



Operational Overview and Sustainability Data

2019—20

Highlights 2019–20

Throughout the COVID 19 pandemic ADG has maintained our commitment to and support of:

- **Our staff and permanent contractors:** by providing ongoing employment
- **The community:** by continuing to fund all our sponsorships
- **The Northern Territory:** by continuing to make significant capital investments
- **Our customers and key stakeholders:** by providing relief packages.

ADG has commenced a \$5 million dollar expansion in renewable energy, increasing solar PV arrays from 7MW to 11MW.

Throughout the pandemic, all three of our airports – Darwin International, Alice Springs and Tennant Creek – have stayed open.

All staff employed across our airports retained their positions during COVID-19.

The Alice Springs Airport Preliminary Draft 2020 Master Plan was released in May 2020 for public comment. The Plan includes the Airport Environment Strategy and acts as a blueprint for Alice Springs Airport's development over the next 20 years.

With sustainability a top priority for ADG, and we continue working towards an emissions target to have zero net emissions (scope 1 and scope 2) by 2030.

A new community partnership began, which sees Larrakia Rangers working with Darwin International Airport to maintain the health of the Rapid Creek Reserve in the airport lease area.

Darwin International Airport purchased two all-electric fleet vehicles that utilise renewable energy generated on-airport.

Through ADG's staff giving program we donated \$16,000 to Orange Sky Australia, which provides a regular laundry and shower service for disadvantaged Territorians through its van, 'Betsy'.

The cold storage, freight and training facility at Darwin International Airport has been completed, signalling new importing and exporting opportunities for the Territory.

From the start of the pandemic we provided 31 stakeholder updates to more than 780 airport stakeholders every week.

Major upgrades at Tennant Creek Airport to improve fencing and lighting have also been completed.

For the first time in history, Alice Springs welcomed the world's largest passenger plane, the A380, which is being stored at the Asia Pacific Airport Storage facility.

We introduced the CEO Contractor Annual Safety Award.

Vision, purpose and values

Our vision

To be the preferred partner for strategic infrastructure development and management.

Our purpose

To enhance the lives of all Territorians, enable education and employment opportunities for Indigenous Australians and provide an annuity style return to shareholders.

Our values

We recognise that stakeholders and the community judge us by the way we act. Our reputation is paramount, and as a result, we will act with honesty at all times with our workplace reflecting our corporate values.

We will achieve this by:

- › Earning, and retaining, the trust of Territorians
- › Leveraging our strong financial position to broaden our business scope and diversifying our portfolio
- › Leveraging the significant infrastructure capability of our owners
- › Researching and developing new strategic partnerships
- › Identifying opportunities and partnerships to invest in new products and services.

We will do this by:

- › Investing in major infrastructure, including airports, tourism, utilities and property for the benefit of all Territorians
- › Showing leadership in renewable energy through investment, policy development and target setting
- › Facilitating education, training and employment opportunities for Indigenous peoples across ADG assets and sponsorships
- › Celebrating and promoting Indigenous culture across all ADG assets.

Safety

We will ensure a safe environment is maintained for all.

Our People

We care and respect our teams, our customers, and our partners.

Sustainability

We act now to protect our future.

Innovation

We embrace new ideas and thinking.

Passion

We are proud, enthusiastic and have fun.

About ADG

The Airport Development Group (ADG) has been part of the Northern Territory community for over two decades and is one of Northern Australia's largest companies.

As part of Australia's airport privatisation program, ADG acquired leases from the Australian Government for three major Northern Territory airports—Darwin International Airport, Alice Springs Airport and Tennant Creek Airport—in June 1998. Each lease is for 50 years, with an option of a further 49-year lease.

ADG owns and operates these airports, has significant investments across hotels, property and utilities, and will continue to invest in major infrastructure projects across the Top End that will improve the lives of all Territorians.

ADG is 100% Australian owned via our investment fund shareholders IFM Investors (77.4%) and Palisade Investment Partners Limited (22.6%). Through these shareholders, ADG directly contributes to the retirement savings of approximately 70,000 Territorians via their superannuation funds.

ADG has 85 full-time employees and many other contractors providing key airport services and generating a total direct and indirect jobs for 1600 Territorians. 1.9 million passengers travelled through the three airports in 2019–20.

About IFM Investors (IFM) – own 77% of ADG

IFM represents an estimated 30 million pension fund members across 26 Australian superannuation funds and has approximately \$155 billion in funds under management. The company believe in long-term responsible and sustainable investments that enhance people's retirement outcomes and has 4 major asset classes, infrastructure, debt investments, listed equities and private equity.

About Palisade Investment Partners (Palisade) – own 23% of ADG

An independent, specialist investment manager Palisade invests the retirement savings of 2.5 million Australians and has

approximately \$3 billion in funds under management. Palisade focus solely on investment acquisition and management, and long-term sustainable returns in Australia. Palisade's assets include airports, ports, rail and renewables.

COVID-19 disclaimer

In December 2019, China reported cases of a viral pneumonia caused by a previously unknown pathogen. The pathogen was identified as a novel (new) coronavirus – the illness now known as Coronavirus disease 2019 (COVID-19). In response to limiting the spread of the virus in Australia, strict border controls were enacted.

The 2019/20 Operational Overview and Sustainability Data has been prepared with care based on the information available at the time of writing.

Some content relates to the period before the COVID-19 pandemic, and some is about events and activities during the pandemic to 30 June 2020. The Overview and Data also contains some images taken before social distancing measures were put in place.

Our response to COVID-19

At 2019/20 financial year end, ADG was closely monitoring COVID-19 and implementing a thorough response to manage the rapidly changing situation. Measures put in place to ensure the safety of staff, contractors, visitors and travellers during the pandemic included:

- › increased personal protective equipment for security personnel at screening points, including masks, gloves and hand sanitiser
- › increased hygiene protocols and mandatory mask wearing for visitors and workers in the terminal
- › temporary closure of food, beverage and retail outlets
- › visual cues for social distancing at congregation areas, such as baggage claim
- › rollout of health messaging in terminals
- › reduced operating hours and restricted access to the terminal
- › support for tenants, including relief packages
- › establishing a community hotline
- › regular communication and updates to airport stakeholders
- › providing ADG staff with the option to work from home
- › complying with the National Code of Conduct SME Commercial Leasing Principles

ADG continues to work closely with authorities and follow guidance from the Northern Territory and Australian governments.





Contents

CEO’s report	4
Year in brief	6
<hr/>	
Operational Overview	8
1 Operations and terminals	8
2 Commercial development	12
3 Aviation development	14
4 Property	15
5 Our people	16
6 Environment	18
7 Our community	20
<hr/>	
Sustainability Data	22



CEO's report



It has been a challenging year for Airport Development Group and the aviation industry as we navigate the impacts of the COVID-19 pandemic.

We are proud of the commitment we made during this difficult time to retain all our employees, and that we were able to keep all three airports open. The wellbeing and safety of our employees, contractors and visitors remained our top priority, and we worked hard to ensure people felt safe and protected at our airports.

COVID-19 is an ongoing issue, and we have learnt valuable lessons from it and achieved outcomes that will have ongoing benefits for our employees, such as flexible working arrangements.

At year end, ADG remained financially strong, which required careful management, sacrifice and flexibility from everyone across the organisation.

While airport operations were slower in 2019–20 than usual, many key projects were still able to be completed this financial year.

Construction of a 6250sqm cold storage, freight and training facility at Darwin International Airport was completed, using \$15M of funding facilities from that Northern Australia Infrastructure Facility (NAIF) and Building Better Regions Fund (BBRF), with the facility operational at year end.

Darwin International Airport's Emergency Medical Retrieval Precinct Development won a commercial award at the Australian Airports Association National Airport Industry Awards in late 2019.



ADG is actively seeking to participate in suitable infrastructure investments, as a scalable and local Territorian property and infrastructure investment body.

The Alice Springs Airport Preliminary Draft 2020 Master Plan was released in May 2020 for public comment. The plan includes the Airport Environment Strategy and acts as a blueprint for Alice Springs Airport's development over the next 20 years.

For the first time in history, Alice Springs also welcomed the world's largest passenger plane, which is being stored at the Asia Pacific Airport Storage facility. The Airbus A380 was one of many aircraft from around the world that arrived in Alice Springs for storage at the airport during COVID-19.

Significant upgrades took place at Tennant Creek Airport during the year to improve operational capabilities and we are very proud that one major component of the project was completed with 100 per cent Central Australian Indigenous staff.

As an incoming CEO, and in light of the uncertainty around demand post COVID-19, it is timely to review current strategies and consider other pathways.

ADG is uniquely placed to support economic development in the NT by broadening the organisation's scope to include on- and off-airport infrastructure, direct participation in tourism offerings, as well as NT based property investments.

By leveraging ADG's long standing history in the Territory and utilising the expertise and financial capacity of our shareholders, ADG is actively seeking to participate in suitable infrastructure investments, as a scalable and local Territorian property and infrastructure investment body.

Through these initiatives we expect to improve facilities and services available to all Territorians.

We also look forward to welcoming more passengers through our airports as restrictions ease and working alongside our airline partners to increase flight capacity to and from the Territory.

