comprises the financial report of Perth Airport Development Group Pty Ltd and its 100% Australian resident subsidiaries Perth Airport Pty Ltd ("PAPL") and Perth Airport Development Group Investments Pty Ltd ("PADGI"), which forms the consolidated entity ("the Group"). The consolidated financial report complies with International Financial Reporting Standards as disclosed in Note 1(b)(ii).

Directors

The following persons held office as directors during the financial year and up to the date of this report. Directors were in office for the entire period unless otherwise stated:

Ms Amanda McMillan

Mr Anthony Foster (alternate director)

Mr Ankit Mehta

Mr Clive Appleton

Ms Elizabeth Albergoni

Ms Gillian Denison

Mr John Poynton

Mr Lyndon Rowe (retired 26 July 2024)

Mr Robert Cole (chair)

Mr Steven Fitzgerald (alternate director)

Ms Monica (Ryu) Williams

Mr Peter McCosker (resigned 4 June 2024)

Ms Maria Guo (appointed alternate director 4 June 2024)

Mr Robert Johnston (appointed 31 July 2024)

Company Secretary

Mr Gregory Jacobson

Mr Simon McPhee

Ms Rebecca Clow (appointed 3 October 2023)

Corporate Structure

PADG is a proprietary company limited by shares that is incorporated and domiciled in Australia. PADG's registered address and principal place of business being Level 2, 2 George Wiencke Drive, Perth Airport, WA, 6105.

Review of Operations

Operating profit after tax for the financial year is \$125,432,000 (2023: \$110,432,000). Earnings before interest, depreciation and amortisation (EBITDA) for the financial year was \$420,774,000 (2023: \$403,822,000).



Directors' Report

(continued)

As at 30 June 2024, the Company held cash and cash equivalents of \$59,973,000, and were in a net current liability position of \$63,353,000, which includes \$119,832,000 United States Private Placement (USPP) B loan repaid in July 2024.

Nature of Operations and Principal Activities

The principal activities of PADG during the financial year consisted of the management of Perth Airport plus associated retail and property interests.

Dividends

Ordinary dividends declared and paid during the year ended 30 June 2024 were:

Ordinary Dividends	Dollars per share	Total Amount \$'000	Date of payment
Ordinary dividend	0.0031	452	26 July 2023
Ordinary dividend	0.4224	62,000	28 June 2024
		<u>62,452</u>	

There have been no dividends proposed or declared after the balance sheet date.

Share Options

No options over shares in PADG have been granted during the financial year and there were no options outstanding at the end of the financial year.

Aboriginal Heritage Regulation

PADG is subject to Aboriginal heritage legislation for its land development activities. This legislation includes:

- Aboriginal Heritage Act 1972 (WA)
- Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)
- Heritage Act 2018 (WA)

Environmental

1. Environmental Regulation

PADG is subject to environmental and heritage legislation for its land development and operations. This legislation includes:

- *Airports Act 1996*;
- Airports (Environment Protection) Regulations 1997;
- *Environment Protection and Biodiversity Conservation Act 1999* (EPBC);
- *National Environment Protection Measures (Implementation) Act 1998*.

2. Airport Environment Strategy

The Perth Airport Environment Strategy, as part of the 2020 Perth Airport Master Plan, received the approval of the Minister for Infrastructure and Regional Development on 2 March 2020 in accordance with the *Airports Act 1996*.



Directors' Report (continued)

3. Environment Reporting

An Annual Environment Report was submitted to the Department of Infrastructure, Transport, Regional Development and Communications in October 2023 in fulfilment of the requirements under the Airports (Environment Protection) Regulations 1997. This report included a summary of environmental incidents which had potential to impact the quality of air, water, land and vegetation in the airport precinct and an account of the actions undertaken in the implementation of PADG's Environmental Management Framework.

National Pollutant Inventory (NPI), National Greenhouse and Energy (NGER) and Australian Bureau of Statistics (ABS) Environment Indicators Survey reporting was undertaken, and their reports submitted as required in September and October 2023 respectively.

4. Land Development Approvals

All development approvals initiated in the year ended 30 June 2024 complied with the *Airports Act 1996*, the Airport Building Control Operations Manual v3.0, the Airports (Environment Protection) Regulations 1997, the *Environment Protection and Biodiversity Conservation Act 1999*, and the *Aboriginal Heritage Act 1972*.

5. Environmental Protection

During the year there were no known breaches of the requirements of the Airports (Environment Protection) Regulations 1997 or the National Environment Protection Measures (Implementation) Act 1998.

6. Dangerous Goods

Dangerous Goods Licences are required under the Western Australian Dangerous Goods Safety Act 2004 for the fuel storage facilities operated by PADG at the airport. All PADG owned facilities are currently licensed in accordance with these regulations.

7. Incidents

PADG recorded a number of minor environmental incidents occurring at Perth Airport during the year ended 30 June 2024, none of which were assessed as having serious consequences and/or long-term impact on the environment.

8. Board Reporting

The Board receives regular reports on compliance with environmental requirements.

Security Management

PADG is responsible for ensuring that the prescribed minimum regulatory standards, as laid down in the Aviation Transport Security Act 2004 and Aviation Transport Security Regulations 2005 are met. In particular this is with respect to airport security, including physical security, access control and counter terrorist first response functions. In order to facilitate this requirement, PAPL is responsible for the development of the Airport Security Programme which details security systems, measures and procedures as appropriate.

The Board receives regular reports on compliance with security management requirements.



Directors' Report

(continued)

Occupational, Safety and Health Management

PADG recognises the importance of work, health and safety issues ("WHS") and is committed to the highest levels of performance. To help meet these objectives, it has developed an work, health and safety system to facilitate the systematic identification of WHS issues and to ensure they are managed in a structured manner. PADG's WHS management system is the sum total of all the processes, procedures, training, activities and culture within the organisation that collectively contribute to establishing, improving, and maintaining occupational safety and health performance.

The policies have been operating for a number of years and allow PADG to:

- Monitor its compliance with all relevant legislation;
- Encourage employees to actively participate in the management of environmental and WHS issues; and
- Encourage the adoption of similar standards by the Company's principal suppliers, contractors and distributors.

The Board receives regular reports on compliance with occupational health and safety requirements.

Risk management

PADG takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board.

Sub-committees of the Board are convened as appropriate in response to issues and risks identified by the Board as a whole, and each respective subcommittee further examines the issue and reports back to the Board. Sub-committees of the Board are outlined in the Corporate Governance Statement.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan, which encompasses the Company's vision and strategy statements, designed to meet stakeholders' needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, including the establishment and monitoring of KPIs of both a financial and non-financial nature.
- The establishment of sub-committees to report on specific business risks, including for example such matters as environmental issues, occupational health and safety, and financial risks.

Non-audit services

During the year, the Company's auditor Ernst & Young performed certain other services in addition to their statutory duties. This is outlined in Note 5 and forms part of the Directors' Report for the year ended 30 June 2024.

Rounding

The Company is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and accordingly amounts in the Financial Report and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Significant Changes in the State of Affairs

There were no significant changes in the nature of the activities of the Company during the year.



Directors' Report (continued)

Likely Developments and Expected Results of Operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6 and forms part of the Directors' Report.

Indemnification of Auditor

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young Australia, 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 Ernst & Young during or since the financial year.

Indemnification of Directors and Officers

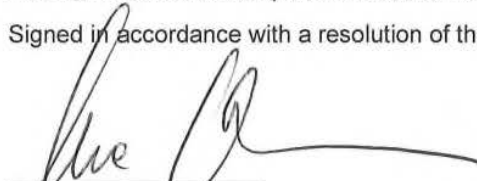
All directors and officers have executed a deed of access, insurance and indemnity under which PADG indemnifies them against any liability incurred by them, including all legal costs in defending any proceeding (whether criminal, civil, administrative or judicial) or appearing before any court, tribunal, authority or other body because of their respective capacities. The Indemnity does not apply to the extent of any restriction imposed by law or the PADG constitution.

Matters Subsequent to the End of the Financial Year

The Directors' Report has been prepared on the basis that the Company can continue to meet its commitments as and when they fall due and can therefore realise assets and settle liabilities in the ordinary course of business.

On 26th July 2024, the Company repaid USPP B loan of \$80,000,000 USD (equivalent to \$119,832,000 AUD as at 30 June 2024) as it fell due for repayment.

Signed in accordance with a resolution of the Board of Directors on 25 September 2024.


Clive Appleton
Director

Perth, Western Australia
25 September 2024



**Building a better
working world**

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Auditor's independence declaration to the directors of Perth Airport Development Group Pty Ltd

As lead auditor for the audit of the financial report of Perth Airport Development Group Pty Ltd for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Perth Airport Development Group Pty Ltd and the entities it controlled during the financial year.

Ernst & Young

D S Lewsen
Partner
25 September 2024



Corporate Governance Statement

A description of the Company's main corporate governance practices is set out below. To ensure the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the Board.

The Board of Directors

The directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance these sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed. The Board draws on relevant corporate governance principles, including the following, to assist it to contribute to the performance of the Company:

- The Corporations Act (Cth) 2001
- The Company's Constitution
- The Shareholders' Agreement
- ASX Corporate Governance Principles and Recommendations
- The Australian Institute of Company Directors – Code of Conduct for Directors
- Tax Governance Framework

Consistent with better practice in corporate governance, the Board has adopted a Charter which outlines the functions of the Board and the processes it uses to fulfil its functions and otherwise advance the Company's interests. The Charter is reviewed annually by the Board.

As per the Company's Tax Governance Framework, the company takes a risk averse approach by adopting tax positions that either have a low risk or, where a tax position has a medium tax risk, the company will only adopt it with a medium to low probability of it eventuating, and the position is supported by independent advice from a reputable tax adviser.

Day to day management of the Company's affairs and implementation of the corporate strategy and policy initiatives are delegated by the Board to the Chief Executive Officer and the Executive Leadership Team.

The role of the Board is to provide overall strategic guidance for the Company and effective oversight of management. The Board must ensure that the activities of the Company comply with its Constitution and the Shareholders' Agreement, from which the Board derives its authority to act, and with all legal and regulatory requirements.

The Board is the governing body of the Company and establishes, monitors and controls a framework of prudential controls to advance the Company in the interests of the shareholders. The Board ensures that the Company acts in accordance with prudent commercial principles, high ethical standards and otherwise strives to meet shareholder expectations through maximising long-term value.

The responsibilities and functions of the Board include:

- Acting honestly and in line with the best interests of the Company.
- Ensuring that the Company acts in the spirit as well as the letter of the law exercising a high ethical and moral standard.
- Ensuring a focus on long-term value creation and recognition of the importance of engagement with stakeholders and community expectations.
- Enhancing and protecting the reputation of the Company.
- Input into, and final approval of, corporate strategy, including setting performance objectives and approving business plans and budgets.
- Monitoring both corporate performance and implementation of strategies and policies.



Corporate Governance Statement

(continued)

- Monitoring and reviewing policies and processes in important areas, including, risk management, work, health and safety, environment, climate change and other sustainability matters.
- Oversight of the Company's key and strategic risks, the Company's risk management framework and systems of risk management control and legal compliance.
- Setting and periodically reviewing the risk appetite of the Company.
- Ensuring suitability and integrity of financial and other reporting.
- Approving major capital expenditure, leases, acquisitions, divestitures and monitoring capital management.
- In relation to the position of Chief Executive Officer (CEO) and Executive Leadership Team (ELT)- appointing, monitoring & evaluating performance setting remuneration and succession planning.

Directors may delegate any of their powers, but not their responsibility to others. Delegations promote the effective functioning of the Board and Management, with a clear focus on performance. The Charter contains the following instruments that clarify the operation of delegations:

- Matters Reserved for the Board;
- Board Committee Charters;
- Formal Delegations of Authority to the CEO.

Matters which are specifically reserved for the Board include:

- Appointment and remuneration of the Chair.
- Appointment and remuneration of Directors.
- Establishment of Board Committees and determining their membership and delegated authorities.
- Approval of vision, corporate strategic plans, business plans, budgets and performance objectives of the Company.
- Approval of the Annual Financial Report, shareholder distributions and dividends.
- Approval of major capital expenditure, leases, acquisitions, divestitures above authority levels delegated to Board Committees and the CEO.
- Approval of the acquisition or disposal of any Company or business.
- Approval of aeronautical and public car park charges.
- Approval of the capital management policies and treasury policies.
- Approval of Investment hurdle rates.
- Borrowings and the granting of security over, or interests in, the undertakings of the Company or any of its assets.



Corporate Governance Statement

(continued)

Composition of the Board

The composition of the Board is determined by the Shareholders' Agreement and in accordance with the following principles and guidelines:

- the Board should be comprised of a majority of non-executive directors;
- in recognition of the importance of independent views and the Board's role in supervising the activities of management, the Chairman should be a non-executive director;
- the Board should comprise directors with an appropriate range of qualifications, skill and expertise; and;
- the Board shall meet in accordance with the terms of the Shareholders' Agreement and follow meeting guidelines set down to ensure all directors are made aware of, and have available all necessary information, to participate in an informed discussion of all agenda items.

To support Board effectiveness and efficiency, the Board has established a number of committees.

Terms of Reference for each Committee have been adopted by the Board. The Terms of Reference of Committees and their membership are reviewed annually by the Board by virtue of the annual review of the Board Charter.



