

CLIENT CASE STUDY

BRISBANE AIRPORT CORPORATION – REPORTING AND ANALYSIS BUILT ON A SOLID FOUNDATION



Brisbane Airport Corporation (BAC) is the operator of Brisbane Airport, the premier gateway to Queensland and the third largest airport in Australia by passenger numbers.

Since its acquisition from the Australian Government in 1997, BAC has assumed the role of custodian of the airport, with ultimate responsibility for the airport's operations, including infrastructure investment.

Brisbane Airport has received a number of awards, such as being ranked as the top Australian airport for quality of service for 10 years running in a survey conducted by the Australian Competition and Consumer Commission (ACCC). They have also been recognised by Skytrax, earning third place for airports servicing between 20-30 million passengers and best airport in Australia/Pacific in 2013.

SMART removes any “black box magic”

To prepare a 20-year business plan, BAC engaged a third party provider to build a corporate model to be used for long-term reporting and analysis. When the new CFO, Michael Bradburn, commenced his role with BAC, he engaged Corality to audit the model for quality assurance. After Corality identified a large amount of complexity and “black box magic” within the old model, Bradburn was not confident with its usability. Based on Corality's findings and his previous experience, he requested Corality rebuild the model from scratch, utilising the SMART best practice modelling standard.

As one of Australia's fastest growing airports, BAC has invested more than AU\$1.3 billion in essential infrastructure in the last decade. This has included the expansion and redevelopment of both the International and Domestic Terminals, the construction of a major access road system, new parking infrastructure at the Domestic Terminal and the installation of leading-edge technology and services.

REQUIREMENTS

- A corporate model to be used for long-term reporting and analysis
- No inherent complexity or “black box magic”
- A bespoke model matching their specific requirements

A further \$2 billion is ear-marked over the next 10 years for future developments at Brisbane Airport, including the construction of a new runway – currently the largest infrastructure project of its kind in Australia.

“You don't need a PhD to use it”

Bradburn felt confident in Corality's ability to construct a sophisticated model that would be easy to follow, while allowing for flexibility and adaptability so the model could be used in the longer term – an element he felt the previous model lacked. David Malek, Treasurer at BAC, believes that Corality's model gave the board and shareholders a lot of confidence in their decision making. “Typical modellers will often build an overly complex model, whereas the Corality team built a model that anyone can use; one where the end user doesn't need a PhD to use it and to interpret the results,” he says.

“Bespoke, not off the shelf”

BAC's requirement was for a well-designed scenario management tool and a flexible model that would grow with their infrastructure developmental needs. Malek appreciated the fact that the Corality model “was bespoke, not off the shelf, and well thought out for our requirements.”

“

[Corality] took the time to listen to our insights, issues and concerns, and to incorporate those into the model.”

David Malek

Treasurer, Brisbane Airport Corporation

BAC found it invaluable to have a Corality consultant seconded to their team to work with them “hand in glove”. Malek noted that the Corality consultants made time to understand BAC’s requirements before starting to build the model. Corality “took the time to listen to our insights, issues and concerns, and to incorporate those into the model,” ensuring the model accurately reflected their needs.

“The proof is in the pudding”

Corality’s dedication and effort to understand BAC’s challenges and to developing a model for their specific requirements proved to be very valuable to the BAC team. “The proof is in the pudding. While Corality’s fees may be at the upper end of the market, they worked to understand the industry and our own unique issues very quickly, resulting in reduced costs in the longer term,” Malek says.

When the BAC team was presenting the model and reports to its board and stakeholders, Corality worked alongside it. “[The Corality consultant] was confident when presenting to them, and readily took on board their feedback,” says Malek.

BAC now use SMART as a modelling standard

Since working with Corality, BAC has introduced a modelling standard policy document to assist in standardising their modelling approach across their business. According to Malek, a model based on SMART has “a lot of rigour, is easy to follow and provides the missing link” from other, less sophisticated models.

In some models he has encountered, it could be difficult to understand where formulae were derived – an issue that Malek believes SMART really fixes. “A non-modeller can easily use the model and that is a hard skill to teach. Everyone who works at Corality lives by the SMART methodology in the way they approach and build their models.”

Confidence results in on-going referrals

Michael Bradburn introduced Corality to BAC when he joined the group, having worked with them in the past. Since then, other BAC staff members have gone on to recommend Corality to other organisations, sharing their positive experience. “I was recently at a conference and shared our experience of working with Corality, passing on our Corality consultant’s contact details. I happily refer Corality to my peers,” concludes Malek.

BENEFITS TO BAC

- Confidence in long-term strategic projections
- An efficient and robust model that underpins critical business decisions
- Comprehensive scenario functionality
- Reduced risk of errors
- Standardised modelling

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