I would like to acknowledge the dedication and commitment of former CEO Ian Kew, whose 19 years of service has provided a legacy of achievement

from which the organisation can continue to grow and succeed.

I am honoured to be part of the Airport Development Group and proud of the commitment, understanding and achievements shown by all across the organisation this year. I would like to thank our executive team, employees, contractors and customers for their tremendous efforts through what has been a difficult year.

Tony Edmondstone
Chief Executive Officer

Year in brief

2019—20

Revenue growth

-17.1%

ON THE PREVIOUS YEAR: 2.0%



Revenue

\$105.1^M

LAST YEAR: \$126.7M

EBITDA

\$58.2^M

LAST YEAR: \$81.3M

\$561^M invested in capital works since 1998



New routes

Darwin International Airport

Qantas

Broome

Passenger growth

-28.6%

(2019: NEGATIVE 5.5%)



Passengers (including transfers)

226,200

International

LAST YEAR: 293,100



1,683,300

Total domestic
Northern
Territory

LAST YEAR: 2,382,300



Total passengers by airport

1,507,500

*Darwin
International
Airport*

LAST YEAR: 2,046,500



398,000

*Alice Springs
Airport*

LAST YEAR: 622,000



Operational Overview

1

Operations and terminals



COVID-19

Flexibility, planning and communications

The COVID-19 health emergency tested our ability to respond to a rapidly changing operational environment.

Timely, accurate and empathetic communication with all ADG stakeholders, including staff, passengers, airlines, aviation support agencies and the public, was critical to our response.

Regular communication channels were established to keep partners informed and to minimise impacts. We also launched a suite of public-facing information channels to educate our passengers and staff and add to the layers of safety information from state and federal health authorities. These channels included:

- › website resources and fact sheets
- › regular social media messaging on Twitter and Facebook, including sponsored arrivals procedure and health icons slideshows
- › dedicated 1800 hotline
- › video of new terminal health and safety measures
- › new signage installed in all terminals on social distancing and hygiene measures.

Preparing the terminal

During the pandemic, ADG's priority was ensuring the safety of our staff, contractors, visitors and travellers. Our terminal preparations included:

- › a heavily increased cleaning regime in all terminal areas—up to six times per day and in between flights
- › using a higher-grade disinfectant, as recommended by the WHO
- › installing an antibacterial spraying system at screening points
- › installing wall-mounted hand sanitiser stations throughout terminals
- › renovating bathrooms with touchless taps
- › removing customer touchpoints
- › mandatory face masks for staff and contractors inside the terminal
- › floor and digital signage on social distancing and hygiene requirements

Ongoing strategies

ADG developed and implemented a COVID Safe Plan based on advice from the Airports Council International and the Northern Territory Chief Health Officer.

The plan outlines our strategies for responding to the evolving risks of COVID-19

and provides guidance for operating our business. It was approved by the Northern Territory Chief Health Officer and will continue to remain in place while the pandemic remains active in our community.

Darwin

Multimillion-dollar terminal expansions

In November 2019, a multimillion-dollar expansion to facilities at all three airports—Darwin, Tennant Creek and Alice Springs—was confirmed thanks to a Northern Australia Infrastructure Facility loan.

The \$150 million loan will go to upgrading storage and energy infrastructure at the three airports, creating some 1500 NT jobs.

The new facilities will also increase the NT's agricultural export potential and tourism activity by allowing bigger planes to carry more visitors into the NT.

The loan funds will go towards:

- › building the cold storage, freight and training facility at Darwin International Airport
- › establishing solar energy farms at all three airports
- › resurfacing Alice Springs Airport's runway, taxiways and apron and installing new runway lighting.

New aviation security provider

In August 2019, Trident Services Australia was appointed as the new aviation security service provider at both Darwin and Alice Springs airports. The Brisbane-based company has been delivering security services for 24 years, with more than 1000 staff. It services Cairns, Mackay and Whitsunday airports with security screening for passengers, non-passengers and checked baggage. The changes to aviation security in Australia and the introduction of computed tomography (CT) screening equipment in

airport terminals meant it was important to appoint an innovative provider to work alongside in the ever-changing aviation security environment.

Most of the staff employed by the outgoing provider, MSS Security, were re-employed by Trident Services Australia.

Major security upgrades for Darwin

Major security upgrades work started at Darwin International Airport in September 2019, making it one of the first Australian airports with advanced computed tomography (CT) x-ray screening equipment.

The new screening equipment was unveiled on 2 December. It scans both checked and carry-on baggage, which means fewer physical bag searches and a faster passage through the airport for passengers.

The new body scanners have improved the customer experience for passengers who previously had to undergo secondary





screening due to implants such as pacemakers or hip replacements. The body scanners don't detect implants or emit any electrical pulse that could interfere with pacemakers.

Passengers and visitors passing through the new screening area no longer have to remove their laptops from their bags for the x-ray screening, making the process less intrusive.

Emergency procedures get a workout

On 24 September 2019, Darwin International Airport tested its emergency response with its exercise, 'Runway Overrun'.

A simulated aircraft crash and fire allowed the airport team and emergency responders to test the emergency response procedure in a realistic situation. The exercise involved an aircraft overrunning the runway on take-off and bursting into flames, with 99 passengers

and 4 crew on board.

The incident triggered a full emergency response. To fully test the Aerodrome Emergency Plan, about 30 passengers were 'injured' and were 'rescued'.

The exercise is an Aerodrome Certification requirement and is held every two years. A new scenario is developed each time. The aim of the exercises is to give our emergency procedures a workout, testing roles and responsibilities and making sure the airport and agencies are well equipped to work together. Other agencies that participated in the exercise were Airnorth, RAAF, Aviation Rescue and Firefighting Services, NT Police, Australian Federal Police, St John Ambulance, NT Fire and Rescue Service and Australian Red Cross.

The exercise was recorded and evaluated, and outcomes will inform future emergency planning.

Alice Springs

World's biggest passenger plane arrives in Alice

For the first time in history, on 26 April 2020, the world's biggest passenger plane landed at Alice Springs Airport.

The Airbus A380 was one of many aircraft arriving in Alice Springs from Asia for storage at the airport.

Arriving directly from Singapore, the four Singapore Airlines Airbus A380 aircraft made good use of Alice Springs's main runway and apron, which, unlike many regional airports, can handle every type of aircraft that operate in other major airports.

During the COVID-19 pandemic, planes from multiple airlines were parked at the Asia Pacific Aircraft Storage (APAS) at Alice Springs Airport.



\$20 million runway project

Alice Springs Airport resurfaced its main runway during the year. It also became the second airport in Australia to implement trapezoidal grooving in its design. This improvement will increase the surface friction during heavy rain and help the aircraft stop.

At the same time as the runway resurfacing, a new pilot-activated lighting system was installed at the airport, alleviating the need for lights to be on all night.

Precision approach path indicator lights were also installed, replacing the existing T-VASIS approach lighting system. This change has modernised the approach lighting and will deliver power savings for the airport, which already generates 50 per cent of its energy needs from solar power.

Qantas Lounge upgrade

The Qantas Lounge at Alice Springs Airport was refurbished over eight weeks in 2019–20, with upgrades to bathroom and disability facilities. ADG invested \$850,000 in the upgrade and helped manage the project, which was delivered on time at the end of March 2020.

Draft master plan released

The Alice Springs Airport 2020 Preliminary Draft Master Plan was released for public comment in May 2020. It includes the Airport Environment Strategy.

This important document outlines ADG's vision for Alice Springs Airport over the next 20 years. Both a regulatory requirement and an important strategic planning tool, it is a blueprint for the airport's development that paints a picture of the airport's operational, economic, commercial, social and environmental aspects out to 2040.

It also describes a 2040 development concept for a 3550-hectare airport site, with aeronautical and commercial uses.

The 2020 Master Plan was prepared in consultation with key stakeholders, including government agencies, airlines, general aviation operators, airport businesses, and the airport's Community Aviation Consultation Group and Planning Coordination Forum.

Read the 2020 Master Plan here:
alicespringsairport.com.au/planning

Tennant Creek

Airport upgrade and Indigenous engagement

Significant upgrades to Tennant Creek Airport during 2019–20 will not only improve its operational capabilities, but one major part of the project was completed with 100 per cent Central Australian Indigenous staff. The \$1.4 million upgrade project included improvements to the aerodrome guidance lighting, apron surface and boundary fence.

From September to December 2019, the fencing works were completed with 100 per cent local Indigenous staff. Many locally based Tennant Creek businesses also worked on the project directly or sub-contracted to it.

The upgrade project included:

- › upgrading the aircraft approach guidance lighting system, bringing Tennant Creek Airport up to world industry standard and increasing reliability
- › installing chain mesh boundary fencing, which has enhanced security by more effectively preventing animals from entering the aerodrome
- › apron expansion works, which increased the airport's capacity by allowing larger aircraft to access the apron
- › floodlighting, which has increased night-time capacity and capability.

The upgrade works allow the possibility of increased air services to Tennant Creek in the future and allow the airport to better accommodate the region's aviation needs.

This may mean more frequent services and safer travel for all users, including critical services like the Royal Flying Doctor Service. The upgrade works also mean Tennant Creek Airport has significantly increased its pre-COVID-19 flight capacity.