Consolidated statement of financial position

As at 30 June 2024

	Notes	2024 \$'000	2023 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		59,973	66,299
Trade and other receivables	7	78,805	141,716
Prepayments		4,960	3,462
Derivative financial instruments	16	37,673	-
Income tax refundable		40,376	10,199
Other financial assets	8	2,726	1,797
Total Current Assets		224,513	223,473
Non-Current Assets			
Capitalised lease - operational land	9	391,541	145,753
Investment property	10	1,379,373	1,504,777
Infrastructure, plant and equipment	11	1,421,578	1,343,670
Goodwill	12	443,598	443,598
Other intangible assets	12	14,181	20,565
Other financial assets	8	29,703	27,411
Derivative financial instruments	16	160,298	209,181
Prepayments		6,510	6,782
Total Non-Current Assets		3,846,782	3,701,737
Total Assets		4,071,295	3,925,210
LIABILITIES			
Current Liabilities			
Trade and other payables	13	126,319	124,381
Employee benefit liabilities	14	7,030	6,181
Interest-bearing loans & borrowings	15	119,832	692,979
Deferred revenue		2,029	2,021
Derivative financial instruments	16	32,656	-
Total Current Liabilities		287,866	825,562
Non-Current Liabilities			
Employee benefit liabilities	14	494	450
Interest-bearing loans & borrowings	15	2,319,209	1,720,126
Deferred revenue		12,978	14,998
Derivative financial instruments	16	75,082	100,795
Deferred tax liabilities	17	410,357	361,118
Total Non-Current Liabilities		2,818,120	2,197,487
Total Liabilities		3,105,986	3,023,049
Net Assets		965,309	902,161
EQUITY			
Contributed equity	18	161,865	161,865
Reserves	18(a)	289,507	289,339
Retained earnings		513,937	450,957
Total Equity		965,309	902,161

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



Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Profit or loss			
Revenue from continuing operations	2(a)	657,091	590,029
Change in fair value of investment property	2(c)	31,156	35,278
Operating expenses	3(a)	(265,690)	(219,328)
Cloud-based software expenses	2(d)	(1,783)	(2,157)
Earnings before interest, depreciation and amortisation		420,774	403,822
Finance revenue	2(b)	1,729	23,620
Finance expenses	3(b)	(115,643)	(166,439)
Depreciation	3(c)	(111,346)	(86,192)
Amortisation	3(d)	(16,784)	(19,989)
Profit from continuing operations before income tax		178,730	154,822
Income tax expense	4	(53,298)	(44,390)
Profit from continuing operations after income tax		125,432	110,432
Other comprehensive income			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent years:</i>			
Revaluation of capitalised lease – operational land	18(a)	239	4,469
Income tax on items that may not be reclassified to profit or loss	18(a)	(71)	(1,340)
Net other comprehensive income not to be reclassified to profit or loss in subsequent years representing other comprehensive income for the year, net of tax		168	3,129
Total comprehensive income for the year, net of tax		125,600	113,561

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



Consolidated statement of changes in equity

For the year ended 30 June 2024

Notes	Contributed Equity \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2022	161,865	286,210	393,325	841,400
Profit for the year after income tax	-	-	110,432	110,432
Other comprehensive income	-	3,129	-	3,129
Total comprehensive income for the year	-	3,129	110,432	113,561
Transactions with owners in their capacity as owners:				
Ordinary dividends paid	6 -	-	(52,800)	(52,800)
Balance at 30 June 2023	161,865	289,339	450,957	902,161
Profit for the year after income tax	-	-	125,432	125,432
Other comprehensive income	-	168	-	168
Total comprehensive income for the year	-	168	125,432	125,600
Transactions with owners in their capacity as owners:				
Ordinary dividends paid	6 -	-	(62,452)	(62,452)
Balance at 30 June 2024	161,865	289,507	513,937	965,309

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



Consolidated Statement of cash flows

For the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Cash receipts from customers		716,546	562,538
Cash paid to suppliers and employees		(339,342)	(244,146)
Interest received		1,279	912
Income tax paid		(34,001)	(61,224)
Net cash flows from operating activities	22	344,482	258,080
Cash flows from investing activities			
Purchase of intangibles		(9,276)	(4,699)
Proceeds from sale of infrastructure, plant and equipment		194	76
Purchase of investment property, infrastructure, plant and equipment		(208,196)	(123,463)
Net cash flows used in investing activities		(217,278)	(128,086)
Cash flows from financing activities			
Proceeds from borrowings – syndicated multi-option facility agreement A		286,000	285,500
Repayment of borrowings – AMTN \$100M		(100,000)	-
Proceeds from borrowings – AMTN \$300M		299,691	-
Repayment of borrowings – USPP Series A		-	(71,695)
Repayment of borrowings – USPP Series D		-	(30,000)
Repayment of borrowings – syndicated multi-option facility agreement A		(460,000)	(135,500)
Ordinary dividends paid	6	(62,452)	(52,800)
Interest paid – senior debt		(96,769)	(98,945)
Net cash flows used in financing activities		(133,530)	(103,440)
Net increase / (decrease) in cash and cash equivalents		(6,326)	26,554
Cash and cash equivalents at beginning of financial year		66,299	39,745
Cash and cash equivalents at the end of financial year		59,973	66,299

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



Consolidated Notes to the financial statements

30 June 2024

1. Material Accounting Policies

(a) Reporting entity

Perth Airport Development Group Pty Ltd ("PADG" or "the Company") is a for-profit proprietary company limited by shares which is incorporated and domiciled in Australia. The consolidated annual report of Perth Airport Development Group Pty Ltd comprises the financial report of Perth Airport Development Group Pty Ltd and its 100% Australian resident subsidiaries Perth Airport Pty Ltd ("PAPL") and Perth Airport Development Group Investments Pty Ltd ("PADGI"), which forms the consolidated entity ("the Group").

(b) Basis of preparation

(i) Going concern

The Company has a net current liabilities of \$63,353,000 at 30 June 2024, which includes \$119,832,000 United States Private Placement (USPP) B loan repaid in July 2024. The Company has available \$681,000,000 in unutilised working capital facilities to cover the repayment at 30 June 2024.

Accordingly, the financial report has been prepared on a going concern basis, that the Company can continue to meet its commitments as and when they fall due and can therefore realise assets and settle liabilities in the ordinary course of business.

(ii) Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report of the Company complies with the International Financial Reporting Standards (IFRSs) and interpretations as adopted and issued by the International Accounting Standards Board (IASB).

The financial report for the Company was authorised for issue in accordance with a resolution of the directors on 25 September 2024.

(iii) Basis of measurement

The financial report has been prepared on the historical cost basis except for the following which are stated at their fair value: derivative financial instruments and investment property. The methods used to measure fair value are discussed further in Note 1(q).

(iv) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the functional currency and presentation currency of the Company.

PADG is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and accordingly amounts in the Financial Report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(v) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by PADG. Control exists when the entity has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Investments in subsidiaries are carried at fair value in the separate financial statements of the parent entity less any impairment charges (refer to Note 26). The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(c) Use of estimates and judgements

In the process of applying the Company's accounting policies, directors have made judgements, estimates and assumptions about future events. Critical estimates and assumptions were made in relation to:

- Fair value measurement of investment property (Note 10);
- Impairment test of goodwill (Note 12); and
- Fair value measurement of financial instruments (Note 16)

(d) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as currency swaps and interest rate swaps, to economically hedge its foreign currency and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Company does not apply hedge accounting to its derivative financial instruments.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the income statement, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

(i) Derivatives that do not qualify for hedge accounting

Derivatives that do not qualify for hedge accounting are economic hedges consistent with the Hedging Policy included within the Treasury Policy. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are classified as held for trading. These financial assets or financial liabilities are measured at fair value through profit or loss, with subsequent changes in fair value being recognised immediately in the profit or loss and included within finance revenue or finance expense.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(ii) Current versus non-current classification

When the Company will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.

(e) Financial instruments – initial recognition and subsequent measurement

(i) Financial assets

(i.i) Initial recognition and measurement

Financial assets within the scope of AASB 9 are classified as either amortised cost, fair value through profit or loss (FVTPL), or as fair value through other comprehensive income (FVOCI). The Company determines the classification of its financial assets, at initial recognition.

The following table illustrates AASB 9 measurement requirements, applicable to the Company:

	Initial recognition	Subsequent measurement
Amortised Cost	Measured at fair value plus transaction costs directly attributable to the acquisition of the asset.	Measured at amortised cost using the effective interest rate method and reduced by any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.
FVTPL	Measured at fair value. Any acquisition transaction costs are recognised in the profit or loss.	These assets are subsequently measured at fair value. Net gains or losses, including any interest or dividend income are recognised in profit or loss.

The Company's financial assets include amortised cost and fair value through profit or loss (FVTPL).

(i.ii) Impairment of financial assets

Financial assets can be measured at amortised cost, contract asset or debt investment at FVOCI. The expected credit loss (ECL) model is applied to measure the impairment of financial assets based on the anticipated impact of default events arising either in the 12 months after reporting date, or the entire lifetime of the asset.

The Company assess the ECL associated with trade receivables by applying the simplified impairment approach permitted by AASB 9. This requires expected lifetime losses to be recognised from initial recognition of all financial assets.

(i.iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to receive cash flows from the asset have expired.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(ii) Financial liabilities

(ii.i) Initial recognition and measurement

The Company determines the classification of its financial liabilities at initial recognition in accordance with AASB 9.

All financial liabilities are recognised initially at fair value less, in the case of loans and borrowings, directly attributable transaction costs. The Company's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, and derivative financial instruments.

(ii.ii) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, except for accrued interest on debt instruments, and are usually paid within 30 days of recognition. Trade and other payables are measured at their amortised cost using the effective interest method, less any impairment losses.

(ii.iii) Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs, except for the Syndicated Multi-Option Facility which is initially recognised at fair value with attributable transaction costs recognised separately as a prepayment. The borrowing costs attributable to the Syndicate facilities and Working Capital Facility are classified as a prepayment as they provide the Company with a right to drawdown money from the revolver facilities over their respective useful life.

Subsequent to initial recognition, all interest-bearing borrowings are measured at amortised cost with any difference between cost and redemption value being recognised in the profit or loss over the period of the borrowings on a straight-line basis. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the origination of the interest-bearing loan and borrowings.

Interest-bearing loans and borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the balance sheet date.

Interest borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(ii.iv) Other non-derivative financial instruments

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(ii.v) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(ii.vi) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

(f) Investment property

Investment property is properties which are held either to earn rental income or capital appreciation or both. Investment property comprises investment buildings, investment land, and ground leases and licenses.

Investment properties are initially recognised at cost including any acquisition costs. Investment properties are subsequently measured at fair value at each balance date with any gains or losses arising from a change in fair value recognised in the profit or loss. Investment properties are not depreciated for accounting purposes. All investment properties are located in Australia.

Investment properties are derecognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Premium leasing transactions are the disposal of investment land by the Company entering into a finance lease as lessor. Any gains or losses on the retirement or disposal of an investment property is recognised in the profit or loss in the year of retirement or disposal.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or the commencement of an operating lease to another party.

For a transfer from investment property to owner-occupied property or capitalised lease-operational land, its fair value at the date of change in use becomes its cost for subsequent accounting as infrastructure, plant or equipment.

If a property occupied by the Company as an owner-occupied property becomes an investment property, the Company will treat any difference at the date of transfer between the carrying amount and its fair value as a revaluation. Any revaluation increase is recognised in other comprehensive income by increasing the asset revaluation reserve within equity. On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to retained earnings. The transfer from revaluation surplus to retained earnings is not made through profit or loss.

When the Company begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on the fair value model, and is not reclassified as infrastructure, plant and equipment during the redevelopment.

When the Company determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, it shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed, whichever is earlier.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Company holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Lease payments are accounted for as described in Note 1(n).

(i) Fair value

Fair values are evaluated annually by an accredited external, independent valuer. Any gain or loss arising from a change in fair value is recognised in the profit or loss. Rental income from investment property is accounted for as described in Note 1(j).

(ii) Distinction between investment properties and owner-occupied properties

In applying its accounting policies, the Company determines whether or not a property qualifies as an investment property. In making its judgement, the Company considers whether the property generates cash flows largely independent of the other assets held by the Company.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(g) Infrastructure, plant and equipment

(i) Recognition and measurement

Items of infrastructure, plant and equipment are measured at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the infrastructure, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All infrastructure, plant and equipment are located in Australia.

When significant parts of infrastructure, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs, including the cost of day-to-day servicing of infrastructure, plant and equipment, are recognised in the income statement as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. All other computer software is recognised as an intangible asset.

When parts of an item of infrastructure, plant and equipment have different useful lives, they are accounted for as separate items (major components) of infrastructure, plant and equipment.

Property which is classified as owner-occupied is accounted for as infrastructure, plant and equipment and depreciated over its useful life.

(ii) Subsequent costs

The Company recognises in the carrying amount of an item of infrastructure, plant and equipment the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably.

The professional fees paid for servicing a defects liability period are implicit in the nature of the agreement signed between PAPL and the relevant parties to deliver the tangible assets resulting from a project. The defects liability period is a directly attributable cost in bringing the asset into existence and to the condition of which is required for the assets intended use.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(iii) Depreciation and amortisation

Infrastructure, plant and equipment (including infrastructure assets under lease) have been depreciated using the straight-line method based upon the estimated useful life of the specific assets. The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate, at each balance date. No depreciation is charged until the asset has been completed and ready for its intended use. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

Depreciation and amortisation rates used are as follows:

	2024
Plant and equipment	2.50 – 33.00%
Buildings	1.00 – 15.00%
Fixed plant and equipment	5.00 – 15.00%
Runways, taxiways and aprons	1.00 – 6.67%
Other infrastructure assets	2.50 – 20.00%

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted prospectively, if appropriate.

(iv) Leasehold improvements

Leasehold improvements have been amortised over the shorter of the unexpired period of the lease and estimated useful life of the improvements.

(v) Major repairs and maintenance

Major asset maintenance costs incurred on runways, taxiways and aprons are capitalised and are written off over the period between major asset maintenance projects. This recognises that the benefit is to future periods and also apportions the cost over the period of the related benefit.

(vi) Non-current assets under construction

The cost of non-current assets under construction by the Company includes the cost of materials used in construction, direct labour on the project and consultancy and professional fees associated with the project.

(vii) Reclassification to investment property

When the use of a property changes from owner-occupied or capitalised lease-operational land, to investment property, the property is remeasured to fair value and reclassified as investment property. Any loss is recognised in the asset revaluation reserve to the extent that an amount is included in the asset revaluation reserve for that property, with any remaining loss recognised immediately in the profit or loss. Any gain arising on re-measurement is recognised in the profit or loss to the extent the gain reverses a previous impairment loss on that property, with any remaining gain recognised directly in the asset revaluation reserve in equity.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(viii) Reclassification from investment property

When the use of an investment property changes such that it is reclassified as infrastructure, plant or equipment, or capitalised lease-operational land, its fair value at the date of change in use becomes its cost for subsequent accounting as infrastructure, plant or equipment.

Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or reclassification of land for future operational purposes. For a transfer from investment property to owner-occupied property or capitalised lease-operational land, the deemed cost of property for subsequent accounting is its fair value as per the most recent independent valuation that has been recognised in the financial accounts.

(ix) Leased assets

Leases that meet the definition of investment property may be classified as investment property on a property-by-property basis.

(x) De-recognition and disposal

An item of infrastructure, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

(h) Intangibles

Intangible assets that are acquired separately by the Company are measured at cost less accumulated impairment losses.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Internally generated intangible assets (excluding capitalised development costs) are not capitalised with all expenditure, including expenditure on internally generated goodwill and brands, being recognised in the profit or loss when incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are tested for impairment annually as at 30 June either individually or at the cash-generating unit (CGU) level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

All intangible assets are located in Australia.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. When the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised. The fair value of the CGU is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Impairment losses recognised for goodwill are not subsequently reversed.

(ii) Other Intangible Assets

Software licenses with definite useful life

Contractual intangible assets are assessed to have a finite life and accordingly are amortised over the period of the lease or expiry of the licence where applicable. Contractual intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may be impaired. Write-downs arising from impairments are charged to the profit or loss.

Capitalised master plan costs

All fees and costs incurred in the development of the Airport Master Plan and Property Master Plan have been capitalised and are amortised on a straight-line basis over 5 years. This represents the statutory period over which the master plan is required to be prepared. Capitalised master plan costs are reviewed for impairment if events or changes in circumstances indicate that the carrying value may be impaired. Write-downs arising from impairments are charged to the profit or loss.

Domain Name

Domain name acquired represents costs incurred by the Company in acquiring a domain name. This intangible asset is carried at cost less accumulated impairment losses. This intangible asset has been assessed as having an indefinite life. The domain name acquired is subject to impairment testing on an annual basis or whenever there is an indication of impairment. If an impairment indication arises, the recoverable amount is estimated, and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Work, health and safety management system

Work, health and safety management system is carried at cost less accumulated amortisation and accumulated impairment losses. WHS management system is amortised using the straight-line method over its useful life.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(iii) Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

(i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the income statement net of any reimbursement. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

(j) Revenue recognition

Revenue is recognised and measured at an amount that reflects the consideration it expects to be entitled to in exchange for fulfilling its performance obligations to the customer.

Revenue is recognised by the Company as follows:

(i) Aeronautical Revenue

Aeronautical revenues are billed on a monthly basis. Aeronautical revenue is primarily generated from contracts with airlines for the provision of access to terminals, infrastructure, apron parking, airfield and terminal facilities. Revenue is recognised as the performance obligation is provided:

- Landing fees: On a per passenger basis or on the basis of maximum take-off weight
- Terminal charges: On a per passenger basis
- Aircraft parking and storage charges: Over the duration of time the aircraft is parked
- Government mandated security charges: On a per passenger basis or on the basis of maximum take-off weight

Incentives or discounts are provided in line with terms of contracts with airlines and are generally based on passenger numbers, flight frequency and or new routes. Revenues from passenger charges are therefore variable consideration and estimated monthly. Variable revenue is only recognised when it is highly probable the revenues will not reverse. Discounts and incentives are paid as per dates or milestones specified within individual rebate or incentive contracts and any unpaid amount is recognised as a payable.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(ii) Retail Revenue

Retail revenue comprises concessionaire rent, and other fees received from retail operations on a monthly basis as the performance obligation is provided.

(iii) Ground transport services revenue

Ground transport services comprises revenue from the operation of public and leased car parks, car rental concessions, ground transport services and traffic management. Revenue is recognised over the period the car and ground access services are provided.

(iv) Property revenue

Property revenue comprises rental income from Company owned terminals and buildings, and long-term leases of land and other leased assets. Rental income from operating leases of investment property is recognised in the profit or loss on a straight-line basis over the term of the lease. Rental income not received at reporting date, is reflected in the statement of financial position as a receivable or if paid in advance, as rent in advance. Contingent rents are recognised as revenue in the period in which they are earned.

Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease, on a straight-line basis, as a reduction of lease income. Lease escalation clauses are recognised on a straight-line basis over the life of the lease.

Lease incentives granted by the Company to lessees, and rental guarantees which may be received from third parties (arising on the acquisition of investment property) are excluded from the measurement of fair value of investment property and are treated as separate assets. Such assets are amortised over the respective periods to which the lease incentives and rental guarantees apply, either using a straight-line basis, or a basis which is representative of the pattern of benefits.

Premium leasing is when the Company (sub-lessor), enters into a lease with the buyer (sub-lessee), who acquire the economic benefits of the use of the leased land for the major part of its economic life, and in return will pay a fair value amount at the inception of the lease to the Company as compensation for the right to lease the asset, even though not acquiring legal title to the land. Premium lease revenue is recognised upon unconditional execution of a premium lease.

(v) Recharge revenue

Recharge property service costs comprise recharged service and utility expenditure and are recognised over the period.

(vi) Interest revenue

Interest revenue comprises earnings on funds deposited with financial institutions and is recognised as it accrues, using the effective interest method.

(k) Deferred revenue

Rentals received in advance for investment properties leased to tenants under long term operating leases are credited to a deferred revenue account and released to the profit or loss on a straight line basis over the lease term.

Rentals received in advance for investment properties leased to tenants under long term finance leases are recognised upfront in the period when all attaching conditions pursuant to the sale transaction have been satisfied.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(l) Finance income and expenses

Finance income comprises interest income on funds invested, and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprises interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss that do not qualify for hedge accounting, and impairment losses recognised on financial assets. All borrowing costs, except capitalised borrowing costs as outlined in Note 1(e)(ii.iii) are recognised in profit or loss using the effective interest method.

(m) Employee Benefits

(i) Defined contribution superannuation funds

The Company meets its superannuation guarantee and enterprise bargaining obligations for employees' superannuation through contributions to complying superannuation funds selected by employees. If an employee makes no choice of superannuation fund, then those contributions are sent monthly to the resident complying superannuation scheme operated by AustralianSuper Pty Ltd.

Obligations for contributions to defined contribution plans are recognised as an operating expense in the profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Short-term benefits

Liabilities for employee benefits of wages and salaries represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Liabilities for annual leave and long service leave are discounted by reference to market yields at the end of the reporting period on high quality corporate bonds which have maturity dates approximating to the terms of the Company's obligations.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Company as the benefits are taken by the employees.

A provision is recognised for the amount expected to be paid under short-term incentives or long-term incentive plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iii) Long-term service benefits

The Company's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. 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 the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the Company's obligations.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(n) Leases

(i) Capitalised lease – operational land

The Company leases airport land from the Commonwealth of Australia, a portion of which is classified as a capitalised lease. The balance of the leased land is classified as Investment Property (refer to Note 1(f)).

Under AASB 16 “Leases”, upfront payments for operational land under lease are recognised as a capitalised lease in the statement of financial position, with the gross value amortised over the period of the lease (including the optional renewal term) on a straight-line basis.

(ii) Lease payments

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement, dependent on the use of a specific asset or assets and the arrangement conveys a right to use or direct use of an asset.

Lease is recognised as a right of use asset in the balance sheet. The right of use asset is amortised equally over the term of the lease. Lease incentives are recognised as reduction to the right of use asset and forms part of the straight-line amortisation over the term of the lease.

(o) Income taxes

(i) PADG

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(ii) Tax consolidation

Perth Airport Development Group Pty Ltd ("PADG") is the head entity of the tax consolidated group which comprises of PADG and its two 100% owned Australian resident subsidiary companies Perth Airport Pty Ltd and Perth Airport Development Group Investments Pty Ltd. The implementation date of the tax consolidated system for the tax consolidated group was 1 July 2003. PADGI joined the income tax consolidated group on the 24 March 2016.

The members of the tax-consolidated group have entered into a tax funding arrangement which sets out the funding obligations of members of the tax consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal for the current tax liability assumed by the head entity or any tax-loss deferred tax asset assumed by the head entity.

The current and deferred tax amounts for the tax-consolidated group are allocated among the entities in the group using a stand-alone taxpayer approach whereby each entity in the tax consolidated group measures its current and deferred taxes as if it continued to be a separately taxable entity in its own right. Accordingly, PAPL and PADGI recognises tax in relation to its intragroup transactions.

Deferred tax assets and deferred tax liabilities are measured by reference to the carrying amounts of the assets and liabilities in PAPL's and PADGI's statement of financial position and their tax values applying under tax consolidation. Consolidation adjustments to reflect transactions within the group are ignored and as a result deferred taxes associated with these adjustments are recognised only on consolidation and not in the separate financial statements of PAPL and PADGI under the stand-alone taxpayer approach.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses assumed by the head entity from the subsidiaries in the tax consolidated group are recognised in conjunction with any tax funding arrangement amounts. Any difference between these amounts is recognised by PADG as an equity contribution to, (or distribution from) the subsidiary.

PADG recognises deferred tax assets arising from unused tax losses and unused tax credits to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised. Any subsequent period adjustments to deferred tax assets arising from unused tax losses and unused tax credits assumed from subsidiaries are recognised by the head entity only.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(p) Contributed equity

Ordinary shares are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

Distributions on ordinary shares are recognised as a liability in the period in which they are declared.

(q) Determination of fair values and areas of estimation uncertainty

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(i) Infrastructure, plant and equipment

The fair value of infrastructure, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

(ii) Investment property

The Company carries its investment properties at fair value, with changes in fair value being recognised in the income statement. The Company engaged independent valuation specialists to determine fair value as at 30 June 2024. For the investment buildings, the valuer used a valuation technique based on capitalised rental income as there is a lack of comparable market data because of the nature of the property.

The determined fair value of the investment properties is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of the investment properties, are further explained in Note 10.

(iii) Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(r) Rights and obligations in accordance with the Airport Lease

In 1997 Perth Airport Pty Ltd ("PAPL"), formerly known as Westralia Airports Corporation Pty Ltd, successfully acquired a 50-year lease and 49-year option, for a lump sum consideration of \$639m, with no further consideration payable for the exercise of the option over Perth Airport.

The key legislative and regulatory requirements that relate to the operations of the airport are the Airport Lease, Airports Act and Treasurer's Direction.

(i) Airport Lease

Major features of the Airport Lease:

(i) Initial Airport Lease term 50 years with the ability to extend for a further 49 years at PAPL's option. The renewal option is exercisable in the 40th year of the initial lease term.

(ii) Consideration for the grant of the Airport Lease has been paid upfront by way of a premium and is not subject to any refund should the Airport Lease subsequently be terminated.

(iii) Airport Lease releases the Commonwealth from any environmental liability that may arise out of action prior to the sale.

(iv) PAPL accepts full and sole responsibility for operation, repair and maintenance and management of the Airport site and structures.

(v) The Commonwealth has the right to step in and run the Airport, or terminate the Airport Lease, each in certain circumstances. Appropriate grace periods and step in rights, including for lenders have been negotiated by way of a Tripartite Agreement to protect the Airport Lease as a fundamental security for lenders. Should the Airport Lease be terminated, compensation provisions are set out in the Tripartite Agreement to provide lenders with either the net value of the Airport Lease proceeds (after all costs and operating liabilities) received if another Airport Lease is subsequently granted elsewhere, or payment of the independent market value for the Airport Lease (again after all costs and operating liabilities) if the Commonwealth decides not to grant a new Airport Lease to another party. The Tripartite Agreement is valid for the duration of the first term of the current lease.

(vi) The termination provisions of the Airport Lease will not apply if a Force Majeure event has occurred and PAPL is taking all reasonable steps to overcome the prevention to perform obligations which the Force Majeure event causes.

(vii) At the end of the Lease, all land and buildings (including any improvements) revert back to the Commonwealth for nil consideration. The Commonwealth has an option to buy back other specified assets (e.g. mobile plant, accounting systems etc.) at market value.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Material Accounting Policies (continued)

(ii) Airports Act

The Airports Act regulates, inter alia, the following:

- (i) The rules for granting the Airport Lease to the successful bidder.
- (ii) The rules relating to the management and operations of the airport (e.g. type of business, control of sub-leases, and the establishment of an airport Master Plan).
- (iii) Ownership and cross-ownership restrictions for the airports (e.g. there is a 49% foreign ownership limit), change in ownership, head office location, and directors of the Airport Lessee.
- (iv) The rules for controlling certain airport activities (e.g. the sale of liquor and commercial trading).
- (v) The rules relating to the protection of air space around airports.
- (vi) The rules relating to air traffic, rescue and firefighting services at the airports.

Obligations imposed by the Airports Act include the following:

- A Major Development Plan must be prepared and approved by the Minister in respect of future significant airport development (e.g. construction of a new runway),
- Building Controls apply to all building activity on the airport sites, with such activity to be consistent with the Master Plan and Major Development Plans,
- A five-year Master Plan must be prepared and approved by the Minister, and
- Audited financial accounts are to be provided to the Australian Competition and Consumer Commission.

