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Significance of the Airport



3.1. Introduction

Adelaide Airport plays an essential role in the economic prosperity and development of South Australia through creating jobs and supporting business, tourism and leisure activities.

As part of this Master Plan, AAL commissioned Hudson Howells to undertake a detailed analysis of the economic and social impacts of Adelaide Airport both today and after the implementation of the proposed plans as outlined in this Master Plan.

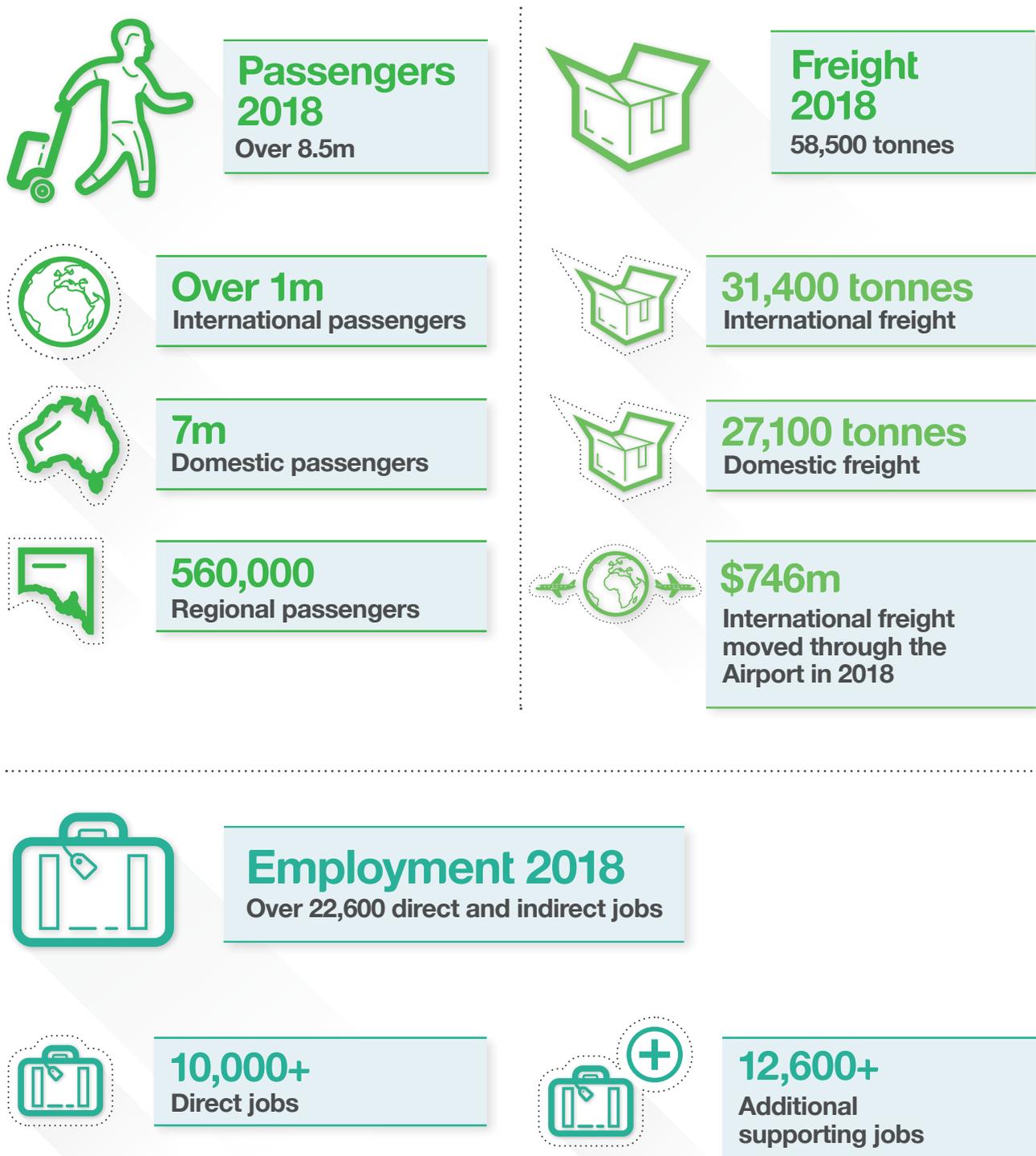


Figure 3-1: Snapshot of Adelaide Airport's Economic Contribution



Economic Contribution 2018



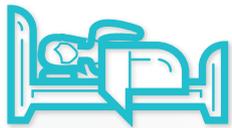
\$2.98b
Airport economic activity



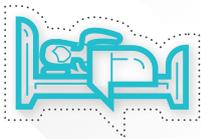
3.1%
Gross State Product

Adelaide Airport plays an essential role in the economic prosperity and development of South Australia through creating jobs and supporting business, tourism and leisure activities.