Commercial development

Ground transport

Online booking system

Use of Darwin International Airport's online parking booking system steadily increased during 2019–20, with more than 60% of customers booking online for night-time parking.

In Darwin, there were 9809 online parking bookings for the year and 490 in Alice Springs.

During 2019–20, we continued to offer online booking discounts on everyday drive-up prices and specials of up to 40% off during peak travel periods, such as school holidays.

In May 2020, after collecting almost 5,000 email addresses from the online booking engine, we sent our first direct marketing email to our database about the opening of the NT border and the return of flights after the initial impact of COVID-19.

The promotion was well received, with more than 50 bookings in the week after the email was sent.

AANT partnership

In 2019–20, ADG partnered with AANT to offer a 25% discount on airport parking to its members. The partnership saw a great uptake and increased awareness of our parking facilities, with almost 200 AANT members taking up the offer.

FIFO parking

ADG also partnered with a number of mine sites during the COVID lockdown, offering discounted parking for fly-in, fly-out (FIFO) mine employees.

Since the partnership started, ADG's FIFO parking has grown significantly.

Building these relationships during the pandemic has enabled ADG to start the conversation for long-term subscription or salary sacrifice parking for mine employees.

Retail partners

Lotte Duty Free

Lotte Duty Free is the number one duty-free operator in Korea and number two in the world. It became the duty-free retailer in Darwin International Airport in February 2019.

During 2019–20, we renegotiated commercial terms with Lotte Duty Free, securing our long-term partnership to March 2025.

It has been a successful relationship with the retailer since it joined DIA, with a greater online presence and well-received reshaping of product categories.

At year end, Lotte Duty Free was investigating options for a pop-up store in the airport's domestic area and as part of an online shop for Darwin International Airport itself.

New Indigenous range at AWPL

Driven by a desire to offer customers better quality, authentic and ethically sourced products from Australia, DIA worked with Australian Way Pty Ltd (AWPL), our airport store, to expand its range during the year.

The result was a 34% growth of Indigenous products in the store from July 2019 to February 2020.

Regular product reviews, merchandising and store layout initiatives were conducted during the year to improve the visibility, product information and product interpretation of Indigenous products in the store.

Darwin AWPL wins store of the year

The Australian Way Pty Ltd (AWPL) Awards, held on 27 October 2019, recognise teams that stood out in their commitment to the company's values and their attitude and approach to service.

The Darwin International Airport store was recognised as a finalist or winner in these award categories:

- › Upselling Team of the Year (News & Books) – winner
- › Sales Team of the Year (News & Books) – finalist
- › Store of the Year (News & Books) – winner.



Chinese New Year lion dance in terminal

On 26 January 2020, Darwin's Chung Wah Society performed 2 traditional lion dances in the terminal at Darwin International Airport. The lion dance is commonly performed during the Chinese New Year to drive away evil spirits and bring good luck, joy and prosperity for the year ahead.

Forecourt development

In 2019–20, the entry to the terminal at Darwin International Airport was redeveloped to enhance customer safety. The forecourt was aligned and bollards added to mitigate the risk of vehicle impact with the terminal.

COVID-19 closures and recovery

During the COVID-19 pandemic, on 26 March 2020, all retailers at Darwin International Airport and Alice Springs Airport closed temporarily. ADG worked closely with the retailers to ensure they could sustain their businesses during the pandemic.

The Green Room's food and beverage outlet reopened on 15 May, and the Australian Way and News Travels store reopened on 11 June.



Drive-in cinema a big success

In partnership with the Deckchair Cinema and Foodbank NT, Darwin International Airport transformed its short stay car park into a drive-in cinema for a unique dry season event in June 2020.

The drive-in event was a great way for Darwin International Airport to engage with the community and helped fundraise for Deckchair Cinema and Foodbank NT.

Almost 600 people attended over the weekend, and the event raised \$9600—\$4800 each for the Darwin International Film Festival and Foodbank NT to go towards their community causes.

ADG thanks its sponsors that helped raise these much-needed funds: NCCTRC, Santos, Rimfire Energy, Royal Wolf and Origin Energy.

Salty Plum Café pop-up

In late April 2020, local Darwin business Salty Plum Café opened a pop-up shop at Darwin International Airport to give passengers and airport staff a taste of the Territory's food and beverage offerings.

The cafe's pop-up food van, usually based at Darwin's East Point Reserve, was located in the short stay car park opposite the terminal and open Mondays, Wednesdays and Thursdays from 7.30am to 2.00pm.

Advertising

Giant digital billboard lands in Darwin

The first outdoor digital billboard in the NT was launched at Darwin International

Airport on 29 July 2019. The 12.6m x 3.3m billboard, on Henry Wrigley Drive, was an initiative of ADG's partnership with national advertising agency oOh! Media. The billboard complements the airport's digital advertising sites inside the terminal, giving advertisers an average audience of 2 million international and domestic passengers annually.

Among the first advertisers to use the new outdoor digital billboard was Darwin tourist attraction Crocosaurus Cove, which identified the airport as a key environment to reach its target audience.

Darwin wins AAA advertising award

In November 2019, Darwin International Airport won a AAA National Airport Industry Award for our innovative partnership with advertising agency oOh! Media.

The award recognised the initiatives that make it easier for businesses to access our advertising assets, providing stronger connections between the airport and local businesses.

The partnership looked to reshape our advertising offer to fit customer requirements, with new packages developed to target market segments. We also upgraded our digital assets to meet national standards.

Officially commencing on 1 July 2018, the innovative partnership saw a 54% increase in advertising revenue in its first year compared with that of the previous year.

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Aviation development

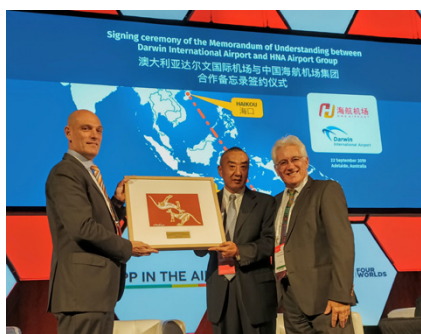
COVID-19 – aviation impacts

The impact of COVID-19 due to border restrictions, both international and domestic, resulted in passenger volumes falling to extraordinarily low levels, with just 10% of passenger volumes in June 2020 compared to the same month in 2019.

Minimal flying was sustained through aviation support programs funded by the Australian and Northern Territory governments, which ensured essential travel and high-value cargo remained connected.

International traffic at Darwin International Airport on the rise

Prior to COVID-19, international passenger traffic at Darwin International Airport had increased 14% in the period July – December 2019 compared to the prior comparison period. This increase was off the back of a 21% increase in available seat capacity to all international destinations including Denpasar, Singapore, Dili, and Shenzhen.



Darwin and Haikou work together

On 22 September 2019 at the World Routes conference in Adelaide,

Darwin International Airport signed a memorandum of understanding (MOU) with Haikou International Airport to co-develop a direct, non-stop route between Darwin and Haikou.

The MOU was signed by Zhen Wang, Chairman of the HNA Airport Group and Shane de Wit, Director of Commercial and Aviation Development, Darwin International Airport.

In September 2018 at the same conference held in Guangzhou, Darwin International Airport had met with several Chinese airlines to discuss possible air routes between China and Darwin.

The airports intend to work together on direct scheduled flights between Darwin and Haikou, including:

- › developing an aviation service and improving passenger service frequency
- › exploring opportunities for air cargo services
- › encouraging other stakeholders to support the desired outcomes of the MOU.

Daily to Dili

From 6 August 2019, Airnorth increased its services between Darwin and Dili (Timor-Leste) to daily. This resulted in an increase of up to 43% in available seats per week when compared to the previous year's capacity.

Darwin to Broome

From 30 October 2019, Qantas commenced three services per week between Darwin and Broome, which complemented

Airnorth's direct and indirect services (via Kununurra). This new service gave Territorians greater options to travel not only to northern Western Australia, but also onward to Perth.

Tiger Airways exits Darwin–Brisbane

After significant collaborative efforts by the carrier, both airports and tourism authorities, Tiger Airways ceased operating the Darwin to Brisbane route in early February 2020.

At year end, Qantas, Virgin Australia and Jetstar continued to operate Darwin–Brisbane services.

Virgin suspends Darwin–Alice Springs

Despite increased frequency and increasing its aircraft type to larger capacity, after four years of operating, Virgin Australia ceased its Darwin–Alice Springs services in January 2020.

This resulted in fewer options for not only travel between these ports but also between Darwin and Adelaide because of Virgin's short connection times via Alice Springs.

Virgin ceases Darwin–Bali

In October 2019, Virgin Australia completed its first seasonal trial of Darwin to Denpasar (Bali) services.

Despite stimulating the market by more than 50% during the operating period, in late 2019, Virgin announced it would not continue operations for a second season.

4

Property

Freight, training and cold storage facility

A new tenant at Darwin International Airport's new \$15 million multipurpose freight, training and cold storage facility was announced in June 2020, as the facility was nearing completion.

National export specialist Pakfresh Handling joined forces with local companies Wyuna Coldstores and GR Wills to sign on as the first tenants of the Darwin facility, which will be officially opened later in 2019–20.