(iii) Treasurer's Direction

Pursuant to section 29 of the Trade Practices Act:

- (i) The ACCC is to undertake formal monitoring of the prices, costs and profits related to the supply of aeronautical services of PAPL.
- (ii) Aeronautical services are limited to:
 - Aircraft related facilities and activities, and
 - Passenger related facilities and activities.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 1. Significant Accounting Policies (continued)

(s) New accounting standards and interpretations

(i) Changes in accounting policy and disclosures

The Company has applied the following accounting policies and disclosures, summarised in the table below:

Accounting Standard	Requirement	Impact
AASB 2021-2: Disclosure of Accounting Policies and Definition of Accounting Estimates	Requires disclosure of 'material' rather than 'significant' accounting policies and provides guidance on the application of 'material'. It also clarifies how to distinguish between accounting policies and accounting estimates.	Immaterial
AASB 2021-5: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	Clarifies the accounting for deferred tax on transactions which require the recognition of both assets and liabilities such as leases and decommissioning, restoration, and similar obligations.	No impact
AASB 2022-6: Non-current Liabilities with Covenants	Amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.	No impact
AASB 2023-2: International Tax Reform – Pillar Two Model Rules	Provide temporary mandatory exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes	No impact

(ii) Accounting Standards and Interpretations issued but not yet adopted

Australian Accounting Standards and Interpretations that have issued or amended but have not been adopted by the Company for the annual reporting period ended 30 June 2024, are outlined in the table below. The effective date is the beginning of the applicable annual reporting period unless otherwise stated:

Accounting Standard	Requirement	Effective date
AASB 2022-5: Lease liability in a Sale and Leaseback	Adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 to be accounted for as a sale.	1 January 2024
AASB 2023-5: Supplier Finance Arrangements	Requires an entity to provide additional disclosures about its supplier finance arrangements.	1 January 2024
AASB 2020-1: Classification of Liabilities as Current or Non-current	Clarifies that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.	1 January 2024

The above issued but not yet adopted amendments to Accounting Standards are not expected to have a material impact on the company.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 2. Revenues	2024	2023
	\$'000	\$'000
(a) Revenue from continuing operations		
Aeronautical charges	299,661	276,828
Retail revenue	64,483	50,782
Ground transport services	135,044	119,825
Investment property rentals	95,210	88,346
Net gain on premium leasing	636	636
Recharge property services	49,797	50,598
Other revenue	12,084	2,998
Net gain on disposal of property, plant and equipment	176	16
	657,091	590,029
	2024	2023
	\$'000	\$'000
(i) Revenue from external customers		
Australia	657,091	590,029
	657,091	590,029

The revenue information above is based on the location of services provided to the customer.

	2024	2023
	\$'000	\$'000
(b) Finance revenue		
Interest income	1,729	1,026
Forward Exchange unrealised gain	-	17,351
Interest rate swap unrealised gain	-	5,243
	1,729	23,620
	2024	2023
	\$'000	\$'000
(c) Change in fair value of investment property		
Fair value (loss) / gain adjustment to investment land	10 (11,084)	(11,892)
Fair value gain adjustment to investment buildings	10 17,514	26,886
Fair value gain adjustment to ground leases & licenses	10 24,726	20,284
Fair value gain adjustment to investment property	31,156	35,278
(d) Cloud-based software expenses		
Cloud-based software configuration & customisation expenses	(1,783)	(2,157)
	(1,783)	(2,157)

Configuration and customisation costs incurred in relation to cloud-based software in Service-as-a-Service (SaaS) arrangements are expensed in accordance with AASB 138 Intangible Assets.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 3. Expenses

	Notes	2024 \$'000	2023 \$'000
(a) Operating expenses			
Employee expenses		53,108	45,472
Defined contribution superannuation expense		5,816	4,794
Recharged expenses		127,851	107,305
Services and utilities		34,846	28,934
General administration and office overheads		30,434	22,010
Expected credit loss / (Reversal of expected credit loss)	7(a)	1,831	(424)
Bad debts written off		161	453
Maintenance expenses		11,643	10,784
		265,690	219,328

	Notes	2024 \$'000	2023 \$'000
(b) Finance Expenses			
Senior debt interest expense		109,688	97,101
Capitalised interest		(16,691)	(7,051)
Amortisation of upfront borrowing costs		3,322	2,338
Total interest expense		96,319	92,388
Foreign Currency Swap unrealised loss		1,217	27,479
Fair value loss on interest rate swaps at fair value through profit or loss – held for trading		9,993	-
Foreign currency loss - USPP debt retranslation to spot rate		1,171	46,572
Forward Exchange Unrealised Loss		6,943	-
Total Finance expenses		115,643	166,439

	Notes	2024 \$'000	2023 \$'000
(c) Depreciation			
Plant and equipment		7,304	10,364
Leased: Buildings		45,276	27,934
Fixed plant and equipment		31,405	19,013
Runways, taxiways and aprons		9,477	10,952
Other infrastructure		17,884	17,929
Total Depreciation	11	111,346	86,192

	Notes	2024 \$'000	2023 \$'000
(d) Amortisation			
Other intangible assets	12	3,769	4,619
Impairment		11,017	13,589
Capitalised lease – operational land	9	1,998	1,781
Total Amortisation		16,784	19,989



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 4. Income Tax Expense

	Notes	2024 \$'000	2023 \$'000
The major components of income tax expense are:			
Deferred income tax			
Deferred income tax in respect of current year		(59,274)	3,575
Deferred income tax in respect of previous year		4,577	1,877
	17	(54,697)	5,452
Current income tax			
Current income tax charge in respect of current year		-	(50,750)
Current income tax in respect of previous year		(4,131)	908
Current income tax loss carry forward		5,530	-
Income tax expense reported in profit or loss		(53,298)	(44,390)
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the applicable income tax rate is as follows:			
Accounting profit before income tax from continuing operations		178,730	154,822
Income tax at the statutory income tax rate of 30% (2023: 30%)		(53,619)	(46,447)
Deferred income tax in respect of previous year		4,577	1,877
Current income tax in respect of previous year		(4,131)	908
Non-deductible items		(125)	(728)
Income tax expense reported in profit or loss		(53,298)	(44,390)
Effective Tax Rate		29.82%	28.67%
Statement of changes in equity			
Current income tax related to items charged directly to equity in respect of revaluation of capitalised lease – operational land	18(a)	(71)	(1,340)
Income tax expense reported in equity	17	(71)	(1,340)

Refer to Note 1(o)(ii) for information on the tax consolidated group and tax funding arrangements.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 5. Auditor's Remuneration

The auditor of the Group is Ernst & Young Australia.

	2024	2023
	\$	\$
<i>Amounts received or due and receivable by Ernst & Young Australia for:</i>		
• An audit or review of the financial report of the entity and any other entity in the consolidated group	304,800	139,500
• Other services in relation to the entity in the group		
Assurance related	87,750	86,280
	392,550	225,780

Note 6. Dividends paid and proposed

	2024	2023
	\$'000	\$'000
(a) Dividends declared and paid – Ordinary Dividends:		
Interim ordinary dividend paid 00.31 cents per ordinary share	452	-
Final ordinary dividend paid 42.24 cents (2023: 35.97 c) per ordinary share	62,000	52,800
	62,452	52,800

There have been no dividends proposed or declared after the balance sheet date.

Franking credit balance

	2024	2023
	\$'000	\$'000
The amount of franking credits available for the subsequent financial year are:		
Franking account credit balance at the end of the financial year at 30%	162,357	154,621
Franking credits that will arise from the income tax refundable as at the end of the financial year	(17,304)	(8,316)
The amount of franking credits available for future reporting periods	145,053	146,305



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 7. Trade and Other Receivables

	Notes	2024 \$'000	2023 \$'000
Trade receivables	19(b)(1)(i)	73,337	135,148
Allowance for expected credit loss	7(a)	(3,141)	(1,310)
		70,196	133,838
Accrued revenue		346	(65)
Other receivables		2,041	1,112
Cross currency swaps net interest receivable		6,222	6,831
		78,805	141,716

Due to the short term nature of these receivables, the carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the carrying value of receivables. Collateral is held against trade receivables via security deposits and retentions (as disclosed in Note 8 and Note 13) and bank guarantees. It is not the Company's policy to transfer (on-sell) receivables to special purpose entities.

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets is disclosed in Note 19.

(a) Allowance for expected credit losses

Trade receivables are non-interest bearing and generally on 30-day terms. An allowance for expected credit losses is recognised based on historical default rates.

	Notes	2024 \$'000	2023 \$'000
Movements in the Allowance for expected credit losses was as follows:			
At 1 July		1,310	1,734
Provision for impairment / (reversed) during the year	3(a)	1,831	(424)
At 30 June		3,141	1,310

(b) Other receivables primarily comprise interest income accrued from cash and cash equivalents which has not yet been received at balance date.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 8. Other Financial Assets

	2024 \$'000	2023 \$'000
Current		
Security deposits	361	32
Operating lease receivable	2,365	1,765
	2,726	1,797
Non-current		
Operating lease receivable	29,703	27,411
	29,703	27,411

Security deposits are collateral received as sub-lessor from commercial property sub-leases. Security deposits are held in separate bank accounts on behalf of the sub-lessee and all interest and bank charges are accrued to the sub-lessee.

Note 9. Capitalised Lease – Operational Land

	Notes	2024 \$'000	2023 \$'000
Carrying amount at 1 July		145,753	131,649
Transfer from investment land (i)	10	114,071	11,373
Transfer from ground leases and licenses	10	19,810	4,624
Transfer from investment buildings	10	113,911	-
Revaluation of operational land to investment property	18(a)	239	4,469
Transfer to investment land	10	(55)	(764)
Transfer to ground leases and licenses	10	(190)	(370)
Transfer to Investment buildings	10	-	(3,447)
Amortisation expense	3(d)	(1,998)	(1,781)
Carrying amount at 30 June		391,541	145,753

(i) Transfer from investment land represents a change in use from englobo investment land to land held for operational requirements. The deemed cost of the operational land is the fair value of the investment land at the date of change in use.

The Company leases the airport land from the Commonwealth of Australia (refer to Note 1(r)), a portion of which is classified as a capitalised lease of operational land. The upfront payments for operational land under lease are recognised as a capitalised lease in the statement of financial position, with the gross value amortised over the period of the lease (including the optional renewal term) on a straight line basis.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 10. Investment Property

	Notes	2024 \$'000	2023 \$'000
Investment Land - at fair value			
Carrying amount at 1 July		382,175	416,020
Transfer to investment buildings		(10,649)	(7,835)
Transfer to operational land	9	(114,071)	(11,373)
Transfer to ground leases and licenses		(1,216)	-
Transfer from operational land	9	55	764
Premium lease sale		-	(3,509)
Revaluation (decrements) / increments	2(c)	(11,084)	(11,892)
Fair value at 30 June		245,210	382,175
Ground Leases and Licenses - at fair value			
Carrying amount at 1 July		321,774	305,744
Transfer to operational land	9	(19,810)	(4,624)
Transfer from investment land		1,216	
Transfer from operational land	9	190	370
Revaluation increments	2(c)	24,726	20,284
Fair value at 30 June		328,097	321,774
Investment Buildings - at fair value			
Carrying amount at 1 July		768,565	706,605
Investment buildings – current year construction costs		35,201	25,630
Net operating leases		(1,551)	(1,838)
Transfer from investment land		10,649	7,835
Transfer from operational land	9	-	3,447
Transfer to operational land	9	(113,911)	-
Revaluation increments	2(c)	17,514	26,886
Fair value at 30 June		716,465	768,565
Investment Buildings under construction – at cost			
Carrying amount at 1 July		32,263	263
New investment buildings under construction - at cost		89,208	55,982
Construction costs capitalised		(32,347)	(25,040)
Borrowing costs capitalised		477	1,058
Carrying amount at 30 June		89,601	32,263
Total Investment Property at 30 June		1,379,373	1,504,777

The Company engaged a licensed valuer to provide an independent valuation of its englobo investment land, leased building investments, and ground leases and licenses.

Fair value adjustments arising from the independent valuation are recognised through the profit or loss. The licensed valuer has considered market conditions and changes in their assessment of investment property values.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 10. Investment Property (continued)

The licensed valuer does not value investment buildings under construction as the fair value is not deemed reliably determinable. Instead investment buildings under construction are measured at cost until either its fair value becomes reliably determinable or construction is completed, whichever is earlier.

(i) During the year \$477,000 (2023: \$1,058,000) of borrowing costs were capitalised on the construction of investment buildings. Borrowing costs were capitalised at a weighted average interest rate of 5.44% (2023: 3.82%).

(ii) During the year ended 30 June 2024, the Company entered into no (2023: one) separate Board approved premium leasing transactions which resulted in the disposal of investment land with a carrying value of nil (2023: \$3,509,000).

(iii) During the year investment land with a carrying value of \$114,071,000 (2023: \$11,373,000) was transferred to operational land. This transfer primarily reflects changes from the annual review of land available for non-operational development.

(iv) During the year \$113,911,000 investment buildings were transferred to operational land (2023: nil).

(v) During the year operational land with a carrying value of \$6,000 (2023: \$113,000) was transferred to investment property. The land was valued at \$245,000 (2023: \$4,582,000) at the date of transfer. The revaluation increase of \$239,000 (2023: \$4,469,000) being the difference at the date of transfer between the carrying amount and its fair value, is recognised in asset revaluation reserve. This transfer primarily reflects a change in intended use for previously designated operational land that is now classified as investment land.

The following table provides the fair value measurement hierarchy of the company's investment properties as at 30 June 2024 and 30 June 2023.

30 June 2024	Significant unobservable inputs (Level 3) \$'000	Total \$'000
Investment Property at fair value		
Investment land	245,210	245,210
Ground leases and licenses	328,097	328,097
Investment buildings	716,465	716,465
	1,289,772	1,289,772
30 June 2023		
Investment Property at fair value		
Investment land	382,175	382,175
Ground leases and licenses	321,774	321,774
Investment buildings	768,565	768,565
	1,472,514	1,472,514



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 10. Investment Property – at Valuation (continued)

The following table provides a description of valuation techniques used and key inputs to valuation on investment properties:

	Valuation technique	Significant unobservable inputs	Range	
			2024	2023
Investment land	Direct comparison approach	Site rate	\$15/m ² - \$403/m ²	\$15/m ² - \$358/m ²
Ground leases and licenses	Income capitalisation	Capitalisation rate	4.25% - 15.00%	4.75% - 15.00%
	Direct comparison approach	Site rate	\$41/m ² - \$8,850/m ²	\$39/m ² - \$7,849/m ²
Investment buildings	Income capitalisation	Capitalisation rate	6.00% - 8.63%	5.50% - 8.25%
	Direct comparison approach	Site rate	\$409/m ² - \$4,757/m ²	\$120/m ² - \$4,496/m ²

Leasing arrangements

The Company enters into commercial property leases on its investment property portfolio, comprising premium leases (refer to Note 1(j)(iv) and commercial operating leases). Commercial operating leases are classified as operating leases based on the evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property and characterised by retaining all the significant risks and rewards of ownership of these properties. Commercial operating leases of investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on commercial operating leases of investment properties are as follows:

	2024 \$'000	2023 \$'000
Minimum lease payments receivable under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:		
Within one year	87,385	71,231
Later than one year but not later than 5 years	221,565	177,761
Later than 5 years	154,392	141,357
	463,342	390,349

Note 11. Infrastructure, Plant and Equipment

Information relating to security over assets is set out in Note 15(c).