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Visitor Economy 2018



5.73 days
average visitor stay



\$1.2b
tourism spending in South Australia in 2018



3.2. Domestic and International Connections

Adelaide Airport caters for more flights to and from more destinations than ever before. It is serviced by 32 routes, which connect to regional, domestic and international locations. Domestic services connect to 11 airports around Australia including all capital cities and significant tourism destinations. Adelaide Airport is an important aviation hub for South Australia's major regional centres. Regional flights connect to 12 destinations.

International services connect to nine cities: Auckland, Denpasar, Doha, Dubai, Guangzhou, Hong Kong, Kuala Lumpur, Nadi and Singapore. International carriers connect South Australia to more than 300 cities around the globe (either direct or via a one-stop connection). The number of international flights has increased in recent years, with around 50 international flights a week providing non-stop links to Asia Pacific and the Middle East.

Regional routes are shown in Figure 3-2, and international and domestic routes shown in Figure 3-3.

AAL works closely with the South Australian Tourism Commission to attract new international carriers and services. The success of the growth in services has been recognised by the Routes Asia Marketing Awards, with AAL winning awards in 2017 and 2018 for its excellence in airport and destination marketing.

New services that have commenced in recent years include:

- In March 2016, Jetstar commenced flights to Avalon (Melbourne)
- Qatar Airways made its inaugural flight to South Australia in May 2016, providing a daily service to Doha
- In September 2016, Jetstar introduced direct flights to the Sunshine Coast three times per week
- The inaugural flight of the world's third-largest carrier (China Southern Airlines) landed at Adelaide Airport on 13 December 2016, with the State's first direct service from Guangzhou currently operating three times per week
- Fiji Airways commenced twice-weekly directed services between Adelaide and Nadi from June 2017. These flights will cease operation effective 22 July 2019
- Cathay Pacific Airways increased to six weekly flights to Hong Kong, starting July 2017
- Starting November 2017, Jetstar introduced three weekly services to Hobart, the first direct flights between Adelaide and Hobart since 2010
- QantasLink commenced services to Kangaroo Island in December 2017, operating five times per week over summer and three times per week over winter

- FlyPelican introduced the first regular airline service to Newcastle in March 2018, operating three flights per week (this ceased in April 2019)
- Malaysia Airlines introduced a fifth weekly service to Kuala Lumpur from July 2018
- From April 2019, Malindo Air operates four weekly flights to Bali, connecting to Kuala Lumpur

Adelaide Airport operates as an important freight hub, with most air freight being transported in the cargo hold of commercial aircraft. The growing number of international airlines introducing wide-body aircraft for passenger services out of Adelaide has greatly improved South Australia's direct air-freight capacity to markets in Asia, the Pacific and the Middle East. Up to 60 per cent of exports are now carried direct out of Adelaide to destinations such as Singapore, Hong Kong, Guangzhou, Kuala Lumpur, Dubai and Doha.

Adelaide Airport has the added benefit of being well connected to major road freight routes, resulting in Adelaide Airport playing an important part in transporting South Australia's goods and produce quickly and efficiently to destinations interstate and overseas.

AAL continues to work in partnership with all airlines, State Government agencies, the freight and cargo industry and the tourism and hospitality industry to develop sustainable services that meet the air travel, import and export needs and social demands of South Australia.



Adelaide Airport is an important aviation hub for South Australia's major regional centres.