The 6250-square-metre facility is the largest of its kind in the Northern Territory. It includes a vapour heat treatment plant and will enable up to 18 tonnes of NT mangoes to be exported by plane daily to markets across Asia. It will also have x-ray and security scanning capabilities and is proposed to have airside access.

When it's completed, the new facility will be a 'game changer' for NT exporters, farmers and agribusinesses, with major flow-on benefits allowing local businesses to take advantage of the overseas demand for fresh Australian produce and seafood.

The facility is part of a proposed \$300 million expansion of ADG's facilities in Darwin, Alice Springs and Tennant Creek, supported by a Northern Australia Infrastructure Facility (NAIF) loan. It will provide a much-needed boost for the NT economy, with the potential to generate more than \$200 million for the NT economy each year.

Darwin wins AAA industry award

Darwin International Airport's Emergency Medical Retrieval Precinct Development took out the commercial category at the AAA National Airport Industry Awards in November 2019.

The NCCTRC was completed at Darwin International Airport in April 2019, creating a world-class, on-airport Emergency Medical Retrieval Precinct that provides a vital link for medical services overseas and across rural and remote regions of northern Australia. The precinct also houses CareFlight and the Royal Flying Doctor Service.

The NCCTRC's world-leading disaster medical response capability and innovation was established after the 2002 Bali bombings. It is a key element of the Australian Government's disaster and emergency medical response to incidents of national and international significance. The new facility tripled the NCCTRC's operational capacity.

ADG developed the state-of-the-art facility, which includes a temperature-controlled warehouse to store the deployable surgical field hospital, training facilities and offices.

New roof for Bunnings

The Darwin Bunnings store, which is located on airport land, had a significant makeover during the year. The building's entire roof, gutters, insulation and air conditioning was replaced with

higher-quality products to allow greater breathability and prevent the build-up of condensation.

The works were done at night to avoid affecting trade, and the significant project was completed on budget and ahead of schedule.

Approximately 300 square metres of roof was replaced during each night shift, and air-conditioning units were replaced one or two at a time to ensure customers weren't affected during the store's trading hours.

It is anticipated that the new roof system and air-conditioners will increase energy efficiency by 20–30%.



Our People

National Safe Work month

ADG hosted training and awareness sessions for airport staff and stakeholders in October 2019 as part of National Safe Work Month and Airport Safety Week.

The activities kicked off with the introduction of the CEO Contractor Annual Safety Award, which will see the quarterly winner receiving a \$1000 Bunnings voucher and the overall annual winner receiving a \$10,000 airport advertising package.

The annual winner will be announced during National Safe Work month in 2020.

The sessions were well attended and covered a range of topics, including contractor safety, terminal safety, mental health first aid, spills training and heat stress training.

The annual FOD (foreign object debris) walk was popular, with local media outlets also invited to cover the event.

Workplace giving

ADG's workplace giving program ran for its 11th year in 2019–20. The program sees staff contribute to NT charities through payroll deductions, which ADG matches dollar for dollar.

Staff contributed a total of \$9000 in 2019–20, for a total ADG contribution of \$17,380.

The very worthy recipients were:

- › Darwin: \$16,000 to Orange Sky Australia, which provides a regular laundry and shower service for disadvantaged Territorians through its van, 'Betsy'
- › Alice Springs: \$1380 to the Men's Shed in Alice Springs.

Work health and safety

Safety was a continued priority for ADG during the year. In 2019–20, only one lost time injury (LTI) and one medical time injury (MTI) was recorded for ADG staff. There were zero incidents for ADG contractors.

In 2019–20, ADG:

- › conducted 101 safety inspections
- › reported and acted on 539 hazards (including maintenance requests)
- › reported 76 'Safety Shares' (ADG's policy to make meaningful safety conversations a focus across our airport operations).

COVID-19

During the pandemic period of 2019–20, ADG had a strong focus on the health, wellbeing and safety of our staff and contractors.

Notably, we provided 31 stakeholder updates to more than 780 airport stakeholders every week since the pandemic began to 30 June 2020.

Other COVID-19-related strategies were employed to engage with our staff during that time were:

- › ADG employee updates via email
- › FAQ fact sheets
- › 'working from home check-ins', to support the health and wellbeing of our employees working remotely through weekly phone calls and team meetings
- › a dedicated communication channel via email
- › updated ADG policy and procedures
- › offering wellbeing services for employees and their families through a local counselling service.

Gateway to Health

ADG recognises our employees are our company's most valued asset, and we are committed to ensuring the health, safety and wellbeing of our workforce.

Our staff can choose to participate in any component of the Gateway to Health program. In 2019–20, the program included:

- › July 2019: exercise sessions and boxing classes
- › August 2019: our corporate health event, 'Stress down 2019 pedometer challenge'
- › November 2019: education seminar: lung health presentation and lung health assessments
- › February 2020: 'Wear Red Day', Heart

Research Australia, and 5-minute onsite heart age calculations

- › April 2020: flu shots offered to all staff and family members
- › All year: Living Well rebate, an annual rebate of \$200 for improving health-management programs/services and complementary therapies.

In April 2020, the Gateway to Health program was put on hold due to COVID-19.

Staff development

Workshops

In 2019–20, we ran workshops for staff on managing change in uncertain times and on learning conversations.

The latter covered topics like clarity and structure of conversations, listening to understand and developing the right language.

Leadership program – the Inspire Program

Our leadership and management program—the Inspire Program—gave our leaders the opportunity to enhance their skills, with a focus on self-awareness, leading and influencing others and improving relationships.

The program, developed in 2018–19, is ‘purpose built’ with definitive and clear business objectives, and participants come

from all parts of the business.

Work experience students

During the reporting period, we continued to support and host students throughout the year to gain work experience and exposure to our airport activities.

This year we hosted an accounting student from Charles Darwin University, who completed three months at Darwin International Airport and gained valuable practical experience.

Charles Darwin University scholarships

We continued our Charles Darwin University scholarship program in 2019–20. Our student, studying for his Bachelor of Environmental Science, completed work placement where he gained valuable knowledge on environmental issues around the airport.

The Smith Family Work Inspiration Day

Work Inspiration is a Smith Family program designed to help young Australians in need get the most out of their education so they can create better futures for themselves.

ADG participated in the employer-led program, which included a presentation, a tour of the terminal and a ‘speed careering’ activity to help students understand the job roles available at Darwin International Airport.

Eleven of our employees from across the business volunteered to be interviewed by the 20 visiting students. It was an engaging experience for the students, who learned the skills needed in each area and the type of post-school options available to them.

Service milestones during 2019–20:

- › 5 years of service: Samantha Gartland, Robert Patrick, Patrick Bellot, Michelle Sawyer and Katie Crombie
- › 10 years of service: Leanne Coburn and Robyn Kruger
- › 15 years of service: Ilma Thorne
- › 20 years of service: Peta Jeggo



6

Environment

Partnership with Larrakia Rangers

An exciting new community partnership began in 2019–20, which saw the Larrakia Rangers work with Darwin International Airport to maintain the health of the Rapid Creek Reserve in the airport lease area.

The Larrakia Rangers supported existing management activities at the reserve, including track and trail maintenance, revegetation, weed management and environmental monitoring.

As part of the partnership, the rangers planted 165 seedlings in November 2019 before the monsoonal rains set in. Local plant species for the Monsoon Forest and the Eucalypt Woodland were selected to support the abundant native fauna at the site and infill areas that were affected by bushfire.

The project has supported a strong working relationship between the airport and the Larrakia Rangers, building a platform for cultural knowledge transfer and building the capacity of the rangers to undertake further projects on airport.

This community partnership was made possible through funding from IFM Investors with support from Veg North, the 2019–20 contractors, who specialise in bushland rehabilitation.

New environmental management resources for airport operators

In December 2019, ADG launched new spill management procedures and environmental management plan templates for airport tenants, to help businesses on airport land manage their environmental responsibilities.

The environmental management resources were designed based on airside operator feedback. Their user-friendly layout allows operators to train staff on responding to spills effectively.

As a follow up, ADG provided spill training sessions to airside operators using the resources to raise awareness on the importance of spill hazards and to maintain effective spill response.

PFAS management

During the year, ADG continued to work closely with stakeholders in responding to PFAS concentrations in the environment at both Darwin International Airport and Alice Springs Airport.

PFAS (per- and poly-fluorinated alkyl substances) are a group of synthetic chemicals historically used as an active ingredient in fire-fighting foam at aerodromes around Australia and have been listed as a contaminant issue in recent years as they have been found to persist in the environment.

2019–20 saw continued management of PFAS at Darwin and Alice Springs airports, including:

- › continued risk assessments for all soil excavations for new projects
- › environmental monitoring and site investigations at proposed development sites
- › audits to monitor tenant progress against legislation and national guidelines.

ADG actively engaged with key stakeholder in PFAS monitoring and remediation during 2019–20, including Darwin RAAF and Airservices, who provide the aviation rescue fire-fighting services at Darwin International Airport and Alice Springs Airport.

