

# 04

## QUEENSLAND'S BUSINESS & TOURISM HUB

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Overview	P79
Driving Economic Prosperity	P80
Creating Wealth	P82
Increasing Connectivity	P88
Enabling Job Creation	P90
Supporting Regional Economies	P92
Boosting Tourism	P94
Economic Contribution of The New Runway	P96
Growth Forecasts	P100



# OVERVIEW

Airports are important economic enablers for major cities, facilitating the easy movement of people and goods across local and global destinations and markets. The location of Brisbane Airport, along with its 24 hour operation and increasing choice of flights and destinations positions it as a critical hub connecting passengers, Queensland businesses and their customers to local and global markets.

## FUTURE ECONOMIC FORECASTS

In preparing the 2020 Master Plan, Brisbane Airport engaged PricewaterhouseCoopers to quantify the current and future economic contribution of Brisbane Airport to the Queensland and Australian economies.

The reports, detailed in this chapter, predict continued growth. Brisbane Airport's total economic contribution to the Australian economy is forecast to grow from the current figure of \$4.7 billion per annum to an estimated \$8.7 billion per annum by 2040, a real annual growth rate of 3.1 per cent.

Direct employment at the airport, currently calculated to annually contribute \$2.6 billion annually to Queensland's Gross State Product, is forecast to increase to more than \$5.2 billion by 2040 as the number of people employed by the businesses operating from the airport grows to more than 46,000.

## INCREASED CAPACITY AND MORE DESTINATIONS

Already Australia's most domestically connected airport, the last five years have seen a consistent increase in passenger demand from the Asian region. New international services added include regular direct flights to Bangkok, Ho Chi Minh City, Kuala Lumpur, Manila and Shenzhen.

Domestically, as part of 52 Australian destinations to choose from, passengers now have access to direct services to Alice Springs and Inverell. New services will continue to be added in line with customer demand and availability.



# DRIVING ECONOMIC PROSPERITY

Brisbane City Council's plan for economic development recognises Brisbane's connectedness as one of the top 80 globally-linked economies. Delivering round the clock connectivity is one of five different ways in which Brisbane Airport plays a major role as an economic and business hub both for the city and the state of Queensland overall.

The economic values of each are explained in the following pages.



## 01. CREATING WEALTH

As Queensland's leading aviation hub and the home to more than 400 businesses, Brisbane Airport is a key driver of wealth creation across the state and Australia overall.



## 02. CONNECTIVITY

Serving more than 50 Australian destinations and international airports in Asia Pacific, America and the Middle East, Brisbane Airport links Queensland businesses and their employees to the world, providing ever increasing access to import and export opportunities.



## 03. JOBS

Brisbane Airport is one of Queensland's most vibrant employment locations. It is estimated that five per cent of all employment in Queensland is in some way enabled by the existence and operation of Brisbane Airport.



## 04. BOOSTING REGIONAL ECONOMIES

With an estimated 50 per cent of Queenslanders living outside Greater Brisbane, the airport is home to a range of vital emergency services and provides a vital link for business travel exports and regional tourism, connecting families and local communities.



## 05. BOOSTING TOURISM

Tourism is one of Queensland's biggest and most dynamic industries. Brisbane Airport is an essential part of the continued growth of domestic and international visitation to the state and Australia overall.





## 01. CREATING WEALTH



**The total economic contribution of Brisbane Airport is set to grow by \$4 billion to a total figure of \$8.7 billion by the year 2040.**

Brisbane Airport plays a crucial role in supporting the economic development of south east Queensland. By providing the services and facilities that allow Brisbane to become a globally connected city, Brisbane Airport is creating the investment confidence that underpins the city's plans for future growth.

The total economic contribution of Brisbane Airport operations in the financial year 2020-21, including direct and indirect contributions is estimated to be \$4.7 billion. Together, all direct and indirect economic contributions of Brisbane Airport are estimated to currently account for approximately 1.3 per cent of Queensland GSP. The majority (almost 50 per cent) of this economic contribution is in transport, postal and warehousing.

Included in this total economic contribution is the jobs and economic activity created from the ongoing capital investment at Brisbane Airport.

Capital investment creates jobs in construction and supporting services in the short term, while, in the longer run, supports future employment generated by the use of that capital. Capital investment also facilitates the growth in the direct and indirect economic impact into the future.

