

A brand new day



**Newcastle™
Airport**



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2006, a year of incredible growth



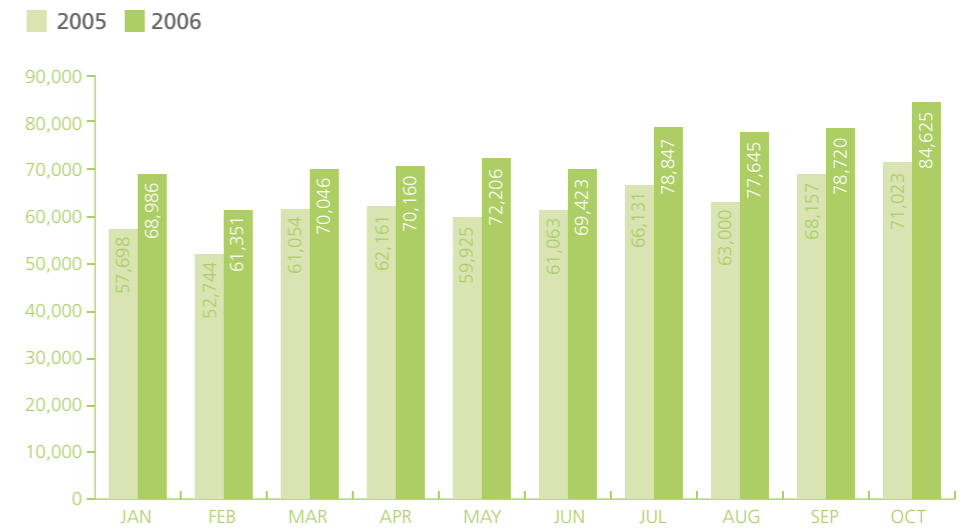
Newcastle Airport has seen another year of incredible growth with record breaking monthly passenger figures, an additional 600 car park spaces, new destinations and a commitment to maintaining our point of difference - our exceptional customer service.

2006 Highlights

- > 2006 was another record breaking year for Newcastle Airport Limited (NAL). Monthly passenger figures continued to rewrite the history books and in October 2006, NAL facilitated a record 84,625 passenger movements. Total passenger movements for 2006 have been predicted to reach 860,000, representing a 400% increase since the introduction of low-cost services in 2003.
- > Following an extensive international search, the NAL Board appointed Mr Paul Hughes as Chief Executive Officer following the 2005 departure of former Chief Executive Officer, Mr Julian Green.
- > Completion of a 20 year Master Plan with consultants Airbiz to provide medium term development options and opportunities for NAL.
- > Finalised the re-branding of NAL with branding agency Design Itch. Logo branding and livery application have commenced throughout the terminal building.
- > Company revenue increased by 11.5% to \$8.64 million. Expenditure also increased by 32% to \$7.11 million. The main increases attributable to interest expense, depreciation and employment costs, as a result of the significant growth and capital infrastructure development at NAL.
- > Delivered 600 new car park spaces in a major redevelopment of the Airport's car park infrastructure. Installation of a new car park management system has provided consumers with greater flexibility and enhanced payment options.
- > Implemented a Community Engagement Program to develop strong positive relationships with the local community.
- > Development commenced on the construction of an office extension to the western end of the terminal building. The extension has been designed to adhere to the Airport's high levels of Ecologically Sustainable Development.
- > Despite record customer movements in 2006, customer feedback continues to be extremely positive, highlighting NAL's commitment to the customer's total journey experience.

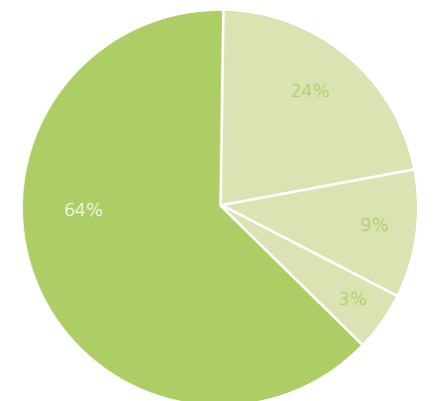
Monthly Passenger Movements

Total passenger movements for 2006 have increased by 400% since the introduction of low-cost services in 2003.



Key Revenue Indicators

Aeronautical	64% / \$5,525,447
Car Parking	24% / \$2,084,221
Property Management	9% / \$767,641
Administration	3% / \$263,314



Vision – to be Australia's Leading Regional Airport Business



The strategic direction driven by the Newcastle Airport Board has helped to place Newcastle Airport as a strong regional leader not only in terms of transport infrastructure but as a key economic, tourism and employment driver.

The results achieved by Newcastle Airport Limited (NAL) indicate another highly successful year which has further consolidated our position as Australia's best regional airport.