In 2019–20, Darwin RAAF finalised its PFAS Management Area Plan and commenced additional environmental monitoring for PFAS. Airservices also updated its environmental management plans, undertook operational upgrades its sites, developed treatment options for managing PFAS-contaminated sites and removed all PFAS-containing firefighting foam from its operations.



ADG will continue to work with stakeholders on best-practice environmental management and is encouraged to see stakeholder PFAS remediation activities forecast for 2020–21.

Weed and bushfire management

Darwin International Airport has closely managed the Rapid Creek Reserve over the past two decades to protect and enhance biodiversity. Work has included planting native seedlings, establishing and maintaining firebreaks, managing highly flammable weeds and regular monitoring of fuel loads.

Fires lit in late 2019 coincided with extremely hot and dry conditions, causing wildfires at the site.

In response to the increased risks of drought and arson, the airport undertook additional activities in 2019–20 to reduce fire risk and to improve bushfire response:

- › hosting engagement events and providing information to the Northern Territory Fire Service to raise the profile of Rapid Creek Reserve and increase the effectiveness of bushfire management response

- › engaging with consultants and Traditional Owners on more land management activities in the Rapid Creek Reserve to manage fire, including controlled cool-season burns to further reduce fuel loads.

Rapid Creek Reserve continues to regenerate after the fires, with most seedlings surviving and flourishing in the 2019–20 wet-season.

CDU student sponsorship

In 2019–20, ADG sponsored three Charles Darwin University students in the final year of their Environmental Management undergraduate studies to attend the Territory Natural Resource Management (TNRM) Conference.

The conference is a unique event that brings together more than 500 natural resource managers across the Territory. The environmental management students discussed career pathways with ADG's Environment and Sustainability Manager and attended TNRM conference lectures, workshops and the awards gala dinner.

7

Our community

The Green Room – artist in residence

In August 2018, Darwin International Airport officially opened the 'Green Room', a dedicated pop-up space designed to showcase Northern Territory's vibrant arts and culture.

Inspired by the historical former bar in the old Hotel Darwin, the Green Room is a relaxed, welcoming venue in the departure area with a stage for local musicians to perform and screens showing digital content from the local arts groups we sponsor.

Darwin International Airport is proud to focus our sponsorship support on arts and cultural groups in the NT, and this dedicated pop-up area has given us a working space to host community events.

The Green Room also includes our artist in residence program, 'In the Studio.'

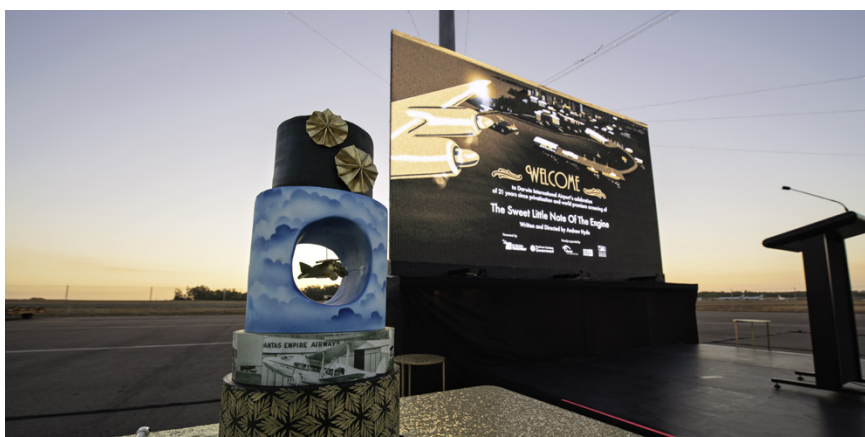
ADG acknowledges the support of our sponsors Hunt and Hunt Lawyers and Jacana Energy for the Artist in Residence project.

Virtual reality at the airport

ADG was proud to host the Virtual Reality Hub for the Darwin International Film Festival at Darwin International Airport in September 2019.

As part of the hub, passengers and terminal visitors of all ages were immersed in virtual reality experiences with three VR experiences, including the latest in 360-movie screening.

The DIFF virtual reality hub gave visitors to the airport a chance to experience new worlds, open up their imaginations and travel without boarding a plane.



ADG thanks the DIFF team and volunteers who ran the space.

Aviation-themed 'listening party'

In September 2019, Darwin creative production house StoryProjects brought an audience together in a themed location to collectively 'listen' to curated stories via wireless headset units.

Around 100 guests checked in, took a headset and sat around a baggage carousel at Darwin International Airport listening to 'ATMOS: Turbulence'—podcast-style stories themed around flying.

Since its inception in 2014, StoryProjects has worked with more than 120 locals, 30 artists and 15 partner organisations to create compelling projects that highlight the lives and stories of regional Australia.

The business has held listening parties at a local sushi train (the theme was food), at a gym (theme: bodies and strength) and at Darwin's old town ruins (theme: Darwin history).

World premiere of aviation history film: 'The Sweet Little Note of the Engine'

2019 marked the centenary of aviation history in the Northern Territory, when in 1919 a Fannie Bay airstrip welcoming its very first flight. To celebrate, Darwin International Airport hosted a cocktail party on 2 July 2019 for more than 100 friends and dignitaries in a secure airside location—believed to be a world-first occurrence.

With funding and sponsorship from Screen Territory, Channel 9 and the National Critical Care and Trauma Response Centre, ADG commissioned award-winning filmmaker Andrew Hyde to create an aviation history documentary to mark the occasion called 'The Sweet Little Note of the Engine'.

The film recounts important historical moments in Darwin's aviation history, including the birth of QANTAS, the Bombing of Darwin, the Beatles stopover, Cyclone Tracy and the Bali bombings.

Guests at the event enjoyed the documentary's premiere.

Sponsorship and fundraising

Drive-in cinema a big success

In partnership with the Deckchair Cinema and Foodbank NT, Darwin International Airport transformed its short stay car park into a drive-in cinema for a unique dry season event in June 2020.

The drive-in event, which sold out in 24 hours, was held on 26, 27 and 28 June from 6pm each night and featured two family-friendly movies, 'Hunt for the Wilderpeople' on Friday and Sunday and 'Peter Rabbit' on Saturday.

Local food trucks sold burgers, shakes, crepes, pizza, popcorn, ice cream and frozen drinks for movie-goers to enjoy in their car as they watched the film.

The event helped fundraise for Deckchair Cinema and Foodbank NT. It was one of the ways ADG supported the community during the COVID-19 pandemic.

All ticket proceeds went to the Darwin International Film Festival (DIFF) held annually at the Deckchair Cinema, a long-standing community partner of Darwin International Airport.

ADG matched the funds raised through ticket sales to make a one-off cash donation to Foodbank NT to support Territorians with much-needed food and household supplies.

Almost 600 people attended over the weekend, and the event raised \$9600—\$4800 each for the Darwin International Film Festival and Foodbank NT to go towards their community causes.

Corporate Giving Committee

Across all three of our airports, we support a range of charities through our Corporate Giving Committee, with fundraising barbecues and morning teas to support the Cancer Council, RUOK day, Orange Sky, RSPCA and other charities.

13th annual charity Golf Day, Darwin

Each year, Darwin International Airport and its stakeholders raise funds for an important Top End cause at our annual charity golf day. It was a terrific day of



fun and fundraising at ADG's 13th annual charity golf day in August 2019.

With the support of our generous sponsors, players and volunteers, we raised \$60,000 for Save the Children NT.

This year's beneficiary, Save the Children, has been part of the Northern Territory for more than 25 years. Save the Children's purpose is to change the life trajectory of children and young people in the most vulnerable and disadvantaged circumstances in Australia.

Sponsorship

ADG is proud to invest in the cultural vitality of communities in Darwin and supports many local arts organisations.

Due to COVID-19, many events didn't go ahead in 2020. ADG continued to offer support for events that were able to take place, including:

- › Darwin Festival
- › Tracks Dance Company
- › Browns Mart Theatre

- › Off the Leash
- › Darwin Symphony Orchestra
- › Darwin International Film Festival
- › NT Travelling Film Festival
- › Spun Story Projects.

Sustainability Data

RENEWABLE ENERGY USED BY THE AIRPORT

85% ↑

OF TOTAL ENERGY DEMAND BEING COVERED BY ONSITE RENEWABLE ENERGY (63.8% LAST YEAR).

WORK HEALTH AND SAFETY

3692 ↑

PEOPLE REGISTERED IN THE WORKING ON AIRPORT INDUCTION SYSTEM (2100 LAST YEAR)

EMISSIONS REDUCTION TARGET

2030

100% SCOPE 1 AND 2 EMISSIONS REDUCTION BY THE YEAR 2030.

ENERGY CONSUMPTION

11.4 GWh ↓

THE EQUIVALENT OF POWERING APPROXIMATELY 1130 AVERAGE-SIZED NT HOUSEHOLDS FOR ONE YEAR. (16.1 GWH LAST YEAR).

WORK HEALTH AND SAFETY

539

HAZARDS IDENTIFIED AND REVIEWED TO PREVENT POTENTIAL FUTURE EVENTS.

STAFF JOB SECURITY

0

REDUNDANCIES AS A RESULT OF COVID-19.

Sustainability

ADG views corporate sustainability as conducting business to create value for present stakeholders while protecting the rights of future stakeholders.