During the year borrowing costs were capitalised on the construction of qualifying assets. Included within assets under construction is borrowing costs of \$18,553,000 (2023: \$14,327,000) which were capitalised at a weighted average interest rate of 5.44% (2023: 3.82%).



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 11. Infrastructure, Plant and Equipment (continued)

	Plant and Equipment \$'000	Infrastructure Assets Under Lease					Total Infrastructure Assets Under Lease \$'000	Assets under Construction \$'000	Total \$'000
		Buildings \$'000	Fixed Plant and Equipment \$'000	Runways, Taxiways and Aprons \$'000	Other Infrastructure \$'000				
Gross Carrying Value at cost - 1 July 2023	86,448	735,290	358,863	281,097	497,059		1,872,309	233,388	2,192,145
Additions	-	-	-	-	-		-	192,138	192,138
Transfers - capitalised work in progress	731 (764)	62,640	66,646 (45)	-	5,662		134,948 (45)	(138,278)	(2,599) (809)
Gross Carrying Value - 30 June 2024	86,415	797,930	425,464	281,097	502,721		2,007,212	287,248	2,380,875
Accumulated Depreciation - 1 July 2023	(58,000)	(258,044)	(193,337)	(114,758)	(218,428)		(784,566)	(5,909)	(848,475)
Depreciation charge for the year	(7,304) 763	(45,276)	(31,405) 29	(9,477)	(17,884)		(104,042) 29	(268) -	(111,614) 792
Accumulated Depreciation - 30 June 2024	(64,541)	(303,320)	(224,713)	(124,235)	(236,312)		(888,579)	(6,177)	(959,297)
Carrying Value 1 July 2023	28,448	477,246	165,526	166,339	278,631		1,087,743	227,479	1,343,670
Carrying Value 30 June 2024	21,874	494,610	200,751	156,862	266,409		1,118,633	281,071	1,421,578



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 11. Infrastructure, Plant and Equipment (continued)

	Plant and Equipment \$'000	Infrastructure Assets Under Lease					Infrastructure Assets Under Lease \$'000	Assets under Construction \$'000	Total \$'000
		Buildings \$'000	Fixed Plant and Equipment \$'000	Runways, Taxiways and Aprons \$'000	Other Infrastructure \$'000				
Gross Carrying Value at cost - 1 July 2022	69,062	728,226	346,754	279,029	484,135		1,838,144	204,244	2,111,450
Additions	-	-	-	-	-		-	81,680	81,680
Transfers - capitalised work in progress	17,689	7,064	12,265	2,068	12,924		34,321	(52,536)	(526)
Disposals	(303)	-	(156)	-	-		(156)	-	(459)
Gross Carrying Value - 30 June 2023	86,448	735,290	358,863	281,097	497,059		1,872,309	233,388	2,192,145
Accumulated Depreciation - 1 July 2022	(50,556)	(230,110)	(174,439)	(103,806)	(200,499)		(708,853)	(3,273)	(762,682)
Depreciation charge for the year	(7,728)	(27,934)	(19,013)	(10,952)	(17,929)		(75,828)	(2,636)	(86,192)
Disposals	284	-	115	-	-		115	-	399
Accumulated Depreciation - 30 June 2023	(58,000)	(258,044)	(193,337)	(114,758)	(218,428)		(784,566)	(5,909)	(848,475)
Carrying Value 1 July 2022	18,507	498,116	172,316	175,223	283,636		1,129,290	200,971	1,348,768
Carrying Value 30 June 2023	28,449	477,246	165,527	166,339	278,631		1,087,742	227,479	1,343,670



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 12. Goodwill and Other Intangible Assets

	Notes	Goodwill \$'000	Total Other Intangible Assets \$'000
Cost			
At 1 July 2022		443,598	84,835
Cost derecognised		-	(22,127)
Additions		-	4,697
At 30 June 2023		443,598	67,405
Cost derecognised		-	(10,214)
Additions		-	7,599
At 30 June 2024		443,598	64,790
Amortisation			
At 1 July 2022		-	42,221
Amortisation derecognised		-	-
Amortisation expense	3(d)	-	4,619
At 30 June 2023		-	46,840
Amortisation derecognised		-	-
Amortisation expense	3(d)	-	3,769
At 30 June 2024		-	50,609
Net book value			
At 30 June 2024		443,598	14,181
At 30 June 2023		443,598	20,565
Cost			



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 12. Goodwill and Other Intangible Assets (continued)

Goodwill

The Company operates and provides airport facilities in Perth, WA, Australia. The goodwill relates to the original acquisition of the airport and therefore any allocation of goodwill below the Company level (to business segments within the Company) would be arbitrary. This approach is consistent with prior year practice and the airport industry. Accordingly, the Company is the cash generating unit used to evaluate the recoverable amount of goodwill and intangible assets with indefinite useful lives.

The Company uses a long-term financial model ("the model") to derive an equity valuation. The model is an intrinsic discounted cash flow model which adheres to value in use methodology. Equity value is the product of the forecast future cash flows to shareholders, discounted at the cost of equity.

- Cash flows are based on a detailed bottom-up business planning process for the first year and incorporated into 10 years of discrete cashflows. Key assumptions and drivers include passenger numbers, capital expenditure forecasts and operating revenue and expenditure assumptions based on current trading conditions and forecast growth and development.
- Long-term cash flows after year ten are extrapolated based on top-down selected escalation factors using a range of factors including CPI and growth estimate.
- The period over which management has projected cash flows is 25 years (2023: 25 years), while the terminal value growth rate used to extrapolate cash flow projections is 3.0% (2023: 3.0%).
- The cost of equity discount rate is reviewed annually by an independent valuer. Cost of equity is risk adjusted. The discount rate range that was applied to projected cash flows to shareholders was 9.5% to 10.3% (2023: 9.5% to 10.3%).

Calculations to test for impairment of goodwill and other intangible assets with indefinite useful lives, have resulted in no impairment of goodwill and other intangible assets with indefinite useful lives since their respective acquisition dates. Accordingly, it is appropriate to continue to carry goodwill at the same value it was initially booked on acquisition date.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 13. Trade and Other Payables

	Notes	2024 \$'000	2023 \$'000
Trade payables – unsecured		16,550	18,327
Syndicated facility – Tranche A interest payable		6,559	839
\$A medium term note interest payable		5,385	79
United States Private Placement USD denominated - interest payable		25,696	25,720
United States Private Placement AUD denominated - interest payable		2,456	2,456
Interest rate swaps – net interest (receivable) / payable		(1,165)	(1,054)
Accrued borrowing expenses		870	73
Other creditors - unsecured		68,853	74,299
Security deposits		2,342	1,256
Net GST (Receivable) / Payable		(1,227)	2,386
		126,319	124,381

Trade payables are non-interest bearing and are normally settled on 30 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value. Information regarding interest rate and liquidity risk is set out in Note 19.

Note 14. Employee Benefit Liabilities

	2024 \$'000	2023 \$'000
Annual Leave and Long Service Leave		
Current		
Annual Leave	3,917	3,346
Long Service Leave	3,113	2,835
Total	7,030	6,181
Non-current		
Long Service Leave	494	450



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 15. Interest-bearing loans & borrowings

(a) Terms and conditions of interest-bearing loans & borrowings:

	Interest Rate %	Maturity	2024 \$'000	2023 \$'000
Current Senior loans & borrowings				
<i>Senior Secured Debt</i>				
United States Private Placement – Series B - \$USD	4.57	26 July 2024	119,832	-
Multi option syndicated facility – Tranche A	BBSY + 0.95	12 December 2024	-	593,000
Medium Term Note – Floating Bond \$100m	BBSW + 2.05	26 March 2024	-	99,979
Total current senior loans & borrowings			119,832	692,979
Non-current Senior loans & borrowings				
<i>Senior Secured Debt</i>				
Multi option syndicated facility – Tranche A	BBSY + 1.10	6 July 2026	400,000	-
Multi option syndicated facility – Tranche B	BBSY + 1.25	6 January 2028	19,000	-
United States Private Placement – Series B - \$USD	4.57	26 July 2024	-	119,695
United States Private Placement – Series C - \$USD	4.77	26 July 2027	209,507	209,284
United States Private Placement – Series E - \$USD	3.50	9 July 2025	149,725	149,548
United States Private Placement – Series F - \$USD	3.60	9 July 2027	224,442	224,192
United States Private Placement – Series G - \$USD	3.75	9 July 2030	299,061	298,750
United States Private Placement – Series H - \$A	5.14	9 July 2030	99,792	99,758
United States Private Placement – Series I - \$USD	3.45	4 September 2029	223,767	223,421
United States Private Placement – Series J - \$USD	3.70	4 September 2034	111,740	111,597
United States Private Placement – Series K - \$USD	3.00	21 January 2026	22,442	22,407
United States Private Placement – Series L - \$USD	3.28	21 January 2028	22,426	22,396
United States Private Placement – Series M - \$USD	3.56	21 January 2031	111,311	111,184
United States Private Placement – Series N - \$USD	3.66	21 January 2033	67,967	67,894
PADGI external loan facility	BBSY + 1.45	21 June 2027	60,000	60,000
Medium Term Note – Fixed Bond \$300m	5.60	5 March 2031	298,029	-
Total non-current senior loans & borrowings			2,319,209	1,720,126
Total senior loans & borrowings			2,439,041	2,413,105



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 15. Interest-bearing loans & borrowings (continued)

(b) Financing Arrangements

(i) \$AUD interest-bearing loans and borrowings

	2024 \$'000	2023 \$'000
Total facilities available:		
Syndicated multi-option facility - Tranche A	400,000	900,000
Syndicated multi-option facility - Tranche B	400,000	50,000
Syndicated multi-option facility - Tranche C	300,000	-
PADGI external loan facility	60,000	60,000
Bilateral Facility	-	150,000
\$A Medium Term Note - Floating Bond	-	100,000
\$A Medium Term Note - Fixed Bond \$300m	300,000	-
United States Private Placement – Series H \$AUD	100,000	100,000
	1,560,000	1,360,000

Facilities utilised at reporting date

Syndicated multi-option facility - Tranche A	400,000	593,000
Syndicated multi-option facility - Tranche B	19,000	-
Syndicated multi-option facility - Tranche C	-	-
PADGI external loan facility	60,000	60,000
Bilateral Facility	-	-
\$A Medium Term Note - Floating Bond	-	100,000
\$A Medium Term Note - Fixed Bond \$300m	300,000	-
United States Private Placement – Series H	100,000	100,000
	879,000	853,000

Facilities not utilised at reporting date

Syndicated multi-option facility - Tranche A	-	307,000
Syndicated multi-option facility - Tranche B	381,000	50,000
Syndicated multi-option facility - Tranche C	300,000	-
PADGI external loan facility	-	-
Bilateral Facility	-	150,000
	681,000	507,000



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 15. Interest-bearing loans & borrowings (continued)

(ii) \$USD interest-bearing loans and borrowings	2024 \$'000 USD	2023 \$'000 USD
Total facilities available and fully utilised:		
United States Private Placement – Series A	-	-
United States Private Placement – Series B	80,000	80,000
United States Private Placement – Series C	140,000	140,000
United States Private Placement – Series E	100,000	100,000
United States Private Placement – Series F	150,000	150,000
United States Private Placement – Series G	200,000	200,000
United States Private Placement – Series I	150,000	150,000
United States Private Placement – Series J	75,000	75,000
United States Private Placement – Series K	15,000	15,000
United States Private Placement – Series L	15,000	15,000
United States Private Placement – Series M	74,500	74,500
United States Private Placement – Series N	45,500	45,500
	1,045,000	1,045,000

(c) Senior Debt – Security and Covenants

The senior borrowings are fully secured over all the assets of PAPL, including a mortgage over the entity's interest under the Perth Airport lease. In addition, PADG has guaranteed repayment of the outstanding indebtedness by providing a charge over its shares and shareholder loans in PAPL and a featherweight charge over all its property.

The following ratios and covenants, failure of which is an event of default, are reported quarterly or semi-annually in a Compliance Certificate in accordance with the terms defined in the Syndicated Multi-Option Facility Agreement, Bilateral Facility Agreements, Perth Airport Australian Medium Term Note Trust Deed and USPP Note and Guarantee Agreements:

- (i) The Debt Service Cover Ratio ("DSCR") is the ratio of total cash flows available for debt service compared to the senior debt interest expense. The covenants require that the DSCR on the most recent Ratio Date not to fall below 1.10:1. The covenant reported at 30 June 2024 was 3.91:1 (2023: 3.54:1).
- (ii) The Interest Cover Ratio ("ICR") is the ratio of earnings compared with senior debt interest expense. The covenant requires that the ICR on the most recent Ratio Date not fall below 1.10:1. The covenant reported on 30 June 2024 was 3.72:1 (2023: 3.97:1)
- (iii) The Leverage Ratio is the ratio of total gross senior debt to the aggregate of total gross senior debt plus the book carrying value of investments, loans and any other debt or equity interest of PADG in PAPL. The covenants within the borrowings require that the Leverage Ratio is not to exceed 0.75:1. The covenant reported at 30 June 2024 was 0.28:1 (2023: 0.30:1). Refer to Note 19 for further details.