Passenger growth has continued beyond expectations, ensuring our financial position remains healthy, stimulated by the increased commercial activity on the airport precinct.

NAL is recognised as a regional leader not only in terms of providing critical transport infrastructure but as a significant contributor to the local economy.

This success is not accidental. The Boards' strategic direction planned for conservative aviation growth, with an increased focus on diversification, maximising the opportunities before us and promoting the natural advantages our region has to offer.

The airlines have shown confidence with increased capacity on all interstate routes whilst load factors continue to match or better those of past years.

There is a sense that low cost travel has been a part of our lifestyle for some time now. On reflection 2005/06 is only the third year for low-cost services, a year where infrastructure remained the key challenge. NAL has continued to consolidate our position providing exceptional customer service, whilst developing the airport's infrastructure.

Our new terminal has been well received and the construction of 600 additional car parking spaces, improved road systems and pedestrian accesses has provided welcome relief from the congestion that resulted from the recent rapid growth.

The Board has also directed the review of our Corporate Governance Charter reinforcing its commitment to accountable, values driven leadership and decision making on behalf of our Council shareholders, key stakeholders and the community. A holistic risk review has evidenced high levels of rigour within NAL's corporate systems as well as identifying areas for continued improvement.

This review also confirmed that our company structure, being a not-for-profit public company limited by guarantee is the most appropriate vehicle to facilitate airport growth and resultant regional economic prosperity. Our commitment to work with our partner airlines in promoting our region to the largely untapped South East Queensland and Victorian markets will ensure this economic growth continues.

The Board also underwent a rigorous self evaluation to ensure we are aligned in our strategic commitments. We have also, on an ongoing basis, continued to review our costs and services to ensure we remain competitive in a period of aviation belt-tightening, predicated by volatile fuel pricing. Corporate reporting systems continue to be enhanced ensuring high levels of accountability.

This year the Board appointed our new Chief Executive Officer, Paul Hughes. Subsequently we have welcomed Helen Wild as Manager Corporate Services/Company Secretary and David Nye as Manager Corporate Affairs. These new NAL members provide the Board with confidence that NAL will achieve its corporate mission.

As the Chairman of the Board, I thank my fellow Board members for their ongoing commitment and enthusiasm as we manage the many challenges of continued, yet unprecedented growth. I particularly thank the Chairs of our Board Committees, Geoff Connell (Safety, Security & Environment), Philip Gardner (Audit), Deborah Wright (Marketing) and Stephen Newton (Project Control Group – Commercial Development) for the guidance they have provided to these important portfolios.

I must also thank the representatives of the Department of Defence and RAAF Base Williamtown for their continued support, cooperation and assistance as we expand our operations on what is ultimately a vital defence facility.

In what has been another hectic, stimulating and satisfying year I also thank all staff and tenants for their ongoing contributions.

The Board recently adopted a Master Plan that provides an important initial step for continued aviation and commercial growth over the next 20 years. We look forward to more challenges and resultant rewards as we continue to strive to realise the potential envisioned in this Master Plan.

A brand new start



Partnerships based on mutual understanding, support and cooperation will be the single most important factor in the continued growth and future success of Newcastle Airport.

It is with great pride that I provide my first review as Newcastle Airport's CEO.

It is essential that I acknowledge the wonderful legacy left by my predecessor, Julian Green, particularly in attracting the low cost carriers to our region and establishment of modern terminal facilities providing a gateway to the world that we can all be proud of.

The last years' highlights include:

- > The very positive acceptance of our new terminal facilities.
- > The completion of an additional 600 car parking spaces, roadway enhancements and ultimately a covered pedestrian walkway.
- > The drafting of our Master Plan (in cooperation with Department of Defence) outlining our growth strategies for the next 20 years.
- > The development and rollout of our new corporate brand.
- > The delivery of a significant community engagement program developing awareness of the airport and the benefits it offers to our community.
- > The implementation of an Inbound Tourism Development Strategy.
- > Continued strong financial results and regional economic contribution.
- > Enhanced corporate systems and processes to ensure a strong, reliable and stable platform to support our business growth strategies.
- > An ongoing commitment to further developing the skills of our enthusiastic and passionate workforce.
- > Continual passenger growth with a new record 84,625 passengers through the airport in October. We steadily climb to a likely 860,000 passengers in 2006, which is a 12% increase over 2005.
- > Our increased commitment to Ecologically Sustainable Development principles including participation in the Business Partnership Program pilot and waste reduction strategies.
- > High levels of security compliance evidenced through mandatory government audits.

The expansion of the Jetstar maintenance base for the Airbus A320 is further evidence of the economic growth we can look forward to.

None of the above achievements are possible without the ongoing commitment of our staff, strong working relationships with our business partners and the leadership that is provided by our Board and Management Team. I especially acknowledge the ongoing and enthusiastic support of the RAAF Williamtown and Department of Defence. I thank you all.