Not only is sustainability good for the environment and the communities we work across, it also represents good business.

Sustainability is incorporated across our business operations, our staff, our community and our environment.

Adopting corporate sustainability across our airport operations delivers value to our business through:

- › maintaining our social licence to operate
- › growing investor confidence
- › driving efficiency improvements in the use of natural resources
- › minimising waste
- › providing safe work environments
- › supporting employee learning and development
- › driving innovation within our projects
- › managing risk.

Sustainability reporting

Our 2019–20 sustainability reporting is incorporated throughout the Operational Overview and Sustainability Data. Our sustainability data provides technical information that further demonstrates our sustainability performance in the following areas:

- › approach to sustainability reporting.
- › stakeholder engagement processes
- › workforce profile
- › work health and safety systems
- › resource use, emissions and waste.



Stakeholder engagement

Our stakeholders

ADG is committed to effective and genuine consultation with all key stakeholders across our three airports. Fostering positive, strong, long-term relationships with those who are directly involved in, or may be affected by, the operation and development of our airport is a priority and vital to our long-term success.

Stakeholder engagement occurs at many levels, from the development of our airport master plans through to our daily airport operational activities. The stakeholders we engage with can be grouped loosely into the following categories:

- › internal and financial stakeholders
- › on-airport stakeholders
- › active interest stakeholders.

We recognise that our stakeholders have different interests, expectations and interactions with our airports. The stakeholder engagement and areas of interest table, on the following page (25), describes how we engage with each stakeholder group and summarises their particular areas of interest in relation to our airports.

This year, our robust stakeholder engagement process provided a framework for effectively engaging with all stakeholders in COVID-19 matters.

Aspects that matter (materiality)

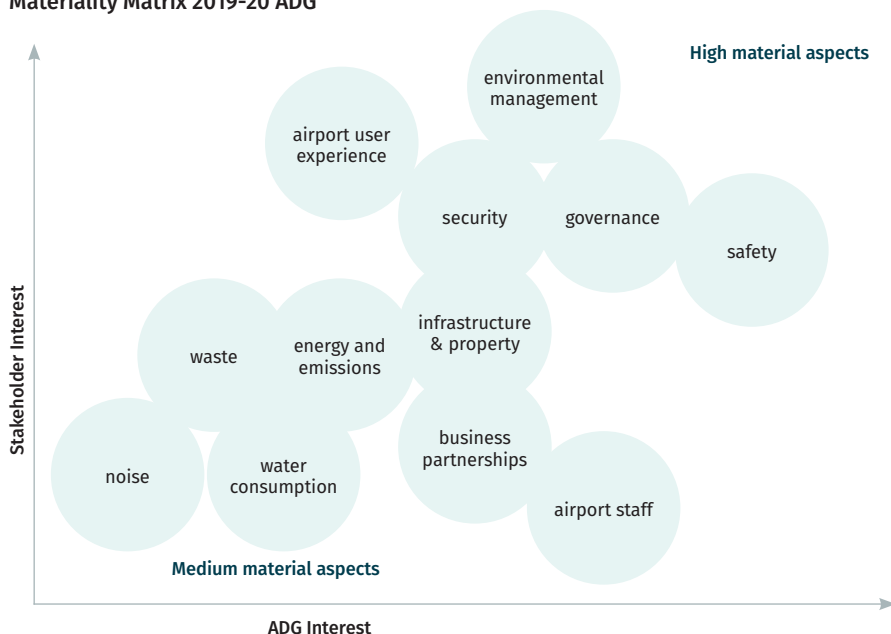
ADG consulted across all three primary stakeholder groups through regular stakeholder engagement and a sustainability questionnaire to identify the key materiality aspects that are important to both our stakeholders and our business.

A materiality matrix was developed that prioritises these aspects (see Materiality Matrix 2019-20 ADG Airports below).

This year's Sustainability Data seeks to strengthen the alignment of reporting content with the areas of interest to our organisation and our stakeholders.



Materiality Matrix 2019-20 ADG



Stakeholder engagement and areas of interest

STAKEHOLDER	Engagement methods	Areas of interest
Internal and financial stakeholders		
Staff	NT Airports employs 80 full-time staff. Our fortnightly online newsletter, Broadcast, provides staff with regular updates on the organisation's activities as well as regular strategic sessions with management staff, departmental and organisation-wide staff meetings. We also hold informal morning teas, annual surveys and biannual staff reviews.	Safety, cross departmental knowledge, new projects and initiatives, business performance, sense of community, professional development
Board and shareholders	The board of Airport Development Group was established to oversee business management and performance. The board members regularly engage with NT Airports management and meet five times per year. 77.4% of ADG is owned by IFM Investors, and 22.6% is owned by Palisade Investment Partners Limited. Reporting is provided to these stakeholders on a regular basis.	Safety, growth, financial return, risk management, compliance, strategy and innovation, governance, corporate sustainability
On-airport stakeholders		
Contractors working on airport	Online inductions engage contractors with our airport standards and requirements. Airport project managers, safety and environmental staff further engage with contractors prior to and during the work activities they deliver. Safety bulletins are shared with our contractors on airport.	Safety, relevant airport operational information, legislation, regular updates at airport
Passengers and other airport users	In 2019–20, approximately 1.9 million passengers visited Darwin, Alice Springs and Tennant Creek through our airports. The most substantial means of engagement for passengers and other people that visit the airport, including family and friends, was through our website and social media, and also through our 'Happy or Not' mobile surveys throughout the terminal areas.	Safety, security, efficiency, cleanliness, friendliness, accessibility, sustainability
Airlines	Regular meetings are undertaken with airlines and quarterly meetings are held to discuss new projects, safety, security, environmental and other business.	High-quality terminal and airport infrastructure, safety, security, efficiency
Airport tenants and service providers	Our airports have more than 100 tenants within our terminals and across our airport estate. Key departmental staff engage with tenants on a regular basis to manage operational requirements, and provide news and updates, including safety and environmental information. Tenant audits are also undertaken to support compliance with legislation and lease agreements.	Safety, essential utilities, accessibility, infrastructure investment, security, growth, planning
Active interest stakeholders		
Local community	We engage with our local community through formalised consultation processes when establishing our airport master plans, through our community consultation meetings and through environmental committees. We engage with the Traditional Owners at our airport locations to assess sites of cultural significance and build relationships through Indigenous engagement. The airport also maintains strong community engagement through major events such as the Darwin Festival and through various partnerships and sponsorships. Our website and social media provide the community with a broad range of airport information and regular updates.	Safety, environment, infrastructure development, aircraft noise, current information on operations, noteworthy events and changes at the airport
Business	NT Airports engages with hundreds of businesses to deliver a high level of service and new projects and initiatives. Airport staff are members of regional business development groups and engage with business to provide updates, assess innovation opportunities and achieve synergies with other business activity and strategies across the NT.	Safety, airport growth, business opportunity, strategic partnerships, tourism
Government agencies	Our airport business has ongoing engagement with federal, state and local government agencies through partnership projects and for areas of airport compliance. NT Airports consults with government agencies in the development of master plans, during the design of major projects and when there are significant changes to operations.	Compliance (airport operations, safety, security, environment), airport growth, alignment with government infrastructure and initiatives

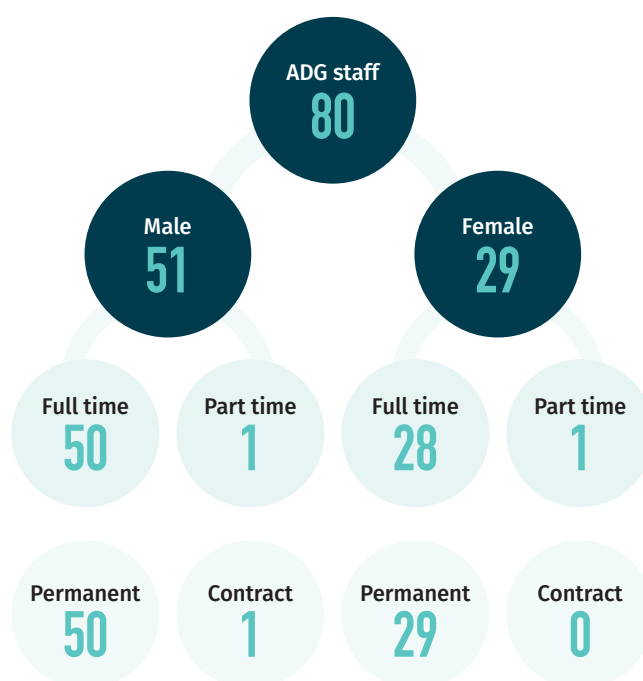
Workforce profile

During 2019–20, it was business as usual with conducting performance reviews, learning and development, and succession and career planning. However, with the outbreak of COVID-19 and its subsequent impact on our airport business and the decline in passengers there was a reduction in work to be performed. To accommodate this and with the priority to keep our staff employed, we promptly moved to a 4-day working week, with some staff working from home. During this time the welfare and wellbeing of all staff was closely monitored. To accommodate this reduction in work, our priority was to keep our people employed, so we promptly moved staff to a 4-day working week with some working from home. This meant we had to monitor their welfare and wellbeing.