During the current and prior year, there were no defaults or breaches on any debt covenants.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 15. Interest-bearing loans & borrowings (continued)

(d) Reconciliation of interest-bearing loans & borrowings

	Balance 30 June 2023	Cash flows		Non-cash changes		Balance 30 June 2024
		Proceeds	Repayments	Amortisation of Upfront Borrowing Costs	Foreign Exchange Movement	
Senior Secured Debt	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Syndicated multi option facility – Tranche A	593,000	286,000	(460,000)	-	-	419,000
United States Private Placement – Series B	119,695	-	-	47	90	119,832
United States Private Placement – Series C	209,284	-	-	66	157	209,507
United States Private Placement – Series E	149,548	-	-	65	112	149,725
United States Private Placement – Series F	224,192	-	-	82	168	224,442
United States Private Placement – Series G	298,750	-	-	87	224	299,061
United States Private Placement – Series H	99,758	-	-	34	-	99,792
United States Private Placement – Series I	223,421	-	-	178	168	223,767
United States Private Placement – Series J	111,597	-	-	59	84	111,740
United States Private Placement – Series K	22,407	-	-	18	17	22,442
United States Private Placement – Series L	22,396	-	-	13	17	22,426
United States Private Placement – Series M	111,184	-	-	43	84	111,311
United States Private Placement – Series N	67,894	-	-	22	51	67,967
PADGL external loan facility	60,000	-	-	-	-	60,000
\$A Medium Term Note – Fixed Bond \$300m	-	300,000	-	(1,971)	-	298,029
\$A Medium Term Note – Floating Bond \$100m	99,979	-	(100,000)	21	-	-
Total interest-bearing loans & borrowings	2,413,105	586,000	(560,000)	(1,236)	1,172	2,439,041



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 15. Interest-bearing loans & borrowings (continued)

	Balance 30 June 2022	Cash flows		Non-cash changes		Balance 30 June 2023
		Proceeds	Repayments	Amortisation of Upfront Borrowing Costs	Foreign Exchange Movement	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Senior Secured Debt						
Syndicated multi option facility – Tranche A	443,000	285,500	(135,500)	-	-	593,000
United States Private Placement – Series A	72,569	-	(71,695)	-	(874)	-
United States Private Placement – Series B	116,015	-	-	47	3,633	119,695
United States Private Placement – Series C	202,861	-	-	67	6,356	209,284
United States Private Placement – Series D	30,000	-	(30,000)	-	-	-
United States Private Placement – Series E	144,943	-	-	65	4,540	149,548
United States Private Placement – Series F	217,301	-	-	81	6,810	224,192
United States Private Placement – Series G	289,583	-	-	86	9,081	298,750
United States Private Placement – Series H	99,723	-	-	35	-	99,758
United States Private Placement – Series I	216,433	-	-	177	6,811	223,421
United States Private Placement – Series J	108,133	-	-	59	3,405	111,597
United States Private Placement – Series K	21,709	-	-	17	681	22,407
United States Private Placement – Series L	21,702	-	-	13	681	22,396
United States Private Placement – Series M	107,758	-	-	43	3,383	111,184
United States Private Placement – Series N	65,806	-	-	23	2,065	67,894
Westpac loan facility	60,000	-	-	-	-	60,000
\$A Medium Term Note – Floating Bond \$100m	99,949	-	-	30	-	99,979
Total interest-bearing loans & borrowings	2,317,485	285,500	(237,195)	743	46,572	2,413,105



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 16. Derivative Financial Instruments – Assets and Liabilities

	2024 \$'000	2023 \$'000
Financial current assets at fair value through profit or loss		
Derivatives – Held for Trading		
Cross currency swaps (ii)	37,673	-
Total financial current assets at fair value through profit or loss	37,673	-
Financial non-current assets at fair value through profit or loss		
Derivatives – Held for Trading		
Cross currency swaps (ii)	144,329	183,220
Interest rate swaps not designated as cash flow hedges (i)	15,969	25,961
Total financial non-current assets at fair value through profit or loss	160,298	209,181
Financial current liabilities at fair value through profit or loss		
Derivatives – Held for Trading		
Foreign exchange forward contracts	(32,656)	-
Total financial current liabilities at fair value through profit or loss	(32,656)	-
Financial non-current liabilities at fair value through profit or loss		
Derivatives – Held for Trading		
Foreign exchange forward contracts	(75,082)	(100,795)
Total financial non-current liabilities at fair value through profit or loss	(75,082)	(100,795)
Total Financial current assets/ (liabilities)	5,017	-
Total Financial non-current assets/ (liabilities)	85,216	108,386

(i) Interest rate swaps

Interest rate swap contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The objective of the interest rate swap contracts is to fix the cash flows on interest-bearing loans and borrowings that are exposed to a variable rate of borrowing. Interest rate swaps that are not designated as hedges are classified as held for trading, with the associated changes in fair value recognised in the profit or loss. No new interest rate swap agreement was entered during the year.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 16. Derivative Financial Instruments – Assets and Liabilities (continued)

The notional amount and maturity date of the interest rate swap contracts are as follows:

At 30 June 2024

Maturity Date	Jul-25	Feb-26	Mar-26	Jun-27	Jul-27	Total Notional
Notional	150,000,000	130,000,000	235,000,000	60,000,000	90,000,000	665,000,000

At 30 June 2023:

Maturity Date	Jul-25	Feb-26	Mar-26	Jun-27	Jul-27	Total Notional
Notional	150,000,000	130,000,000	235,000,000	60,000,000	90,000,000	665,000,000

The fair value of interest rate swaps that are offset, and subject to enforceable ISDA Master Agreements as at 30 June 2024 and 30 June 2023:

	2024			2023		
	Assets	Liabilities	Total	Assets	Liabilities	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest rate swaps						
Fair value	16,107	(138)	15,969	26,304	(343)	25,961

(ii) Cross currency swaps

- (a) A United States Private Placement was settled on 26 July 2012 which raised USD \$220 million. To hedge the \$USD foreign currency risk, three cross currency swap transactions were traded on 25 May 2012 with a settlement date of 26 July 2012.

The net impact, as detailed beneath, was to exchange USD \$220 million for AUD \$225.35 million:

Initial Exchange PAPL Pays \$USD	Initial Exchange PAPL Receives \$AUD	PAPL Pays \$AUD Floating Rate on Notional Amount	PAPL Pays Spread on \$AUD Floating Rate	PAPL Receives \$USD Fixed	Maturity Date
140,000,000	143,405,890	AUD_BBR_BBSW	3.1749%	4.7700%	26 July 2027
80,000,000	81,946,223	AUD_BBR_BBSW	3.1825%	4.5700%	26 July 2024
220,000,000	225,352,113				



30 June 2024 (continued)

Note 16. Derivative Financial Instruments – Assets and Liabilities (continued)

- (b) A United States Private Placement was settled on 9 July 2015 which raised USD \$450 million and AUD \$100 million. To hedge the \$USD foreign currency risk, cross currency swap transactions were traded on 29 April 2015 with a settlement date of 9 July 2015.

The net impact, as detailed beneath, was to exchange USD \$450 million for AUD \$565.68 million:

Initial Exchange PAPL Pays \$USD	Initial Exchange PAPL Receives \$AUD	PAPL Pays \$AUD Fixed	PAPL Receives \$USD Fixed	Maturity Date
200,000,000	251,414,204	5.2075%	3.7500%	9 July 2030
150,000,000	188,560,654	4.9966%	3.6000%	9 July 2027
100,000,000	125,707,102	4.8490%	3.5000%	9 July 2025
<u>450,000,000</u>	<u>565,681,960</u>			

- (c) A United States Private Placement was settled on 4 September 2019 which raised USD \$225 million. To hedge the \$USD foreign currency risk, cross currency swap transactions were traded on 7 June 2019 with a settlement date of 4 September 2019.

The net impact, as detailed beneath, was to exchange USD \$225 million for AUD \$322.27 million:

Initial Exchange PAPL Pays \$USD	Initial Exchange PAPL Receives \$AUD	PAPL Pays \$AUD Fixed	PAPL Receives \$USD Fixed	Maturity Date
110,000,000	157,570,549	3.4720%	3.4500%	4 September 2029
40,000,000	57,298,381	3.4950%	3.4500%	4 September 2029
55,000,000	78,762,709	3.8780%	3.7000%	4 September 2034
20,000,000	28,640,985	3.9130%	3.7000%	5 September 2034
<u>225,000,000</u>	<u>322,272,624</u>			

- (d) A United States Private Placement was settled on 21 January 2021 which raised USD \$150 million. To hedge the \$USD foreign currency risk, cross currency swap transactions were traded on 21 October 2020 with a settlement date of 21 January 2021.

The net impact, as detailed beneath, was to exchange USD \$150 million for AUD \$210.67 million:

Initial Exchange PAPL Pays \$USD	Initial Exchange PAPL Receives \$AUD	PAPL Pays \$AUD Fixed	PAPL Pays \$AUD Floating Rate on Notional Amount	PAPL Receives \$USD Fixed	Maturity Date
15,000,000	21,067,416	-	AUD_BBR_BBSW + 2.756%	3.0000 %	21 January 2026
15,000,000	21,067,416	-	AUD_BBR_BBSW + 2.915%	3.2800%	21 January 2028
45,000,000	63,202,247	3.8050%	-	3.5600%	21 January 2031
29,500,000	41,432,584	3.7750%	-	3.5600%	21 January 2031
45,500,000	63,904,494	3.9500%	-	3.6600%	21 January 2033
<u>150,000,000</u>	<u>210,674,157</u>				

Consolidated Notes to the financial statements



30 June 2024 (continued)

Note 16. Derivative Financial Instruments – Assets and Liabilities (continued)

The fair value of cross currency swaps that are offset, and subject to enforceable ISDA Master Agreements as at 30 June 2024 and 30 June 2023:

	2024				2023	
	Assets	Liabilities	Total	Assets	Liabilities	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cross currency swaps						
Fair value	1,539,386	(1,357,384)	182,002	1,464,494	(1,281,274)	183,220

(iii) Foreign exchange contracts

- (a) Foreign currency exchange contracts for USD \$220 million were entered into on 6 May 2019 to hedge future maturity payment of the USD \$220 million USPP.

Maturity Date	Jul-24	Jul-27	Total Notional
	\$'000 USD	\$'000 USD	\$'000 USD
Notional	80,000,000	140,000,000	220,000,000

- (b) Foreign currency exchange contracts for USD \$175 million entered into on 28 May 2020 to hedge future maturity payment of the USD \$175 million USPP.

Maturity Date	Jul-27	Jul-30	Total Notional
	\$'000 USD	\$'000 USD	\$'000 USD
Notional	75,000,000	100,000,000	175,000,000



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 17. Deferred Tax Liabilities

Deferred income tax at 30 June relates to:

Deferred tax liabilities

Accelerated depreciation for tax purposes
Revaluations of investment properties to fair value
Capitalised lease - operational land
Contractual intangible assets
Derivative financial instruments – held for trading
Property development income - future assessable amounts
Lessor Contribution

Deferred tax assets

Provision for doubtful debts and Work in progress write-offs
Accrued expenses
Derivative financial instruments – held for trading
Finance costs
Tax loss carried forward
Deferred Revenue
Employee benefits

Net deferred tax liabilities at 30 June

Deferred tax expense

Net transfers to Other Comprehensive Income

Notes	Statement of Financial Position		Profit or Loss		Other Comprehensive Income	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	65,596	67,437	(1,841)	8,868	-	-
	256,246	327,982	(71,807)	10,189	71	1,340
	117,462	43,726	73,736	4,231	-	-
	(835)	(297)	(538)	(768)	-	-
	59,391	62,755	(3,364)	(6,670)	-	-
	32,060	32,745	(685)	283	-	-
	4,488	3,793	695	254	-	-
	534,408	538,141	(3,804)	16,387	71	1,340
	(4,069)	(392)	(3,677)	128	-	-
	(17,369)	(82,087)	64,718	(21,124)	-	-
	(32,741)	(30,759)	(1,982)	5,883	-	-
	(62,083)	(61,795)	(288)	(6,591)	-	-
	(5,530)	-	(5,530)	-	-	-
	(2)	(2)	(2)	-	-	-
	(2,257)	(1,990)	(267)	(135)	-	-
	(124,051)	(177,023)	52,972	(21,839)	-	-
	410,357	361,118				
			49,168	(5,452)	71	1,340



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 18. Contributed Equity

Movement in ordinary shares on issue	No. shares	\$'000
At 30 June 2022	146,774,081	161,865
Share issue	-	-
At 30 June 2023	146,774,081	161,865
Share issue	-	-
At 30 June 2024	146,774,081	161,865

Fully paid ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

Nature and purpose of reserves

(a) Asset Revaluation Reserve

The asset revaluation reserve represents the fair valuation increment arising from revaluing operational land held at cost to fair value, prior to the transfer of operational land to investment property.

	Notes	2024 \$'000	2023 \$'000
Balance at 1 July		289,339	286,210
Revaluation of capitalised lease – operational land transferred to investment property	9	239	4,469
Deferred tax - other comprehensive income	4, 17	(71)	(1,340)
Balance at 30 June net of deferred tax		289,507	289,339

Note 19. Financial Risk Management

The Company has material exposures to the following financial risks from their financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout the financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities. The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 19. Financial Risk Management (continued)

PAPL's overall risk management program seeks to mitigate these risks and reduce volatility impact on financial performance. Financial risk management is carried out centrally by PAPL's finance department, under policies approved by the Board of Directors with oversight by the Audit Committee. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

The Company enters into derivative transactions in accordance with the Board approved hedging policy to manage its exposure to market risks. Principally, PAPL hedges the interest rate risks arising from senior debt by the use of interest rate swaps. PAPL does not speculatively trade in derivative instruments.

(a) Capital Risk Management

Consistent with its objective of maintaining a capital structure and debt coverage levels that are in line with an established investment grade rated company, the Board has adopted a prudent approach to financial risk management through the development and approval of a Capital Management Policy and a Treasury Policy. These policies are aimed at promoting greater financial discipline in areas of shareholders distributions, leverage, hedging, liquidity, funding of capital expenditure, debt maturity, refinancing, and compliance with senior debt covenants.

The Capital Management Policy first approved by the Board in July 2006, and the Treasury Policy first approved by the Board in July 2011, and both subsequently updated and approved by the Board as required, outline the Company's objectives and approach for capital and treasury management.

A fundamental tenet of these policies is the adoption of specific policies and procedures promoting ongoing financial discipline in the PAPL's finance department, including the areas of risk management, credit rating and leverage. These policies also aim to promote financial stability and transparency to its key stakeholders and to maintain high standards of corporate governance.

Primary responsibility for identification and control of financial risks rests with the Audit Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified, including the setting of limits for hedging of interest rate risk.