Newcastle Airport Limited (NAL) continues to play a lead role in promoting our aviation gateway to new inbound tourism markets. The success of our initial campaign into the Gold Coast clearly evidences the regional benefits and opportunities that lie ahead. We will continue to encourage cooperation to promote the significant advantages of our region and further increase our prosperity.

We have much to achieve and resultant challenges to be met, in an aviation context that remains inherently volatile. Oil prices, security concerns, shrinking tourism markets, emerging technologies, new aircraft and international low cost carrier routes all add to the continually changing face of our industry.

NAL, as evidenced in this annual review, is in an extremely strong position to meet these challenges and prosper.

The management team have reviewed our business objectives to align with and achieve our strategic objectives and ensure clear accountability for our service outcomes. Our new management team is committed to ensuring NAL's key points of difference – being easier and cheaper access to air travel enhanced by a friendly and personal journey.

The recently endorsed Master Plan heralds another stage in our growth. A greater focus on commercial and aerospace business development will compliment our aviation activity as growth slows in relative terms. Our Master Plan will be a key input into the development of an economic and employment generation zone for the region.

Where there is rapid growth the development of necessary supporting infrastructure will remain an ongoing challenge.

I look forward to working with all our regional stakeholders and business partners so that we may grow and prosper together.

We can be proud of our achievements and look forward to a most exciting future.

What does the future hold?

Newcastle Airport is planning for the future, with a newly completed 20 year Master Plan. The Master Plan focuses on the diversification of Newcastle Airport's business and will provide Newcastle Airport with a blueprint for our future.

The Master Plan for Newcastle Airport Limited (NAL) identifies medium term (20 year) development options and opportunities for NAL.

The Master Planning project commenced in early 2006 with the appointment of Airbiz, an Australian based specialist airport planning consultancy, as lead consultants to NAL. Working closely with the Airbiz specialists and other consultants, Airport management have examined a wide range of factors impacting the development and growth of the airport, including:

- > RAAF Williamstown operations.
- > Market forces within the aviation industry, including demand for airline services.
- > Activity within the regional business and tourism markets.
- > Demand for commercial facilities, including office space and aerospace facilities.
- > Community needs and expectations.
- > Requirement for operational facilities to support aviation demand.
- > Increasing demand for transport services and support infrastructure.

NAL management consulted with a wide range of stakeholders in preparing the Master Plan, including the Department of Defence, a range of NSW Government Departments, major infrastructure bodies, our shareholder Councils (Newcastle City Council and Port Stephens Council), tourism and business groups, airlines and aviation support organisations. Upon approval of the Master Plan, further public engagement will be undertaken.

The Master Plan is underpinned by rigorous economic forecasting, providing a sound basis for more detailed development and infrastructure planning.

Our 20 year Master Plan

The Master Plan will be rolled out in three broad stages.

Stage 1: Expansion of current apron space, the initial stage of a business park and increased facilities for fuel storage.

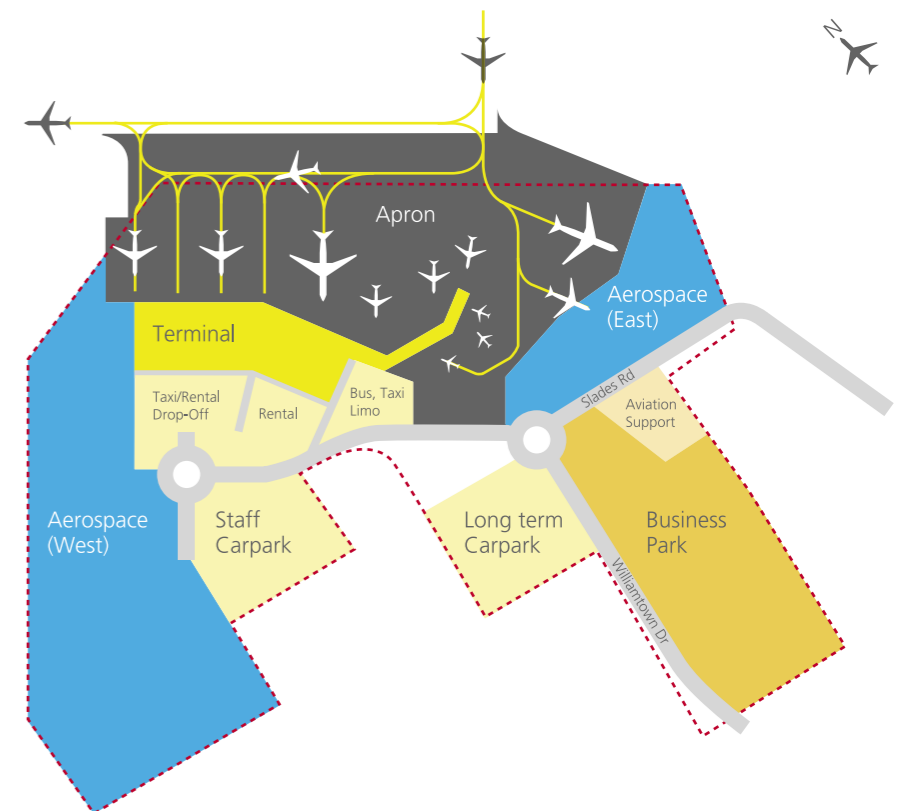
Stage 2: Expansion of the current terminal to accommodate international facilities, an increase in the existing car parking capacity and the redevelopment of roads in and around the airport precinct.