With the downturn in workload, staff had capacity to do numerous online learning courses, and we took the opportunity to cross-train and upskill as many employees as possible. For further information, see the 'our people' section of the report.

Specialist contractors also work at the airport in addition to our staff. Areas of the airport with significant contractor involvement include security, cleaning, maintenance and the construction and upgrade of new buildings and infrastructure.

A breakdown of ADG employment status and gender is provided in the following figure. ADG employees by employment contract, employment type and gender.



All staff at our airports retained their positions in 2019–20 during COVID-19.

95%



OF OUR 2019–20 WORKFORCE WAS COVERED
BY ENTERPRISE AGREEMENTS

Work health and safety system

ADG uses the Aerodrome Safety Management System (SMS), audited by the Civil Aviation Safety Authority (CASA), as a framework for our entire organisation’s SMS.

Airports have two distinct areas:

- › airside, which is strictly controlled by CASA and other Commonwealth agencies for security, border force and transport safety
- › landside, which comes under the jurisdiction of NT WorkSafe.

The ‘Working on Airport’ induction, which must be completed by all airport workers landside or airside, covers all safety requirements applicable to the airport environment, including:

- › work health and safety (WHS)
- › security
- › environment, including biosecurity.

All inductees must answer critical questions relating to induction topics and must receive 100% before being deemed competent. All inducted personnel are recorded electronically, and WHS personnel are notified of all people passing or failing, triggering the need for further competency assessments.

At year end, 3692 people were registered in the Working on Airport induction system, requiring induction updates every two years.

Hazard identification, risk assessment and incident investigation

All staff working on airport conduct an online safety induction.

Staff and selected contractors have an additional face-to-face induction conducted by airport WHS personnel. The focus of these induction processes is to ensure all personnel working on airport are familiar with the hazard, identification, risk assessment and risk control processes at our airports.

Our risk management system incorporates the hierarchy of controls to determine what is the best way to reduce the risk to as low as reasonably practical (ALARP).

WHS Committee

Every two months, at least one representative from each of the work groups and departments across our airports attends the WHS Committee meeting.

Minutes from the meetings are emailed to all staff and posted in lunchrooms and other high-use areas. Actions are assigned and followed up at every meeting. The Chief Executive Officer attends multiple meetings every year, highlighting senior management’s commitment to safety.

In 2019–20, WHS committee meetings were held more frequently with a COVID-19 focus. Weekly meetings and frequent stakeholder updates kept airport stakeholders up to date on the latest information and risk management measures to keep the community healthy and safe.

Work health and safety indicators, 2019–20

Reactive data

1 lost time injury – staff (rate 5)

0 lost time injury – contractors

1 medical treatment injury – staff (rate 5)

0 medical treatment injury – contractors

(rates based on 1,000,000 hours worked.)

Proactive data

30 investigation reports undertaken

101 recorded safety inspections / observations undertaken

539 hazards identified and acted upon to prevent potential future events

Energy usage and greenhouse gas emissions

Energy usage

ADG manages an embedded electrical network that provides electricity to all airport users and tenants. Tenants that are metered, both within the terminal and across the airport estate, consumed 16.8 Gigawatt hours (GWh) during 2019–20 and are excluded from ADG’s energy consumption as they are outside our operational control.

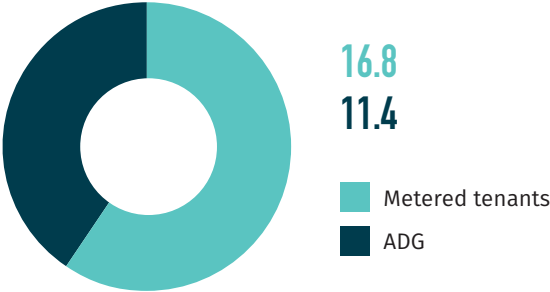
The energy sources used by ADG in 2019–20 were:

- › solar PV arrays
- › electricity purchased from the grid
- › standby diesel generation sets
- › unleaded petrol or diesel for vehicles and machinery.

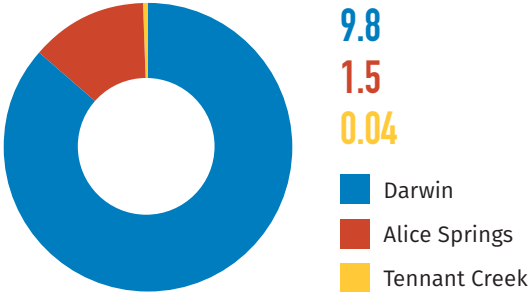
In 2019–20, a total of 11.4 GWh was consumed by ADG, with a breakdown of 9.8 GWh for Darwin International Airport, 1.5 GWh for Alice Springs Airport and 0.04 GWh for Tennant Creek Airport. This includes the airport terminals, maintenance sheds, management offices and other airport infrastructure, such as roadside lighting.

ADG’s significant investment in solar energy has welcomed another year of substantial renewable energy generation from rooftop and ground-based solar farms across all three airports. In 2019–20, our solar panels generated 8.3 GWh at Darwin International Airport and 1.4 GWh at Alice Springs Airport, with total renewable energy generation from solar totalling over 9.7 GWh across the three airports.

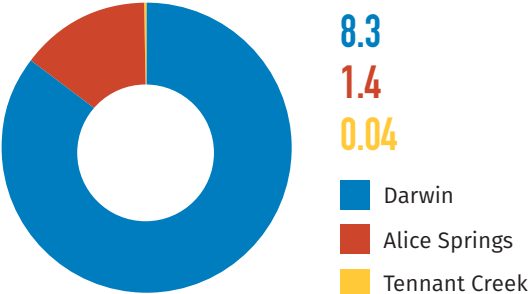
Electricity use (GWh)



NT Airports total electricity consumed (GWh)



Solar energy generated (GWh)



Greenhouse gas emissions

ADG voluntarily reports under the National Energy and Greenhouse Reporting (NGER) Scheme, administered federally by the Clean Energy Regulator.

In 2019–20, ADG’s total greenhouse gas (GHG) emissions was 7424.2 tonnes of equivalent carbon dioxide (CO2e).

A summary of the emissions profile illustrated in the table below shows scope 1 emissions (predominantly from using diesel to power vehicles and generators) formed 3.3% of total emissions, 245.4 tonnes CO2e, with scope 2 emissions (carbon dioxide emissions from the purchase of electricity) contributing 96.7% of total emissions with 7178.8 tonnes of CO2e.

TONNES OF CO2E

	Darwin International Airport	Alice Springs Airport	Tennant Creek Airport	Combined Airports
Scope 1	169	65.5	10.9	245.4
Scope 2	6,204.9	947.4	26.6	7,178.8
Total emissions (scope 1 + scope 2)**	6,373.9	1,012.9	37.5	7,424.2
Emissions savings from renewables***	5,227.1	871.9	7.1	6,106.1

** Emissions factor applied is in alignment with Australia’s National Greenhouse and Energy Reporting Act of state-based grid factors for GHG accounting.
*** Not deducted as sold as large generation certificates as part of the Australian Government’s Renewable Energy Target scheme.

ADG's significant investment in renewable energy infrastructure results in 85% of its total energy demand being covered by onsite renewable energy. However, through the federal government's Renewable Energy Target scheme, ADG sells large generation certificates to more energy-intensive organisations to purchase and utilise as carbon offsets.

As a result, ADG is not able to include the 6106.1 tonnes of CO₂e savings from solar energy generation within its NGER reporting figures.

ADG has a 100% emissions (scope 1 and 2) reduction target by the year 2030, from the 2018 baseline year. The baseline year was selected as the first complete year of data available at the time of developing the ADG emission target.

The focus areas for reducing emissions across ADG's operations include:

- › continued investment in renewable energy generation
- › energy efficiency projects
- › electrification of operational plant and equipment (from fossil fuel) utilising generated renewable energy
- › implementation of sustainable building design principles.

Sustainable building design principles support our emissions reduction strategy. The emphasis of the sustainable design principles applied to new buildings includes:

- › undertaking rooftop solar feasibility studies and installing rooftop solar panels, where roof design permits, across the maximum roof area available
- › adopting passive design features, including building orientation, to mitigate climate impacts
- › undertaking embedded energy analysis of construction materials and products.

Climate change

As early adopters of large-scale solar in 2011 and with ongoing investment in ground-based and rooftop solar projects, ADG's renewable energy generation has achieved significant cost savings and emissions reductions.

For ADG, the emerging shared challenges of climate change have brought stakeholders together and been a driver for strengthening strategic partnerships with government and business. These valuable partnerships have enabled us to access new markets in renewable energy and strengthen our reputation in

innovation, corporate responsibility and climate leadership.

ADG has undertaken a detailed assessment on the potential impacts of NT climate forecasts across the business. In response, we mitigate the impacts of climate change through the ADG emissions reduction target and undertake climate change adaption measures to manage for the risk associated with climate change.

In 2019–20, ADG continued to track emissions against our emissions reduction target in alignment with the Australian emissions target under the Paris Agreement and United Nations Framework Convention on Climate Change. The primary objective of this agreement is to keep the global temperature increase to well below 2°C and pursue efforts to keep it within the 1.5°C range.