Figure 3-2: Existing International and Domestic Destinations Serviced by Adelaide Airport



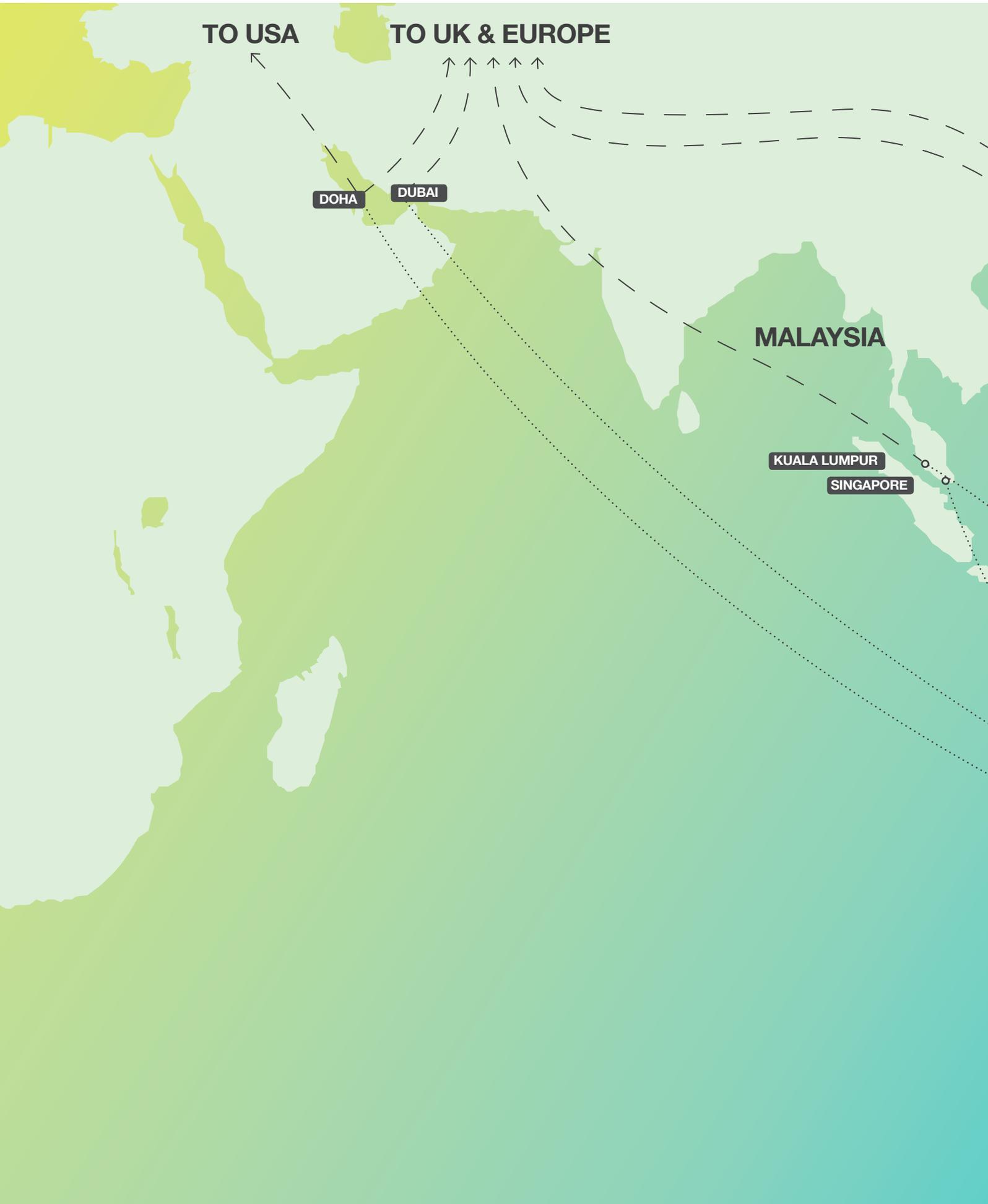


Figure 3-3: Existing Regional Destinations Served by Adelaide Airport





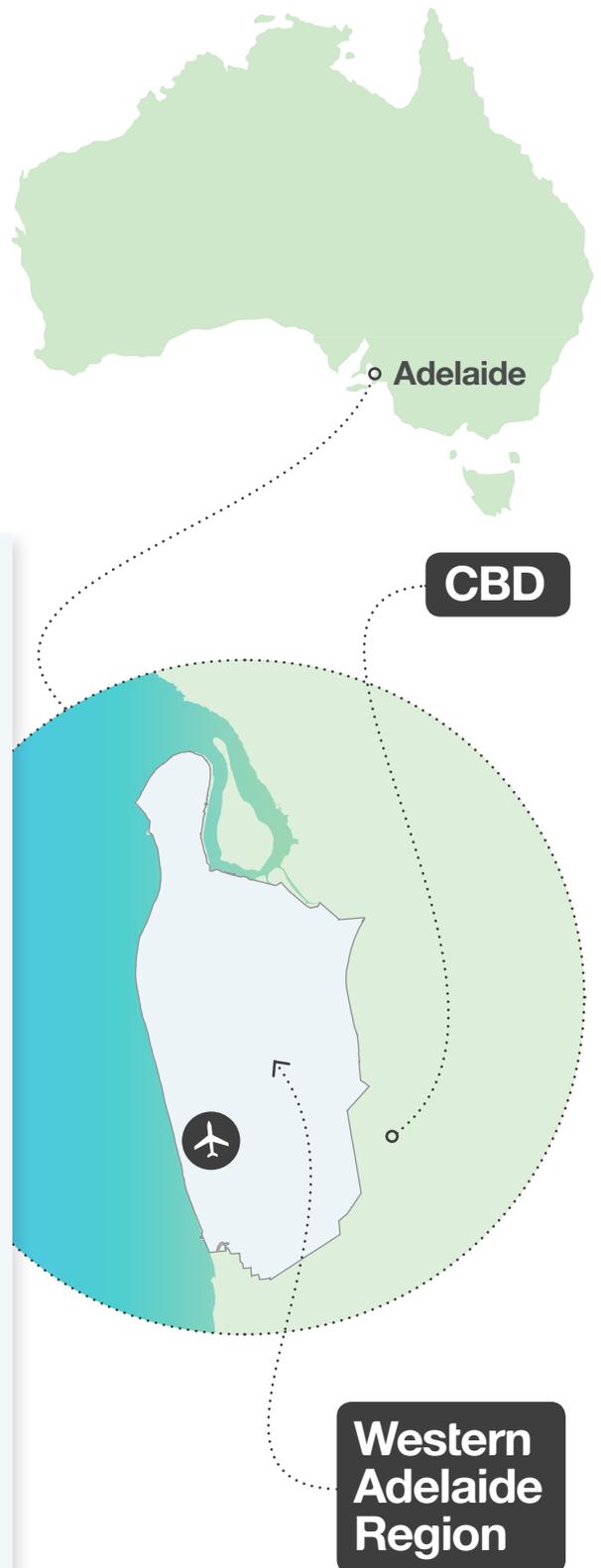
Adelaide CBD at night



3.3. Economic Contribution

Adelaide Airport makes an important contribution to the South Australian economy through employment and value-added production associated with the airport's business activities (both aviation and non-aviation related businesses).

In 2018, the airport contributed an estimated \$2.98 billion to the South Australian economy, equivalent to 3.1 per cent of Gross State Product (GSP), an increase from 2.1 per cent in 2013. This increase is related to the growth in activity at the airport, including aircraft and passenger movements, as well as the development of commercial activities on airport land.



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Figure 3-4: Airport's contribution to state GSP and western region's GRP





Adelaide Airport is South Australia’s largest employment precinct outside the Adelaide CBD. Since 2014, total employment (direct and indirect) has grown by almost 30 per cent.