Stage 3: Further car parking expansion, business park development and aerospace expansion.

The Master Plan has been submitted to the Commonwealth (the Department of Defence) for review and endorsement, and will be reviewed at least every 5 years.

The Master Plan had been prepared for the orderly medium term development of the NAL lease site. It is anticipated that this plan will meet the projected civilian aviation needs of the region.

The Master Plan protects the operational integrity of RAAF Base Williamstown as well as the physical and cultural environment.



The above illustration highlights what Newcastle Airport may look like in 20 years time.

A focus on sustainable growth and development



The Property and Development team are working hard on improving the facilities available to customers of Newcastle Airport and are continually investigating new and innovative ways of ensuring that Newcastle Airport provides an environment that is conducive to doing business.

The Property and Development program has become a key driver of activity at Newcastle Airport Limited (NAL). The increasing demand for commercial facilities, retail opportunities, aviation facilities, car parking and transport infrastructure highlights the importance of a clearly defined development strategy.

Development activity in 2006 focused on a number of key areas:

- > Car parking infrastructure – in 2006 NAL implemented a major improvement to car parking facilities and precinct roadways. This upgrade included a substantial improvement to precinct infrastructure and improved pedestrian access, an upgrade to rental car facilities was also completed.
- > Street lighting and signage – a major lighting and signage upgrade is part of the carpark and road network project.
- > Infrastructure – upgrades to stormwater systems, communications networks, and electrical services have been completed.

NAL has major projects planned for commencement in late 2006 and early 2007, including a major commercial office expansion, landscaping, and design projects for key infrastructure programs.

Our precinct tenants are also developing their facilities – Jetstar Engineering have completed their latest hangar expansion to accommodate maintenance activities on the Airbus A320 aircraft, and BAE Systems are moving toward a major facility expansion in 2007.

NAL remains committed to a responsible and sustainable approach to development activities and have been involved with the NSW Department of Environment and Conservation in a series of pilot programs aimed at improving environmental management. Environmentally sustainable suggestions are regularly invited from NAL staff and a number of staff suggestions are being implemented, in the areas of recycling, water reuse, chemical safety and energy efficiency.

NAL has also been working closely with Newcastle City Council in implementing the Financial Loss Control program, aimed at minimising losses attributable to inefficient management of energy, water and waste. NAL is in the process of reviewing our Environment Management Strategy in line with industry best practice and prevailing Standards.

600 new spaces and a new car parking management system, means that there is now a car park and a price to suit every traveller and visitor to Newcastle Airport.

Passengers and visitors now have a choice of four parking and pricing options - Platinum, Gold, Silver and Bronze.

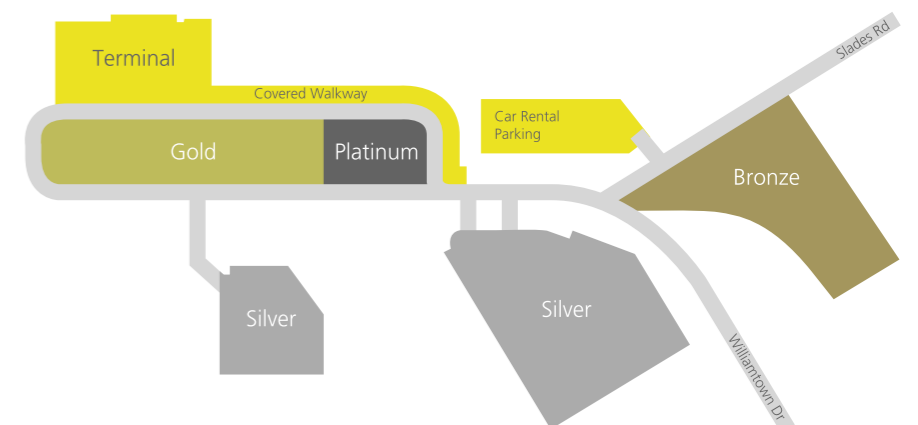
- Platinum**
Under cover car park, metres from the terminal building
- Gold**
Directly in front of the terminal building
- Silver**
A short distance from the terminal building
- Bronze**
Overflow parking facilities

In 2006 Newcastle Airport Limited (NAL) implemented a major improvement to car parking facilities and road infrastructure, including substantial improvements to street lighting, precinct signage, storm water infrastructure, and pedestrian access.