Shareholder Distributions

PAPL may adjust shareholder distributions to allow for working capital, investment and expansion requirements, while considering the market influences on PAPL's business, with an objective of maintaining a sustainable long term strong investment grade credit rating. Shareholder distributions are subject to Board approval and satisfying the specific requirements relating to Distributions contained within the following documents:

- Syndicated Facility Agreement.
- United States Private Placement Note and Guarantee Agreement.
- \$A Medium Term Note Programme.
- Shareholder's Agreement.
- Capital Management Policies and Procedures.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 19. Financial Risk Management (continued)

(a) Capital Risk Management (continued)

Financial Leverage

The ultimate Australian parent entity of PAPL and PADGI is Perth Airport Development Group Pty Ltd ("PADG"), which at 30 June 2024 owns 100% (2023: 100%) of the issued ordinary shares of PAPL and PADGI (refer to Note 26). PADG aims to maintain a leverage ratio below 0.75:1 (2023: 0.75:1) (refer to Note 15(c)(iii)). The leverage ratio is defined as the ratio of outstanding gross senior debt to the sum of:

- Outstanding gross senior debt;
- The book carrying value of PADG's investment in PAPL & PADGI as shown in the most recent (prior year) audited annual accounts; and
- The book carrying value of loans and any other debt or equity interest invested by PADG in PAPL & PADGI as shown in the most recent (prior year) audited annual accounts.

The leverage ratios based on continuing operations is:

	2024 \$'000	2023 \$'000
Accrued interest on senior debt facilities	38,931	28,040
Syndicated multi option facilities	419,000	593,000
PADGI Westpac loan	60,000	60,000
Australian medium term note – Floating Bond	-	100,000
Australian medium term note – Fixed Bond	300,000	-
United States Private Placement – Series B	119,832	119,695
United States Private Placement – Series C	209,507	209,284
United States Private Placement – Series E	149,725	149,548
United States Private Placement – Series F	224,442	224,192
United States Private Placement – Series G	299,061	298,750
United States Private Placement – Series H	99,792	99,758
United States Private Placement – Series I	223,767	223,421
United States Private Placement – Series J	111,740	111,597
United States Private Placement – Series K	22,442	22,407
United States Private Placement – Series L	22,426	22,396
United States Private Placement – Series M	111,311	111,184
United States Private Placement – Series N	67,967	67,894
Total senior debt	2,479,943	2,441,166
Book carrying value of PADG's investment in PAPL & PADGI (1)	4,738,300	4,393,600
Leverage ratio	47.7%	44.4%

(1) The book carrying value at 30 June is from the most recent audited annual accounts (30 June 2023).



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 19. Financial Risk Management (continued)

(b) Risk exposures and mitigation

(1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company has adopted the policy of only dealing with creditworthy counterparties, and the Audit Committee monitors financial institution counterparty credit risk exposure on a semi-annual basis.

The Company's maximum exposure to credit risk at the reporting date from financial assets was:

	Notes	2024 \$'000	2023 \$'000
Cash and cash equivalents		59,973	66,299
Trade and other receivables	7	78,805	141,716
Other financial assets	8	32,429	29,208
Derivative financial instruments – cross currency swaps	16	182,002	183,220
Derivative financial instruments – interest rate swaps	16	15,969	25,961
		369,178	446,404

(i) Trade and other receivables

Trade and other receivables consist of customers across a number of industry sectors. Accordingly, the Company has a diverse range of customers and tenants. There are no significant concentrations of receivables credit risk, either by counterparty or geographically.

One of the methods used to manage the concentration of risks relating to these instruments is to report on the Company's exposure by customer type. To manage this risk:

- It is PADG's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.
- PADG may require collateral, bank or security deposits, or bank guarantees, where appropriate (refer to Note 8). There are no other credit enhancements.
- Receivable balances are monitored on a regular ongoing basis with the result that PADG's exposure to bad debts is insignificant.

PADG established an allowance for expected credit losses recognised based on historical default rates in respect of trade and other receivables. The Company's maximum exposure to credit risk for trade receivables without taking account of any expected credit loss was:

	Notes	2024 \$'000	2023 \$'000
Aeronautical debtors		52,243	121,005
Property debtors		3,356	297
Ground transport debtors		11,324	8,346
Retail debtors		2,408	1,788
Sundry trade debtors		4,005	3,712
	7	73,336	135,148



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 19. Financial Risk Management (continued)

(b) Risk exposures and mitigation (continued)

(1) Credit risk (continued)

(ii) Cash and cash equivalents

Cash balances on deposit are limited to high credit quality authorised deposit institutions in Australia.

The carrying amount of the Company's financial assets represents the maximum credit exposure.

(2) Liquidity risk

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of its distribution policy, undrawn senior debt, committed available credit lines including the working capital facility, bond issues and operational surpluses.

The Company gives due regard to the following when determining short term funding requirements:

- historic operating volatility;
- historic impact of and recovery period from severe shock in the operating environment;
- seasonality and working capital requirements;
- debt service requirements; and
- non-discretionary capital expenditure requirements.

To ensure liquidity is maintained in accordance with the Treasury Policy, updates are presented to the Board in the form of rolling 12 month cash flow forecasts. The use of a committed working capital facility and committed syndicated facility agreements to meet short term liquidity requirements is also available. At balance date, the Company had available \$681,000,000 (2023: \$657,000,000) of committed facilities not utilised (refer to Note 15(b)).



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 19. Financial Risk Management (continued)

(b) Risk exposures and mitigation (continued)

(2) Liquidity risk (continued)

The table below reflects all contractually fixed pay-offs for settlement, repayments and estimated interest payments resulting from recognised financial liabilities, including derivative financial instruments as of 30 June 2024. The respective undiscounted cash flows for the respective upcoming fiscal years are presented.

The timing of cash flows for financial liabilities is based on the contractual terms of the underlying contract. The interest rate derivative financial liabilities are presented on a net settled basis, while the cross currency swap is presented on a gross basis. When the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Company can be required to pay. It is not expected that the cash flows in the beneath maturity analysis could occur significantly earlier, or at significantly different amounts:

	Carrying amount \$'000	Total Contractual cash flows \$'000	Less 12 months \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
2024						
Amortised Cost						
Cash and cash equivalents	59,973	59,973	59,973	-	-	-
Trade and other receivables	78,805	78,805	78,805	-	-	-
Fair value in profit or loss						
Cross currency swap	182,002					
- Outflow		(1,357,384)	(82,138)	(148,115)	(393,599)	(733,532)
- Inflow		1,539,386	119,811	169,440	453,985	796,150
Interest rate swap	15,969					
- Outflow		(138)	-	-	(138)	-
- Inflow		16,107	-	15,373	734	-
Total financial assets	336,749	336,749	176,451	36,698	60,982	62,618
Non derivative						
Trade and other payables	(126,319)	(126,319)	(126,319)	-	-	-
Interest-bearing loans & borrowings	(2,439,042)	(2,295,752)	(119,652)	(166,555)	(912,590)	(1,096,955)
Income tax payable	-	-	-	-	-	-
Derivative						
Forward exchange contracts	(107,738)	(107,738)	(32,656)	-	(61,615)	(13,467)
Total financial liabilities	(2,673,099)	(2,529,809)	(278,627)	(166,555)	(974,205)	(1,110,422)
Net inflow / (outflow)		(2,193,060)	(102,176)	(129,857)	(913,223)	(1,047,804)



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 19. Financial Risk Management (continued)

(b) Risk exposures and mitigation (continued)

(2) Liquidity risk (continued)

	Carrying amount \$'000	Total Contractual cash flows \$'000	Less 12 months \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
2023						
Amortised Cost						
Cash and cash equivalents	66,299	66,299	66,299	-	-	-
Trade and other receivables	141,716	141,716	141,716	-	-	-
Fair value in profit or loss						
Cross currency swap	183,220					
- Outflow		(1,281,274)	-	(84,339)	(514,683)	(682,252)
- Inflow		1,464,494	-	118,686	591,515	754,293
Interest rate swap	25,961					
- Outflow		(343)	-	-	(343)	-
- Inflow		26,304	-	-	26,304	-
Total financial assets	417,196	417,196	208,015	34,347	102,793	72,041
Non derivative						
Trade and other payables	(132,919)	(132,919)	(132,919)	-	-	-
Interest-bearing loans & borrowings	(2,413,105)	(2,239,171)	(693,695)	-	(623,159)	(922,317)
Income tax payable	-	-	-	-	-	-
Derivative						
Forward exchange contracts	(100,795)	(100,795)	-	(31,004)	(57,512)	(12,278)
Total financial liabilities	(2,646,819)	(2,472,885)	(826,614)	(31,004)	(680,671)	(934,595)
Net inflow / (outflow)		(2,055,689)	(618,599)	3,343	(577,878)	(862,554)



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 19. Financial Risk Management (continued)

(b) Risk exposures and mitigation (continued)

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Changes in market prices, such as interest rates and foreign currency risk, will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to changes in the variable interest rates on PAPL's long-term debt obligations which is disclosed in Note 15. The variable interest rate exposure of long-term debt obligations is economically hedged by issuing fixed rate long-term debt obligations and interest rate swaps that convert the variable interest rates into a fixed rate of interest.

Interest rate swap contracts outlined in Note 16, with fair value of \$15,969,000 in the money (2023: \$25,961,000 in the money) are exposed to fair value movements if interest rates change. At balance sheet date, the Company had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk:

	2024 \$'000	2023 \$'000
Financial Assets		
Cash and cash equivalents	59,973	66,299
Cross currency swaps – held for trading	182,002	183,220
Interest rate swaps – held for trading	15,969	25,961
	257,944	275,480
Financial Liabilities		
Interest bearing loans and borrowings – variable rate	479,000	752,979
Forward exchange contracts	107,738	100,795
	586,738	853,774
Net Financial Liabilities	(328,794)	(578,294)

The Hedging Policy incorporated within the Treasury Policy prescribes the use of fixed rate long-term debt issuance, and interest rate swaps, to hedge minimum nominal principal amounts of senior debt for periods up to 5 years after balance sheet date.

At 30 June 2024, after taking into account the effect of these interest rate swaps, 83.30% (2023: 88.31%) of the Company's drawn senior interest-bearing loans and borrowings is economically hedged at a fixed rate of interest. The Company regularly analyses its interest rate exposures. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, alternative hedging positions and the mix of fixed and variable interest rates.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 19. Financial Risk Management (continued)

(b) Risk exposures and mitigation (continued)

(3) Market risk (continued)

Cash flow sensitivity analysis for variable rate instruments

The following sensitivity analysis is based on the interest rate risk exposures in existence at reporting date. At 30 June 2024, if the Australian dollar yield curve had moved 25 basis points, as illustrated in the table below, with all other variables held constant, post-tax profit and other comprehensive income would have been affected as follows:

Judgments of reasonable possible movements:	Effect on post-tax profit	
	Increase / (decrease)	Increase / (decrease)
	2024 \$'000	2023 \$'000
+25 basis points	10,999	13,515
-25 basis points	(11,153)	(13,723)

The movements in post-tax profit is due to higher/lower interest costs from variable rate debt and cash and cash equivalents. The sensitivity of derivatives has been based on a reasonably possible movement of interest rates at balance dates by applying the change as a parallel shift in the forward curve.

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is also exposed to foreign currency accounts payable transactions in the ordinary course of business for immaterial amounts.

For the year ended 30 June 2024, the Company's exposure to the risk of changes in foreign exchange rates relates to cross currency swaps (refer to Note 16(ii) and (iii), and the USPP (refer to Note 15). The following tables demonstrate the sensitivity to a reasonably possible change in the US dollar and AUD exchange rate, with all other variables held constant:

Change in US\$ Rate	Effect on profit before tax	
	Increase / (decrease)	Increase / (decrease)
	2024 \$'000	2023 \$'000
+1%	(32,389)	(33,030)
-1%	32,702	33,343

Consistent with the Board approved Treasury Policy, the Company is 100% economically hedged for foreign currency risk.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 19. Financial Risk Management (continued)

(b) Risk exposures and mitigation (continued)

(3) Market risk (continued)

(iii) Estimation of fair value

The methods used in determining the fair values of financial instruments are discussed in Note 1(q). Set out below is a comparison of the carrying amounts and fair values of financial instruments, other than trade and other receivables, and trade and other payables, both of which the carrying amount is a reasonable approximation of fair value:

	Carrying Amount		Fair Value	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial Assets				
Cross currency swaps – held for trading	182,002	183,220	182,002	183,220
Interest rate swaps – held for trading	15,969	25,961	15,969	25,961
Total	197,971	209,181	197,971	209,181
Financial Liabilities				
Interest bearing loans and borrowings				
Variable rate borrowings	479,000	752,979	480,791	753,781
Fixed rate borrowings	1,662,013	1,660,126	1,814,961	1,485,390
Foreign exchange contract	107,738	100,795	107,738	100,795
Total	2,248,751	2,513,900	2,403,490	2,339,966

Cash and short term deposits, trade receivables, trade payables and other current liabilities reasonably approximate their fair value largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs.
- Fair values of the Company's interest-bearing borrowings and loans are determined by using a discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 30 June 2024 was assessed to be insignificant.
- The fair value of unquoted instruments, and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 19. Financial Risk Management (continued)

(b) Risk exposures and mitigation (continued)

(3) Market risk (continued)

- The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves. As at 30 June 2024, the fair value of derivative positions includes debit / credit valuation adjustments attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on other financial instruments recognised at fair value.

(iv) Fair Value Hierarchy

The fair value hierarchy of financial assets and financial liabilities is summarised in the table beneath:

	Significant observable inputs (Level 2) \$'000	Total \$'000
30 June 2024		
Financial Assets		
Cross currency swaps	182,002	182,002
Interest rate swaps	15,969	15,969
	197,971	197,971
Financial Liabilities		
Variable rate borrowings	480,791	480,791
Fixed rate borrowings	1,814,961	1,814,961
Foreign exchange contract	107,738	107,738
	2,403,490	2,403,490
30 June 2023		
Financial Assets		
Cross currency swaps	183,220	183,220
Interest rate swaps	25,961	25,961
	209,181	209,181
Financial Liabilities		
Variable rate borrowings	753,781	753,781
Fixed rate borrowings	1,485,390	1,485,390
Interest rate swaps	-	-
Foreign exchange contract	100,795	100,795
	2,339,966	2,339,966



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 20. Capital and Leasing Commitments

(i) Capital Commitments

	2024	2023
	\$'000	\$'000
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities:		
Not later than one year	294,605	183,741

Note 21. Contingent Liabilities

(i) Native Title

The ability to claim for native title over airport land was previously extinguished.