During the year, ADG also undertook a detailed review of climate change risks, separating the risks into two broad categories: physical risks and transitional risks.

Transitional risks, associated with the transition to a low-carbon economy, include policy and legal risk, technological risk, market risk and reputational risk. Descriptions of these risks and ADG's risk management measures are outlined in this table:

Risk	Description	Current risk management measures
Policy and legal risks	Where there may be increases in applicable government legislation to meet climate change commitments.	Participating in NGERs reporting, emergency response planning reviews, established and maintained a science-based tool to meet ADG's emissions target, industry networks, flood and drainage planning.
Technology risks	Where new technologies are trialled and adopted by the organisation.	Business strategy, trials, fostering innovative culture, business case, risk assessments, industry networks, monitoring systems, project planning.
Market risks	Where economic sectors are affected by climate change, and energy markets are undergoing significant transition.	Business strategy, fostering innovative culture, strong industry networks, climate change adaption plan, investment in renewable energy generation.
Reputational risks	Where there is growing community awareness of climate change and community expectation for corporate responsibility in managing greenhouse gas emissions and climate change impacts.	Annual reporting, sustainability reporting, airport master plan and environment strategy (ASA and DIA), website, media and marketing strategy, ongoing stakeholder engagement activities, climate change adaption plan.

In 2019–20, the physical risks that posed a direct impact to the organisation as a result of a changing climate were workshopped with department heads to determine the full extent of climate change impacts and necessary adaption measures.

Key overarching activities to adapt to the impacts of climate change across the three airports include:

- › embedding climate change adaption measures in relevant policies and procedures
- › setting targets to increase water and energy efficiency
- › planting trees and installing shade structures
- › maintaining strong stakeholder relationships to respond efficiently and effectively to event-driven impacts.

Water usage

Water for the three Northern Territory airports is supplied 100% by the Power and Water Corporation, sourced from surface water catchments in Darwin and groundwater in both Alice Springs and Tennant Creek.

In 2019–20, our airports collectively used 139.1 megalitres (ML) of water, the equivalent of approximately 55 Olympic-sized swimming pools.

A significant amount of water is used across our airports to support passengers, daily operations, construction activities and airport gardens. Water is also distributed to airport tenants under sub-metering arrangements. There is currently no recycled water used across the airports' regular operation. However, in 2019–20, more than 600,000 litres (0.6 megalitres) of water was recycled as part of the new Alice Springs Airport runway overlay project where slurry water was placed in a settling pond for reuse during the runway grooving process.

Waste management and resource recovery

ADG measures all terminal waste generated by passengers, tenants and airside operators. Non-terminal waste from airport maintenance sheds, airport management centres, public areas and pre-cyclone clean ups for tenants is also accounted for across the Darwin lease area.

Waste types across the three airports can be identified as:

- › general waste
- › cardboard/paper for recycling
- › co-mingled recycling (rigid plastics, paper, cardboard, aluminium, steel)
- › hazardous waste (sharps/clinical waste)
- › sanitary waste*
- › secure document waste*
- › construction and demolition waste generated by contractor building and maintenance activities*
- › liquid waste from the cleaning of wastewater devices*
- › quarantine waste
- › trade waste*.

*not accounted for in our annual waste reporting.

ADG is continually improving waste management efforts through:

- › finding practical opportunities to avoid, reuse, recycle and recover waste. For example, in 2019–20, thousands of tonnes of slurry generated from the Alice Springs Airport runway grooving millings were used to develop useful hardstand areas
- › improvements in segregation of waste and waste storage. For example, this year's introduction of e-waste bins to the Darwin International Airport Management Centre
- › training and awareness of airport staff and tenants. For example, in 2019–20, 15 DIA staff took part in the Great Northern Clean Up, collecting 18 bags of litter from the DIA lease areas before the first rains of the wet season.

In 2019–20, 415.0 tonnes of waste was generated by all terminal users (tenants and passengers) and other airport operations across the three airports. Of this, 56 tonnes, or 13.5%, was diverted from landfill and recycled. This was a recycling rate of 18.6% for Darwin International Airport and 3.5% for Alice Springs Airport.

Global Reporting Initiative

In this year's report, we have incorporated sustainability reporting, prepared in accordance with the Global Reporting Initiative (GRI) 'Core' option. The GRI framework allows ADG to report on our non-financial performance succinctly, further demonstrating our value to stakeholders. The GRI framework index is located in the following pages.

Global Reporting Initiative Index

GRI REPORTING STANDARDS	Description	Location / comment
Organisational Profile		
GRI 102-1	Name of the organisation	Page 2
GRI 102-2	Location of headquarters	Back cover
GRI 102-3	Activities, brands, products and services	Throughout
GRI 102-4	Location of operations	Back cover
GRI 102-5	Ownership and legal form	Page 2
GRI 102-6	Markets served	Throughout
GRI 102-7	Scale of the organisation	Throughout
GRI 102-8	Information on employees	Pages 16, 17, 27
GRI 102-9	Supply chain	Throughout
GRI 102-10	Significant changes to organisation and supply chain	Page 3
GRI 102-11	Precautionary approach	See Environment strategy (Master Plan appendix) for Darwin International Airport and Alice Springs Airport
GRI 102-12	External initiatives	Throughout
GRI 102-13	Membership of associations	<ul style="list-style-type: none"> › Airports Council International › Alice Springs Major Business Group › Australian Airports Association › Australian Chinese Business Council NT › Australian Institute of Office Professionals › Australian Logistics Council › CAPA Centre for Aviation › Chinese Chamber of Commerce of Australia (NT). › Darwin Major Business Group › Desert Knowledge Australia › Export Council of Australia › Northern Territory Chamber of Commerce › Northern Territory PFAS Interagency Working Group › Palmerston Regional Business Association › Parking Australia › Property Council of Australia › Rapid Creek Water Advisory Committee › Skal International Australia Club › Tourism Central Australia › Tourism Top End › Urban Development Institute of Australia

GRI REPORTING STANDARDS	Description	Location / comment
Strategy		
GRI 102-14	Statement from senior decision maker	Pages 4, 5
Ethics and Integrity		
GRI 102-16	Values principles and standards	Page 1
Governance		
GRI 102-18	Governance structure	Throughout
Stakeholder Engagement		
GRI 102-40	List of stakeholder groups	Page 24
GRI 102-41	Collective bargaining agreements	Page 26
GRI 102-42	Identifying and selecting stakeholders	Page 24, 25
GRI 102-43	Approach to stakeholder engagement	Page 24, 25
GRI 102-44	Key topics and concerns raised	Page 24, 25
Reporting Practice		
GRI 102-45	Entities included in financial statements	Page 2
GRI 102-46	Defining report content and topic boundaries	Throughout
GRI 102-47	List of material topics	Page 24
GRI 102-48	Restatements of information	Nil
GRI 102-49	Changes in reporting	Financial Report separate
GRI 102-50	Reporting period	2019–20
GRI 102-51	Date of most recent report	2018–19
GRI 102-52	Reporting cycle	Annual
GRI 102-53	Contact for questions regarding the report	Back Cover
GRI 102-54	Claims of reporting in accordance with GRI	This report has been prepared in accordance with the GRI Standards: 'Core option'
GRI 102-55	GRI Index	Page 31, 32, 33
GRI 102-56	External assurance	Not externally assured

GRI REPORTING STANDARDS	Description	Location / comment
Management Approach		
GRI 103-1	Explanation of the material topic and its boundary	Throughout
GRI 103-2	The management approach and its components	Throughout
GRI 103-3	Evaluation of the management approach	Throughout
Economic Aspect		
AO1	Passenger numbers	Page 7
Environmental Aspect		
GRI 302-1	Energy consumption within the organisation	Page 28
GRI 304-1	Operational sites leased within protected areas and areas of high biodiversity value	Page 18, 19 and see Environment Strategy within Alice Springs Airport and Darwin International Airport Master Plans
GRI 304-3	Habitats protected or restored	Page 18, 19 and see Environment Strategy within Alice Springs Airport and Darwin International Airport Master Plans
GRI 305-1	Direct (scope 1) GHG emissions	Page 28, 29
GRI 305-2	Indirect (scope 2) GHG emissions	Page 28, 29
GRI 306-2	Waste by type and disposal method	Page 30
GRI 307	Compliance with environmental laws and regulations	Compliance with maintenance of environment in accordance with Airports Act / Airport Environment Regulations (Dept. of Infrastructure, Transport, Regional Development & Communications Lease Review 2020). Airport Environment Strategy DIA ASP detail Environmental Management Systems supporting compliance.
Social Aspect		
GRI 403-1	Work health and safety management system	Page 16, 27
GRI 403-4	Staff participation, consultation and communication on work health and safety	Page 16, 27
GRI 403-5	Training on work health and safety	Page 16, 27
GRI 403-6	Promoting employee health	Page 16, 17, 26, 27
GRI 403-9	Work-related injuries	Page 27
GRI 404-3	Performance and career development of employees	Page 17, 26

*** Compliant with maintenance of environment in accordance with Airports Act / Airport Environment Regulations (Department of Infrastructure Transport Cities and Regional Development Lease Review 2019). Airport Environment Strategy DIA ASP detail Environmental Management Systems supporting compliance.

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