The key improvements include:

- > The addition of approximately 600 public car spaces.
- > Upgrades to the rental car parking facilities.
- > Improved ground transport interchange for taxis, public buses, hire cars and shuttle bus services.
- > Implementation of a new car park access control system.
- > Improvements to precinct lighting and electrical infrastructure.
- > Improvements to stormwater infrastructure, including the installation of new environmental protection systems.
- > Improved pedestrian access, including new paths and a covered walkway.
- > Signage review and upgrade.
- > Provision of a staff parking and overflow public car parking area.
- > Landscaping improvements, including bore water irrigation.

NAL's car parking infrastructure has been designed to ensure that customers utilising the airport have a range of parking and pricing options.



In the air



Aeropelican > www.aeropelican.com.au

Aeropelican relocated its operation to Newcastle Airport in April 2005. Currently, it operates up to 40 return flights per week to Sydney's domestic terminal. With plenty of frequency 7 days per week, you can choose to fly from the early morning 6am service right through to the 9pm arrival back into Newcastle.

Aeropelican operate aircraft with up to 19 seats and are capable of transporting you to Sydney in a comfortable 45 minutes.

Brindabella Airlines > www.brindabella-airlines.com.au

Brindabella Airlines offer a direct daily service to Canberra International Airport. Currently there are 4 return flights per day Monday through Friday and one Sunday evening service. All flights are in an 18 seat Metro Liner, allowing a flight time of just 60 minutes! Schedules are designed for the business passenger and promote one day travel to Canberra.

Brindabella Airlines launched a twice daily service between Newcastle Airport and Brisbane with stop overs in Coffs Harbor and Port Macquarie in late 2006.

Brindabella Airlines are also affiliated with Qantas Airways, meaning that customers are able to earn or redeem frequent flyer points on all Brindabella flights.

Jetstar > www.jetstar.com

Jetstar Airways (a fully owned subsidiary of the Qantas group based in Melbourne) commenced operations out of Newcastle Airport in May 2004 and offers value based services from Newcastle to Melbourne twice daily, Brisbane three times daily and the Gold Coast three times weekly. Jetstar operates a fleet of 23 Airbus A320s which seat 177 passengers. Jetstar launched their international long haul services in late 2006. Newcastle Airport is also home to Jetstar's multimillion dollar heavy maintenance facility which services the A320 fleet.

QantasLink > www.qantas.com.au

QantasLink offers daily flights from Newcastle to Brisbane and Melbourne, and flights to Sydney operate from Monday to Saturday. Customers can take advantage of seamless transfers to connecting Qantas flights, including through-checked baggage. Qantas Frequent Flyers can earn and redeem points on all services and when travelling with Qantas, members of the Qantas Club can access Qantas Club Lounges.

QantasLink is Australia's largest regional airline and offers over 1800 flights per week to more than 45 destinations across Australia. Newcastle Airport is serviced by a fleet of DeHavilland Dash 8 turboprop aircraft.

Virgin Blue > www.virginblue.com.au

Virgin Blue is Australia's multi award winning 'New World Carrier', offering a product and service distinctly different to that of a traditional 'no frills' low cost airline.

Virgin Blue commenced operations out of Newcastle Airport in late 2003 and fly's direct to Melbourne and Brisbane daily as well as a frequent Gold Cost service.

Virgin Blue offers guests the 'best of both worlds' – high quality air travel at consistently affordable fares and a wide range of innovative extras on a 'user pays' basis.



Newcastle Airport provides exceptional security to our travellers, with security operations consistently exceeding the requirements of a regional airport. The aviation department is dynamic and adaptable and is instrumental in maintaining the excellent relationships Newcastle Airport has with our aviation partners.

Performance

The Aviation Services team has achieved outstanding results in providing a safe and secure airport for all users of Newcastle Airport Limited (NAL) during a very challenging year. Passenger numbers continue to exceed expectations creating pressure in delivering high levels of customer service, aircraft capacity planning and car parking management.

The Aviation Services Operations team successfully faced the challenge of rebuilding and expanding the Airport terminal, during a period when passenger numbers were at record levels with minimal inconvenience experienced by the travelling public. The needs of airport tenants were also a major consideration during the planning and execution of the development program.

The completion of the new airport administration level of the terminal saw a major change in the way NAL delivered day to day operational supervision of the airport. The position of Terminal Operations Coordinator was established in a purpose built control room with expansive views of the airfield. Selected staff have undertaken supervisory and other skills development to equip them in providing pro-active and efficient management of the airport operation.