(ii) Heritage Site Listing

Parts of Perth Airport (the Munday Swamp Bushland and Forrestfield Bushland) were previously listed on the Register of the National Estate ("RNE"). In 2007, the RNE was closed, and is no longer a statutory list.

In 2006 the *Environment Protection and Biodiversity Conservation Act 1999* ("EPBC Act") and the *Australian Heritage Council Act 2003* were amended to freeze the RNE and to provide for a five-year phasing out of statutory references to the RNE. On 19 February 2012 all references to the RNE were removed from the EPBC Act and the *Australian Heritage Council Act 2003*. The RNE is maintained on a non-statutory basis, and RNE places can be protected under the EPBC Act if they are also included in another Commonwealth statutory heritage list or are owned or leased by the Commonwealth.

Separate to the RNE, two other lists have been created. These are the National Heritage List ("NHL") and the Commonwealth Heritage List ("CHL"). The NHL contains places of exceptional national heritage value. No areas on PAPL land have been uplifted from the RNE to NHL. The CHL contains areas of heritage value that are owned or controlled by the Commonwealth. There are six areas at Perth Airport in the Australian Heritage Database. Two of these are listed as an 'Indicative Place' on the Commonwealth Heritage list. These include Forrestfield Bushland and Munday Swamp and Surrounding Bushland. Three other sites are listed as 'Registered' on the Register of the National Estate, a non-statutory archive. The remaining site is listed as 'Removed from the Register or IL', also a non-statutory archive.

At the State level, there are a number of registered Aboriginal heritage sites on the Perth Airport estate protected by the *Aboriginal Heritage Act 1972 (WA)*.

Furthermore, following a historic archaeological assessment of the estate, the Allawah Grove site located in the northwest of the airport estate was nominated to the Heritage Council of WA for listing under the *Heritage Act 2018 (WA)*. A preliminary assessment has occurred, and the site is currently listed as RHP – Assessed – Consultation (Preliminary). A decision regarding this potential listing is anticipated next financial year.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 22. Cash Flow Information

	Notes	2024 \$'000	2023 \$'000
Reconciliation of net profit after tax to net cash flows from operations			
Profit from continuing operations after income tax		125,432	110,432
<i>Adjustments for:</i>			
Depreciation and intangible amortisation		115,117	88,174
Capitalised lease – operational land amortisation		1,998	3,618
Derivative valuation and borrowing costs		4,784	173
Finance costs	3(b)	1,171	46,572
Fair value (gain) on investment property	2(c)	(31,156)	(35,278)
(Gain) on sale of infrastructure, plant and equipment		(176)	(16)
Capital works in progress provision		(11,017)	16,225
		228,187	229,900
Changes in assets and liabilities			
Change in trade and other receivables		251,368	(101,320)
Change in other operating assets		(7,659)	3,250
Change in deferred tax assets	17	52,972	(21,839)
Change in deferred tax liabilities	17	(3,733)	17,727
Change in current tax liability		(30,177)	(11,382)
Change in deferred tax in equity	17	(71)	(1,340)
Change in trade and other payables		(252,863)	49,726
Change in deferred revenue		(2,010)	(2,026)
Change in other provisions		848	424
Change in interest-bearing liabilities		10,851	(3,985)
		247,713	159,135
Interest and borrowing costs paid – senior debt		96,769	98,945
Net cash from operating activities		344,482	258,080

Note 23. Events after the Balance Sheet Date

The Financial Report has been prepared on the basis that the Company can continue to meet its commitments as and when they fall due and can therefore realise assets and settle liabilities in the ordinary course of business.

On 26th July 2024, the Company repaid USPP B loan of \$80,000,000 USD (equivalent to \$119,832,000 AUD as at 30 June 2024) as it fell due for repayment.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 24. Related Party disclosure

(i) Compensation of Key Management Personnel

Key management personnel comprise of Company executives, and directors of PAPL.

(i.i) Transactions with key management personnel

Executives who held office during the financial year were:

Jason Waters – Chief Executive Officer (appointed 27 November 2023)
Andras Berta – Acting Chief Financial Officer (appointed 1 June 2022)
Brian Pereira – Chief Financial Officer (resigned 25 August 2023)
Kate Holsgrove – Chief Commercial Officer
Scott Woodward – Chief Operating Officer
Dan Sweet – Chief Property Officer
Simon McPhee – Chief Corporate Services Officer (appointed 25 March 2024)
Steve Moreland - Chief Planning & Projects Officer (appointed 23 October 2023)
Rebecca Cook - Acting Chief People Officer (appointed 17 May 2024)

The amounts disclosed in the beneath table are the amounts recognised as an expense during the reporting period related to Company executives:

	2024 \$	2023 \$
<i>Short-term employee benefits:</i>		
Salary and fees	4,123,518	2,726,569
Annual Performance Payment	1,277,383	1,081,970
	5,400,901	3,808,539
<i>Other benefits:</i>		
Long Term Incentive Plan	329,716	626,522
	329,716	626,522
<i>Post-employment benefits:</i>		
Defined contribution superannuation expense	216,316	180,111
Termination benefits	125,863	258,258
	342,179	438,369
Total compensation	6,072,796	4,873,430



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 24. Related Party disclosure (continued)

(i.ii) Directors

The directors who held office during the financial year and up to the date of this report are noted in the Directors' Report. Directors have been appointed by shareholders as follows:

- Utilities of Australia Pty Ltd as Trustee for Utilities Trust of Australia – Mr. Ankit Mehta and Mr. Clive Appleton.
- Utilities of Australia Pty Ltd as Trustee for the Perth Airport Property Fund - Mr. Lyndon Rowe and Ms. Elizabeth Albergoni.
- AustralianSuper Pty Ltd as trustee for AustralianSuper– Ms. Monica (Ryu) Williams.
- The Northern Trust Company (TNTC) in its capacity as custodian for Future Fund Investment Company No.3 Pty Ltd (FFIC3), a wholly owned subsidiary of The Future Fund Board of Guardians - Ms. Gillian Denison and Mr. John Poynton.
- The Infrastructure Fund – Ms. Amanda McMillan.

(i.iii) Directors' Remuneration Scheme

In the year ended 30 June 2005, the PAPL Board approved the implementation of a Directors' Remuneration Scheme ("DRS"), which provides for payment of directors' fees of \$1 million per annum to directors appointed by shareholders in proportion to the respective shareholding of each shareholder in the parent entity (PADG). Directors that are independent are remunerated directly by the Company. The total amount paid to Directors for the year ended 30 June 2024 amounted to \$1,259,000 (2023: \$1,162,000).

Where shareholders have elected, their representative director receives the proportionate director's fee. If shareholders elect for their representative director not to receive any remuneration, the shareholder receives the proportionate director fee as consideration for the procurement of the representative director. At 30 June 2024 there was an amount of \$100,000 (2023: \$82,000) in respect of fees payable to the shareholders per the DRS.



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 24. Related Party disclosure (continued)

(ii) Perth Airport Development Group Investments

Perth Airport Development Group Investments Pty Ltd ("PADGI") was incorporated in Western Australia on the 24 March 2016. PADG holds 100% of the issued ordinary shares in PADGI, which comprises of 10 fully paid ordinary shares of \$1.00 each.

PADGI and Vicinity Custodian Pty Ltd as trustee for the DFO Perth Trust entered into a Joint Venture Agreement on 2 May 2016, to construct a Direct Factory Outlet in the Airport West Retail Park. The agreement is classified for accounting purposes as an unincorporated joint operation.

During the year ended 30 June 2017, the Company sold to each venturer a 50% interest in a premium lease for total consideration of \$31,412,000. The cost of the land sold was \$11,091,000. The sale of land was made on terms equivalent to those that prevail in arm's length transactions. At 30 June 2024, PAPL has a receivable from PADGI of \$185,000 (2023: \$174,000).

(iii) Other Related Parties

A shareholder, Australian Super Pty Ltd is the trustee of the Australian Super Superannuation Fund. Australian Super is the default superannuation fund for employees of Perth Airport.

(iv) Perth Airport Pty Ltd

Transactions between PADG and PAPL for the year included payments / receipts to PADG in its capacity as the head entity of the tax-consolidated group (refer to Note 1(o)(ii)), which is consistent with the tax funding agreement, tax sharing agreement and the stand-alone taxpayer approach. At 30 June 2024, PAPL has an income tax refundable from the Company of \$40,376,000.

	2024 \$'000	2023 \$'000
Income tax refundable	(40,376)	(10,738)
	<u>(40,376)</u>	<u>(10,738)</u>

(v) Perth Airport Development Group Investments Pty Ltd

Transactions between PADG and PADGI for the year included payments / receipts to PADG in its capacity as the head entity of the tax-consolidated group (refer to Note 1(o)(ii)), which is consistent with the tax funding agreement, tax sharing agreement and the stand-alone taxpayer approach. At 30 June 2024, PADGI has an income tax payable to the Company of \$800,000.

	2024 \$'000	2023 \$'000
Income tax payable	800	539
	<u>800</u>	<u>539</u>



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 24. Related Party disclosure (continued)

(vi) Ownership Interests

Dividends declared and paid – Dividend Instalments:	2024	2023
	\$'000	\$'000

Balance of dividend declared	8,653	8,659
Dividend declared but not yet paid	8,653	8,659

Details of Ordinary Dividends paid to PADG are disclosed at Note 6.

(vii) Perth Airport Development Group Pty Ltd Shareholders

PADG is owned by the following shareholders:

	2024	2023
	%	%
Gardior Pty Ltd as the Trustee for the Infrastructure Fund	7.2%	7.2%
Utilities of Australia Pty Ltd as the Trustee for the Utilities Trust of Australia	38.3%	38.3%
Utilities of Australia Pty Ltd as the Trustee for the Perth Airport Property Fund	17.3%	17.3%
AustralianSuper Pty Ltd as trustee for AustralianSuper	5.3%	5.3%
Australian Retirement Trust Pty Ltd	1.9%	1.9%
The Northern Trust Company (TNTC) in its capacity as custodian for Future Fund Investment Company No.3 Pty Ltd (FFIC3), a wholly owned subsidiary of The Future Fund Board of Guardians	30.0%	30.0%
	100.0%	100.0%

Note 25. Company Information

The registered office and principal place of business of the Company is:

Perth Airport Development Group Pty Ltd
Level 2, 2 George Wiencke Drive
Perth Airport, WA 6105
Australia



Consolidated Notes to the financial statements

30 June 2024 (continued)

Note 26. Information relating to Perth Airport Development Group Pty Ltd (the Parent entity)

	Notes	2024 \$'000	2023 \$'000
Current Assets		8,653	8,659
Non-Current Assets		5,312,000	4,738,300
Total Assets		5,320,653	4,746,959
Current Liabilities		34,575	15,840
Non-Current Liabilities		1,523,494	1,351,384
Total Liabilities		1,558,069	1,367,224
Net Assets		3,762,584	3,379,735
Contributed equity	18	161,865	161,865
Reserves		3,554,819	3,153,229
Retained earnings		45,900	64,641
Total Equity		3,762,584	3,379,735
Profit or loss after tax of the Parent entity		43,710	36,714
Net unrealised gain investment in subsidiaries		401,590	241,290
Total comprehensive income of the Parent entity		445,300	278,004

Investment in subsidiaries

For the year ended 30 June 2024, PADG engaged KPMG Corporate Finance (Aust) Pty Ltd to independently review the valuation model of PAPL and PADGI at 30 June 2024. The fair value of this unlisted available-for-sale investment has been estimated using valuation techniques based on assumptions not supported by observable market prices or rates. Management believes the estimated fair value resulting from the valuation techniques and recorded in the balance sheet, which is the midpoint of a high and low valuation range, and the related changes in fair value recorded in the statement of changes in equity are reasonable and the most appropriate at the balance sheet date.

(a) Investment in Perth Airport Pty Ltd

	2024 \$'000	2023 \$'000
Carrying amount 1 July – at valuation	4,661,100	4,323,000
Unrealised gain on revaluation of subsidiary	569,700	338,100
Carrying amount 30 June	5,230,800	4,661,100

PADG is incorporated in Australia and holds 100% of the issued ordinary shares in Perth Airport Pty Ltd. Transactions between PADG and PAPL for the year consisted of subordinated shareholder loans advanced by PADG, and also payments from PAPL to PADG as the head entity of the tax-consolidated group representing the current tax liability assumed by PADG (refer to Note 1(o)(ii)).



Consolidated Notes to the Financial Statements

30 June 2024 (continued)

Note 26. Information relating to Perth Airport Development Group Pty Ltd (the parent entity) (continued)

(b) Investment in Perth Airport Development Group Investments Pty Ltd

	2024 \$'000	2023 \$'000
Carrying amount 1 July	77,200	70,600
Unrealised gain on revaluation of subsidiary	4,000	6,600
Carrying amount 30 June	81,200	77,200

Perth Airport Development Group Investments Pty Ltd ("PADGI") was incorporated in Western Australia on the 24 March 2016. PADGI has been created as a special purpose vehicle to enter into the joint venture for a direct factory outlet development with Vicinity Centres.

PADG holds 100% of the issued ordinary shares in PADGI and has been allotted 10 fully paid ordinary shares of \$1.00 each in PADGI.



Directors' Declaration

In accordance with a resolution of directors of Perth Airport Development Group Pty Ltd, I state that:

1. In the opinion of the directors:

(a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the Company and the Group are in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Company's and Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

(ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(b)(ii);

2. There are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors on 25 September 2024.


Clive Appleton
Director

Perth, Western Australia
25 September 2024

Independent auditor's report to the members of Perth Airport Development Group Pty Ltd

Opinion

We have audited the financial report of Perth Airport Development Group Pty Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including summary of material accounting policies and the directors' declaration.

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

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

Basis for opinion

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

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

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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



Ernst & Young



D S Lewsen
Partner
Perth
25 September 2024





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