In 2018, the airport directly employed 10,137 people both on and off the airport. In addition, it is estimated that the airport contributes to the generation of a further 12,673 full-time equivalent jobs through purchases by airport operators and spending of direct employee wages. It is estimated that the airport generates a total of 22,810 full-time equivalent jobs, increasing from 17,759 full-time equivalent jobs in 2013 (as shown in Figure 3-6).

The airport is located in the Western Region of Adelaide, consisting of the Local Government areas of the City of West Torrens, the City of Charles Sturt and the City of Holdfast Bay. The airport plays a significant economic and employment role within this region. In 2018, the airport contributed an estimated \$1.99 billion to Gross Regional Product and provided support for 15,144 full-time equivalent jobs within the region, representing 13.8 per cent of the region’s economic activity.

In recent years the airport has successfully transitioned from an aviation and infrastructure facility to a broad-based economic activity hub encompassing a variety of services, facilities and developments. There are an estimated 130 businesses located on the airport.

Going forward, Adelaide Airport will continue to develop as a major economic generator in South Australia. Taking into consideration the developments outlined in the first eight years of this Master Plan it is anticipated that by 2027 the airport will contribute \$4.73 billion annually to the State’s economy and 35,412 full-time equivalent jobs, including almost 17,000 direct on and off-airport employees.