Safety and Security

The highest priority of NAL is to provide a safe and secure aviation environment for all users of Australia's fastest growing regional airport.

Security audits by Department of Transport and Regional Services (DOTARS) Security Inspectors, confirmed that the security regime in place at NAL meets and often exceeds the requirements of the Aviation Transport Security Act 2005 and the Aviation Security Regulations 2006.

Aviation Services regularly attends the DOTARS Regional Industry Consultative Meetings to influence and maintain currency with the ever-changing aviation security environment. NAL was also selected to be a member of the Aviation Security Training Advisory Group whose role is to provide input into the development of a comprehensive security training package designed to meet the requirements of all Australian airports.

Major Achievements

- > Completion of terminal re-development during a period of record passenger growth.
- > Controlling car parking issues when demand exceeded capacity.
- > Establishment of Terminal Operations Coordinator position and facilities.
- > Identifying innovative aircraft parking solutions to accommodate demand.
- > Lodgement of Draft NAL Transport Security Program prior to deadline.
- > Security enhancements providing Audit results identifying no deficiencies.
- > Selection as a member of the DOTARS Aviation Security Training Advisory Group.

The human side of what we do



Staff at Newcastle Airport are given many and varied opportunities to contribute to and grow with the organisation. Newcastle Airport aims to empower staff and assist them in developing their careers.

Newcastle Airport Limited (NAL) aims to achieve positive business results by empowering our people to deliver their best in a supportive team environment.

Through the introduction of an effective people management and performance measurement program, NAL has supported and inspired staff to contribute significantly to NAL's outstanding performance during 2006.

In 2006 the company employed 30 full time equivalent staff. Following the introduction of a new structure, appointments were made with the recruitment of a Manager Property & Development to focus on future commercial expansion whilst also building relationships with existing tenants. Appointments were also made in the Corporate Affairs team to concentrate on Communications and Community Engagement.

With the terminal redevelopment complete, staff numbers are likely to remain the same during 2007.

Workplace Health and Safety Committee

An NAL employee Workplace Health and Safety Committee has been established to empower employees in assisting with the development and monitoring of safe work practices and systems, and to discuss issues that affect the health, safety and welfare of all employees at NAL.

Fortunately, there were no lost time injuries reported at NAL during 2006.

Consultative Committee

The NAL Consultative Committee is a staff committee designed to provide a forum for consultation, and an opportunity for staff to participate in organisational decisions.

The Committee provides a basis for consultation between management and employee representatives, where they can positively co-operate in workplace reform to enhance the efficiency and productivity of NAL, and to provide employees with access to career opportunities with more fulfilling and varied roles.

Employee Assistance Program

Throughout 2006 NAL continued to provide an employee assistance program aimed at supporting staff and their families in personal and work related matters. An on-site employee assistance provider visits the workplace on an ongoing basis and also provides after hours services to staff if required.

The Corporate Affairs department provides the link between Newcastle Airport and the community through a number of valuable programs, such as Community Engagement and local sponsorship.

Community Engagement Program

Newcastle Airport Limited's (NAL) Community Engagement Program has been warmly received by the local community. Since its inception in February, the Airport has conducted six community group tours of the terminal building providing a rare insight into the workings of a regional airport.

The Community Engagement Officer has visited some 38 community groups and 21 Chambers of Commerce.

A schools program has been incorporated within the Community Engagement Program. The program targets primary school students studying transport as a component of their Human Society and Its Environment Syllabus. It provides an orientation visit at the school and a field trip to the airport where students are given an opportunity to experience day to day life at a major regional airport. To date 27 schools have visited NAL.

Central Coast Strategy

In 2006, NAL identified the Central Coast as a key untapped market. Research had shown that community awareness of NAL was at a low 32.9 per cent on the Central Coast.

Following a six month multi faceted campaign, NAL completed a community survey with the Hunter Valley Research Foundation and found that 89.7 per cent of respondents identified that NAL was the Central Coast's servicing airport.

NAL will continue to push its product differentiation into the Central Coast and Northern Sydney suburbs throughout 2007.

Inbound Tourism Strategy

An Inbound Tourism Strategy has been developed to build greater cooperation and collaboration between the regions' tourism industry and the Airport's servicing airlines. The Inbound Tourism Strategy provides an opportunity for the airlines and the regions' tourism sector to develop inbound tourism campaigns for the key inbound markets of Brisbane, the Gold Coast and Melbourne.

Website

NAL has undertaken a major upgrade of its website. The new website has been designed with the Airport's customers in mind.

User friendly, clean, simple and fresh, the website has been designed to enhance the customers travel experience providing new features such as live flight information updates, an interactive terminal map and virtual tours.



