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MEDIA RELEASE

SUSTAINABILITY-LINKED LOANS FIRST OF KIND FOR AUSTRALIAN AIRPORT

Accomplished airport operator Queensland Airports Limited (QAL) has secured financing for the Gold Coast Airport redevelopment, with \$100 million of the funds in the form of sustainability-linked loans.

The loans from Commonwealth Bank and Westpac – based on carbon accreditation through the Airports Council International program and a reduction in carbon emissions – are the first of their kind to be taken out by an Australian airport.

QAL CFO Amelia Evans said the business was committed to strengthening its performance in the area of Environment, Social and Governance (ESG) – and obtaining sustainability-linked loans were another step towards that.

“ESG is an area QAL is increasingly focused on, and we have already delivered several sustainability projects across our airports in the past few years,” she said.

“Some of these projects include reducing greenhouse gas emissions at Gold Coast Airport by replacing lighting with LED, upgrading air-conditioning units and replacing energy efficient drive motors within our baggage handling system.”

“At our other ports, we installed 820 solar panels on car park shade structures at Mount Isa Airport, reduced electricity consumption by 17 per cent with a series of building management system upgrades in Townsville, and solar power roof installations have offset about 95 per cent of Longreach airport’s daytime electricity usage.”

The Gold Coast Airport redevelopment is underway, with work starting this month on the foundations for the southern terminal expansion. The multi-year project, designed to improve the customer experience and address current and future capacity issues, will see the terminal floor area doubled.

Ms Evans said the level of development activity underway at Gold Coast Airport precinct right now was unprecedented.

“Construction of our first airport hotel is progressing well, and once we have completed the southern terminal expansion, we will start work on the existing terminal refurbishment,” she said.

Ms Evans said several key sustainability initiatives were planned for the southern terminal expansion, including lighting controls and energy efficient chillers.

Recognising the continued support of QAL’s financiers, Ms Evans said: “By working in partnership with our financiers, we can achieve a number of mutual benefits, such as these unique sustainability-linked loans”.

Andrew Hinchliff, Commonwealth Bank Group Executive of Institutional Banking and Markets said \$75 million of CBA’s debt funding (for QAL) was in the form of a Sustainability-Linked Loan (SLL), the largest bilateral SLL in Australia.

“The world is changing rapidly and it’s imperative that we are always looking for innovative solutions that help our clients navigate this change,” he said.

“Commonwealth Bank’s financing deal is the first in Australia to be directly linked to a reduction in carbon emissions, with the potential for a margin reduction provided the airport meets targets linked to a reduction in carbon emissions intensity. This is a landmark transaction for QAL and for Commonwealth Bank, as we continue to support our customers’ efforts to reduce their carbon emissions.”

Smart organisations are taking a ‘sooner not later’ approach to sustainability to reap tangible financial rewards, according to Westpac’s General Manager Corporate and Institutional Banking, Didier Van Not.

“Westpac is helping finance the transition to support a lower carbon economy. A sustainability-linked loan is great way to do this because it rewards corporate borrowers if they meet pre-determined sustainability targets,” he said.

“QAL has taken a leading role in demonstrating how finance can be structured to take advantage of these discounts while making a difference to its ESG performance.”

QAL operates the Gold Coast, Townsville, Mount Isa and Longreach airports, welcoming about 8.5 million passengers last year, with that figure set to more than double over the next two decades.

ENDS

Background:

Airport Carbon Accreditation

The [*Airport Carbon Accreditation*](#) program is the only global standard for carbon management at airports. It was launched by Airports Council International Europe (ACI EUROPE) in 2009. The program is composed of four progressively ambitious levels of accreditation.

The program is celebrating its tenth anniversary, with the current participation figure standing at 275 accredited airports worldwide. The level of uptake has seen unprecedented growth in all world regions in the past reporting year. From May 2017 to May 2018, accredited airports succeeded in collectively reducing the CO2 emissions under their direct control by 347,026 tonnes.

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