Since 2014, total employment has grown by almost

30%

Recognising the proposed developments over the 20-year planning period, it is forecast that the airport’s economic contribution will continue to grow and by 2039 the contribution to the GSP will be \$7.48 billion and more than 56,000 full-time equivalent jobs, including more than 28,000 airport employees. Refer to Table 3-1, Figure 3-5, and Figure 3-6.

	2018	2027	2039
Direct On-Airport Employment	7,134	11,513	19,523
Direct Off-Airport Employment	3,003	5,435	8,829
Induced Airport Employment	12,673	18,464	27,826
Total Airport Employment (Direct and Induced)	22,810	35,412	56,178

Table 3-1: Forecast Employment Growth



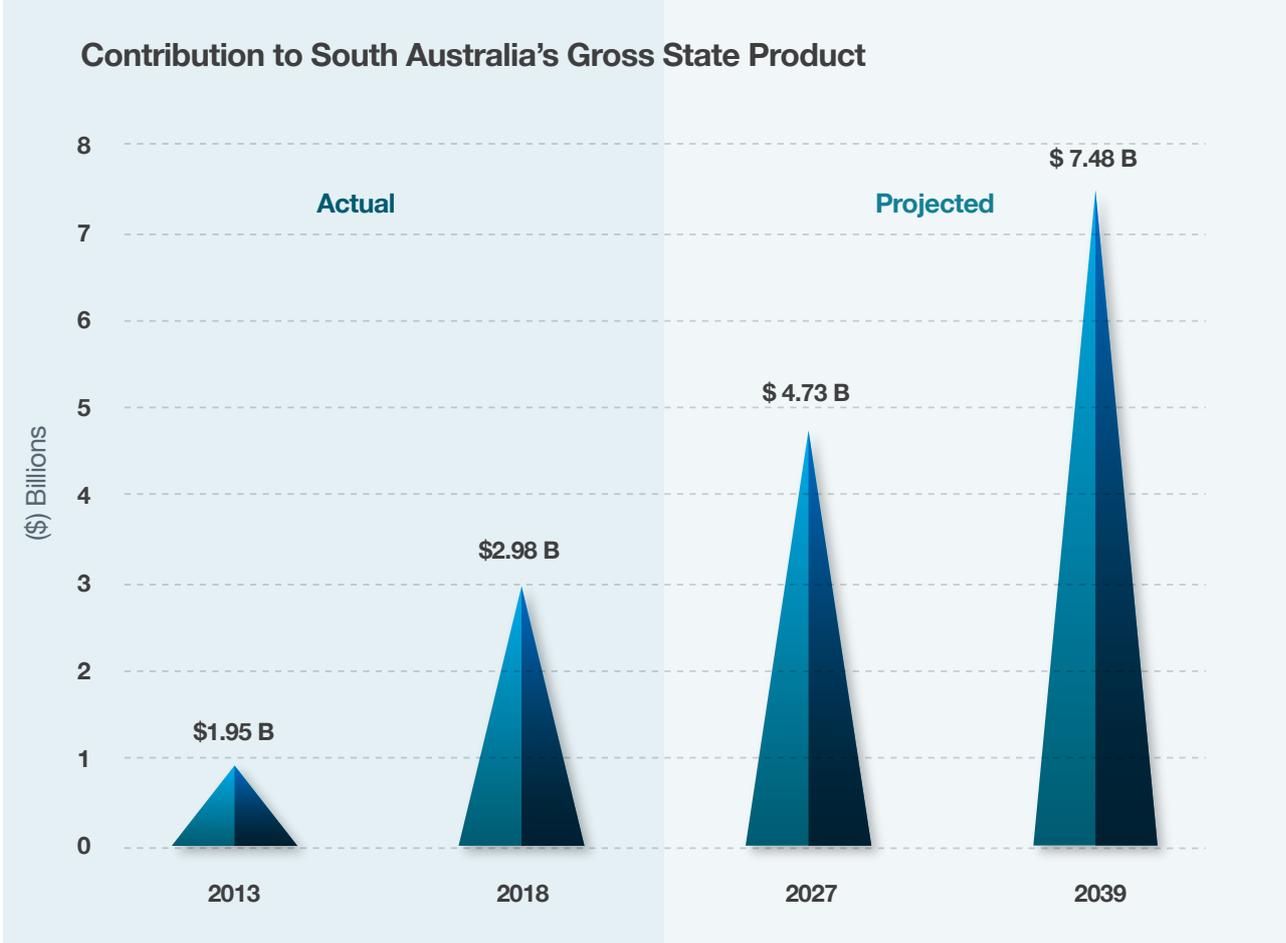