Our shining new brand

Newcastle Airport was proud to partner with local company, Design Itch, to create a new brand that encapsulates the values and aspirations of Newcastle Airport, and our dedication to innovation, professionalism and customer service.

The new brand for Newcastle Airport Limited (NAL) successfully appeals to a wide cross-section of the public. It positions Newcastle Airport as a forward-thinking regional leader, dedicated to excellence in customer service.

In combination with a succinct and memorable strap line (Connecting People. Connecting Places), this branding solution is effective on many levels, touching upon every aspect of NAL's activity. The NAL brand speaks to the expectations of both inbound and outbound customers, our business partners and the regional community.

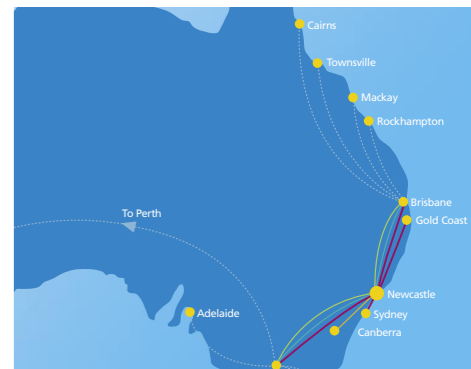
Our new brand features a dynamic star-inspired symbol depicted in a rainbow of regional colours. The star symbol immediately and eloquently expresses the character and services of NAL as the 'shining star' in regional aviation, recognising NAL's position as the 2005 Regional Airport of the Year.

It also represents the eight points of the compass which have for thousands of years been at the centre of every traveller's quest for discovery; the eight elements represent the eight diverse tourism experiences to be found within a short drive from NAL (Newcastle, Port Stephens/North Coast, Lake Macquarie, Hunter Wine Country, Maitland, Barrington Tops, Upper Hunter Country and Singleton); the individual elements also recall a flight of military aircraft in formation, a recognition of the military history of NAL and of the Airport's significant relationship with RAAF Base Williamtown; symbolically, stars are used as a rating of excellence and the star emphasises NAL as a first-rate business enterprise and as a provider of outstanding customer service.

Visually, the symbol is bi-directional; it moves both in and out, breathing a life of its own so that it depicts not only a gateway but a hub of activity as well. This demonstrates the dual nature of airport traffic as well as the Airport's character as a powerhouse, a significant driving force behind the growth and development of our region.

The NAL strap line admirably supports the other brand elements. The words 'Connecting', 'People' and 'Places' neatly express the business of an airport. They speak to the business traveller as much as to those who travel for pleasure. The phrase 'Connecting People. Connecting Places.' is both business-like and friendly: it has a human touch of warmth with a distinctive corporate focus. It communicates easy use, professionalism and a solid business foundation.

This vibrant and exciting new brand is currently being implemented throughout all areas of NAL's operation.



Working together to achieve success



Newcastle Airport is proud to work closely with our Tourism, Government and Defence partners in the ongoing success and development of the precinct. These partnerships are built on mutual cooperation and support.

Tourism

Newcastle Airport Limited (NAL) provides a gateway to eight very diverse tourism regions all accessible within a 90 minute drive from Williamstown. The arrival of the low cost carriers into NAL has seen not only an explosion in passenger numbers but also significant changes in the type of passenger using NAL, over 70% of people using NAL are doing so for pleasure.

This has put NAL in the unique position of being a major tourism driver in the region. NAL in conjunction with our aviation partners, industry and the local tourism bodies is working on establishing an inbound tourism strategy that will attract visitors from South East Queensland and Victoria into the region.

Government

NAL is proud to partner with a number of government departments on a range of activities that support and develop the region. These departments include:

- > Department of Defence in the development of the master plan.
- > Department of State and Regional Development have provided financial assistance in the development of the master plan and introduce ongoing development opportunities on the airport precinct.
- > Hunter Economic Development Corporation are instrumental in addressing infrastructure needs critical to the growth of the airport and promoting the region to new business.
- > Tourism NSW and Hunter Regional Tourism Organisation provide continued cooperation in developing new markets and growing regional tourism.
- > Newcastle City Council and Port Stephens Council continue to invest in the airport infrastructure driving significant growth and economic benefits.
- > The Department of Planning and the Premiers Department in the development of an economic development and employment generation zone based on airport and RAAF activity.

Defence

NAL occupies 28 hectares of RAAF Base Williamstown from the Department of Defence under a 40 year head lease, the lease was re-signed in 2005. NAL enjoys a close relationship with Department of Defence and RAAF Base Williamstown. Regular operational meetings are held to coordinate activities including military exercise and civil aircraft scheduling. NAL and RAAF Base Williamstown enjoy a mutually beneficial relationship built on cooperation and support.



The board

John Kindler Chairman AO, AFC, Grad. Diploma, Strategic Studies, GAICD

Chair NAL Remuneration Committee, 36 years Air Force experience, the last 15 years in senior positions including Commander of the Tactical Fighter Group, Williamstown, and Air Commander Australia.

Janet Dore B App Sc, MBA, FAICD, FLGMA, FAPI

General Manager Newcastle City Council, Director Hunter Integrated Resources, Director Newcastle Alliance, Director NIB Health Funds Limited, Director Hunter Councils, Director Life Activities, Director NSW Heritage Council.

Peter Gesling BE, A Dip T & CP, M Bus, FIE Aust, FIMEA, AIMM

General Manager Port Stephens Council, Director Extended Lifestyle International Pty Ltd, Director Fighterworld, Director Hunter Councils, Director Hunter Area Consultative Committee.

Geoff Connell B Comm, Dip Ed, ACDC Cert

Director Reinventures Pty Limited, Chair NAL Safety, Security & Environment Committee, Director Hunter Area Consultative Committee Inc, Director Newcastle Terminal Development Pty Ltd, 15 years regional economic development and transport management experience, 15 years international consulting.

Philip Gardner B Comm, CPA, FAICD, ACCM, JP

CEO – The Wests Group, Chair NAL Audit Committee, Member Clubs NSW Gaming Advisory Committee, Treasurer Western Suburbs Rugby League Football Club, Honorary Conjoint Lecturer in the Faculty of Business & Law at Newcastle University, Director NIB Health Funds Limited.

Stephen Newton BA Economics and Accounting, CA, Master of Commerce

Joint Managing Director and Director Arcadia Funds Management Ltd, Chair NAL Commercial Development PCG Committee, Board Member – St Pius X College Chatswood, Director – Board of Governors University of Notre Dame Australia.

Deborah Wright MBA, CPM, Dip Teach, FAMI, AIMM, FASI

Station Manager NBN Television/one80 digital post, Director Hunter Economic Development Corporation, Chair NAL Marketing Committee, 23 years with the commercial television industry.

Ashley Kilroy FAICD

Director Aviation Business Solutions, 35 years Airline management experience with TAA / Australian Airlines and Qantas Airways. Senior Executive roles in Commercial, Airport Management, Regional Airlines.

First row from left:
John Kindler, Janet Dore, Peter Gesling,
Geoff Connell

Second row from left:
Philip Gardner, Stephen Newton,
Deborah Wright, Ashley Kilroy

Newcastle Airport Limited Income Statement

During the last financial year Newcastle Airport continued significant growth trends from previous years, resulting in record revenue figures.

	2006 \$	2005 \$
Revenue from operating activities	8,640,623	7,752,306
Expenses from ordinary activities:		
Depreciation	808,023	554,302
Personnel and related costs	1,789,124	1,303,433
Borrowing costs expense	500,626	71,475
Marketing and consultancy	754,077	521,398
Security operations	975,330	811,726
Maintenance	201,367	187,849
Lease and rental	476,034	862,126
Carrying amount of non-current assets sold	6,927	3,504
Legal expenses	154,855	149,392
Directors fees	102,465	80,237
Carpark operations	100,685	126,810
Electricity and water	158,266	95,432
Cleaning	192,340	105,530
Other expenses from ordinary activities	469,654	508,438
Profit from ordinary activities before income tax expense	1,950,850	2,370,654
Income tax expense	-	-
Profit from ordinary activities after related income tax expense	1,950,850	2,370,654
Net profit and total changes in equity other than those resulting from transactions with owners as owners	1,950,850	2,370,654

Newcastle Airport Limited Balance Sheet

2006 saw Newcastle Airport cement our strong financial position, further infrastructure improvements are being undertaken to provide a foundation to support the future growth expectations of the Airport.

	2006 \$	2005 \$
Current assets		
Cash	4,340,991	5,804,377
Receivables	807,496	896,480
Inventories	-	6,863
Other	75,598	51,361
Total current assets	5,224,085	6,759,081
Non-current assets		
Property, plant and equipment	19,067,675	11,608,562
Total non-current assets	19,067,675	11,608,562
Total assets	24,291,760	18,367,643
Current liabilities		
Payables	1,122,593	960,463
Provisions	93,121	74,845
Interest-bearing liabilities	793,841	465,229
Total current liabilities	2,009,555	1,500,537
Non-current liabilities		
Provisions	6,744	5,577
Interest-bearing liabilities	7,627,899	4,164,817
Total non-current liabilities	7,634,643	4,170,394
Total liabilities	9,644,198	5,670,931
Net Assets	14,647,562	12,696,712
Equity		
Retained profits	14,647,562	12,696,712
Total Equity	14,647,562	12,696,712



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