Figure 3-5: Forecast Contribution to South Australia's GSP



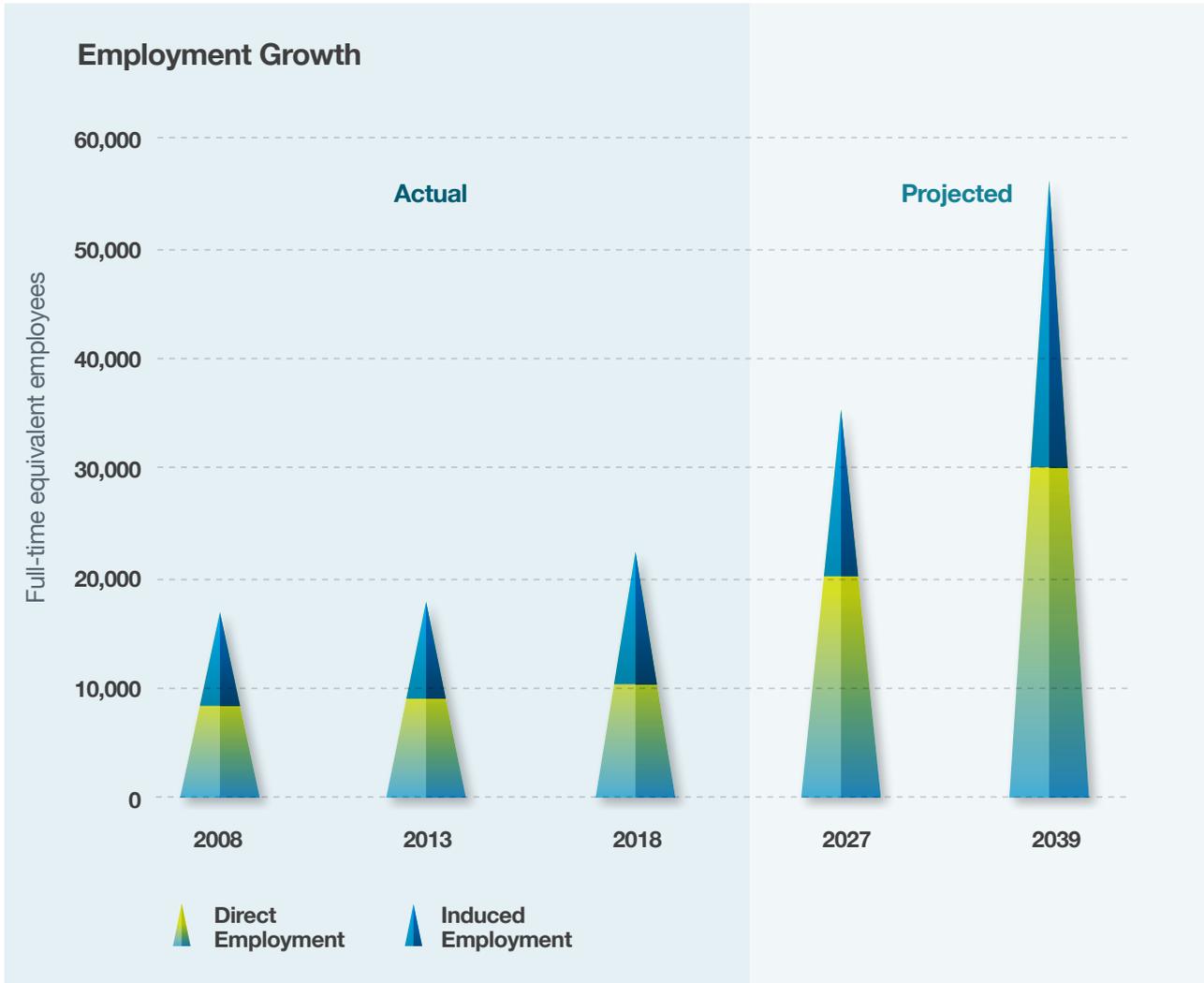


Figure 3-6: Past and Forecast Employment Growth 2008-2039

The division of the Adelaide Airport Business District into a number of precincts is detailed in Chapter 7. Most employees are based in the Terminals & Business Precinct, with 5,937 full-time equivalent jobs in 2018. With the anticipated developments in this precinct, employment is expected to grow to almost 13,200 full-time equivalent positions by 2039. The Tapleys Precinct had 680 full-time equivalent jobs in 2018. With further developments, employment is expected to grow to almost 4,700 full-time equivalent by 2039. Employment figures per precinct are shown in Table 3-2.

	2018	2027	2039
Terminals & Business Precinct	5,937	8,633	13,173
Airport East Precinct	516	950	1,207
Tapleys Precinct	680	1,893	4,649
Morphett Precinct	0	36	494
Total Direct On-site	7,133	11,512	19,523

Table 3-2: Direct On-site Employment Forecasts by Precinct



3.4. Visitor Economy

The South Australian tourism sector is highly reliant on airline journeys that connect the State with other locations, therefore the airport operations support much of the tourism industry. For example, following the introduction of Emirates services in 2012, European tourism spend in Adelaide grew by nearly 50 per cent. Similarly, Cathay Pacific's direct scheduling to Hong Kong (which enabled same-day connecting flights to and from mainland China) grew Adelaide's Chinese inbound market by 20 per cent in its first year. AAL works with the South Australian Tourism Commission and airlines to maintain and expand airline routes to support visitor growth.

South Australia's visitor economy is expected to increase from \$6.3 billion (36,000 jobs) in 2018 to \$12.8 billion by 2030 (52,000 jobs). Adelaide Airport is a key driver of the tourism economy. Air transport is a major travel choice for many visitors (including regional). It is estimated that inbound and regional tourism facilitated by the airport in 2018 is worth \$685 million of Gross State Product, supporting a further 5,350 full-time equivalent jobs. Net economic activity linked to tourism that is facilitated by the airport in 2018 is estimated at \$92 million of GSP, supporting a further 713 jobs.

It is expected that as passenger numbers grow, so will the contribution that the airport makes to the visitor economy.

Estimate of inbound and regional tourism facilitated by Adelaide Airport

\$685
Million

of Gross State Product

5,350

Full-time jobs supported

3.5. Social and Community

Adelaide Airport is committed to being part of the Adelaide and South Australian community, and makes important contributions to several organisations that benefits the local and wider community.

Adelaide Airport's Community Investment Initiatives incorporates partnerships across various sectors including the arts, business development, people empowerment enterprises and remote emergency services. A few of the key recent contributions and support include:

- Supporting remote communities via the Royal Flying Doctor Service which provides emergency medical and primary health-care services to people in rural and remote Australia
- Key supporter of local and international art festivals including the Adelaide Fringe, SA Living Artists Festival, Adelaide Festival and OzAsia. AAL is a presenting partner of the Adelaide Festival which showcases an outstanding mix of internationally acclaimed theatre productions, an eclectic array of world-class musicians, as well as outstanding dance, writing and visual art displays. Many of the Adelaide Festival events are free to attend such as Adelaide Writer's Week, Australia's largest free literary festival offering both writers and readers a unique opportunity to spend time sharing ideas
- Major partner of the Australian Dance Theatre Company, a pre-eminent contemporary dance company based in Adelaide
- Supporting Foodbank, Australia's largest food relief organisation to provide over 60 million meals a year to multiple charities and schools around the country. AAL directly assists with Foodbank pop-up stores and hamper packing
- Supporting Dress for Success, a company that provides professional attire to empower disadvantaged women to achieve economic independence through employment. Coupled with this, AAL partners with the Power Community, which delivers programs that create education and employment outcomes for disadvantaged and disengaged youth



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How Adelaide Airport is planned





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How Adelaide Airport is Planned

4



Planning Framework

Provides the planning framework for Adelaide Airport and the process required for preparing a master plan.

5



Planning Development Approach

Provides a vision for Adelaide Airport with a development approach and objectives. Further details how consultations with stakeholders and the community are delivered.

6



Aviation Forecasts

Details the forecasts for growth in passenger, aircraft and freight movements. These forecasts allow Adelaide Airport to consider how to respond to this growth while delivering on the vision.