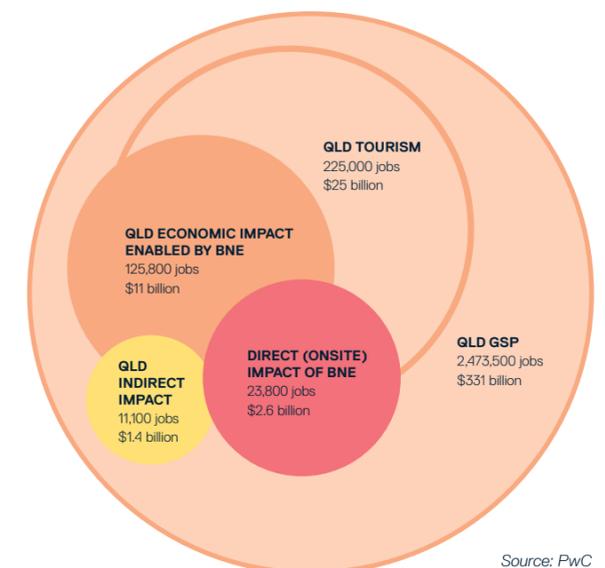
Continued growth in investment at the airport as well as forecast increases in passenger demand mean that the total economic contribution is forecast to grow to a figure of \$8.7 billion by 2040-41 with a real growth rate of 3.1 per cent per annum.

The figure alongside shows the indicative relationship between the indirect, direct and enabled contribution of Brisbane Airport to the Queensland economy. The illustration shows that each of these contributions brings a different value to both the Queensland economy and the economy of Australia overall.

Shown in red is the economic impact of Brisbane Airport as a location of employment. The area in yellow shows the supply chains supporting the various industries on the airport. The orange shaded area demonstrates the enabled impact Brisbane Airport has by fulfilling its core purpose of being a transport hub and facilitating economic activity through the movement of goods and people.

The illustration shows that the different measures, while having different focuses, are not mutually exclusive in the employment and activity they capture. Aeronautical activities are included in both the direct contribution onsite but also in the economic impact enabled. Construction jobs created as part on master plan activities are captured within direct and indirect impact.

### ECONOMIC CONTRIBUTION OF BRISBANE AIRPORT TO THE QUEENSLAND ECONOMY AT A GLANCE



Source: PwC

# BRISBANE AIRPORT'S ECONOMIC CONTRIBUTION

## FACTS & FIGURES

### ECONOMIC CONTRIBUTION OF BRISBANE AIRPORT TO ALL OF AUSTRALIA



### DIRECT ECONOMIC IMPACT OF BRISBANE AIRPORT

	2018-19	2040-41
Direct employees	23,800	46,600
Direct wages (\$m)	1,525	2,985
Direct gross operating surplus (\$m)	1,117	2,275
Direct gross value added (\$m)	2,642	5,260

### INDIRECT ECONOMIC IMPACT OF BRISBANE AIRPORT

QUEENSLAND	2018-19	2040-41
Indirect wages (\$m)	818	1,602
Indirect gross operating surplus (\$m)	571	1,117

REST OF AUSTRALIA	2018-19	2040-41
Indirect wages (\$m)	214	419
Indirect gross operating surplus (\$m)	149	292
All indirect gross value added (\$m)	1,753	3,431

### ECONOMIC IMPACT OF BRISBANE AIRPORT AS AN ENABLER (2018 REAL TERMS)

REASON	QLD EMPLOYMENT IMPACT (JOBS)	QLD GSP (\$ million)	TOTAL GDP (\$ million)
Tourism exports	16,300	1,231	889
Traditional exports	94,800	8,197	4,146
FIFO mining	11,200	1,371	1,297
Other business use	6,100	483	405
<b>Total</b>	<b>128,400</b>	<b>11,282</b>	<b>6,736</b>

Source: PwC.

\*RoA = Rest of Australia

\*GOS = Gross Operating Supply



“Every bit of sparkle I’ve brought into Brissy has arrived on a plane.”

**Heath from New Farm**

FIREFLY LIGHTING



“I’ll put 35 tonnes of fresh produce in the bellies of planes this week.”

Rohan from Acacia Ridge

PRODUCE ART

# AVERAGE PASSENGER AIRCRAFT SPEND

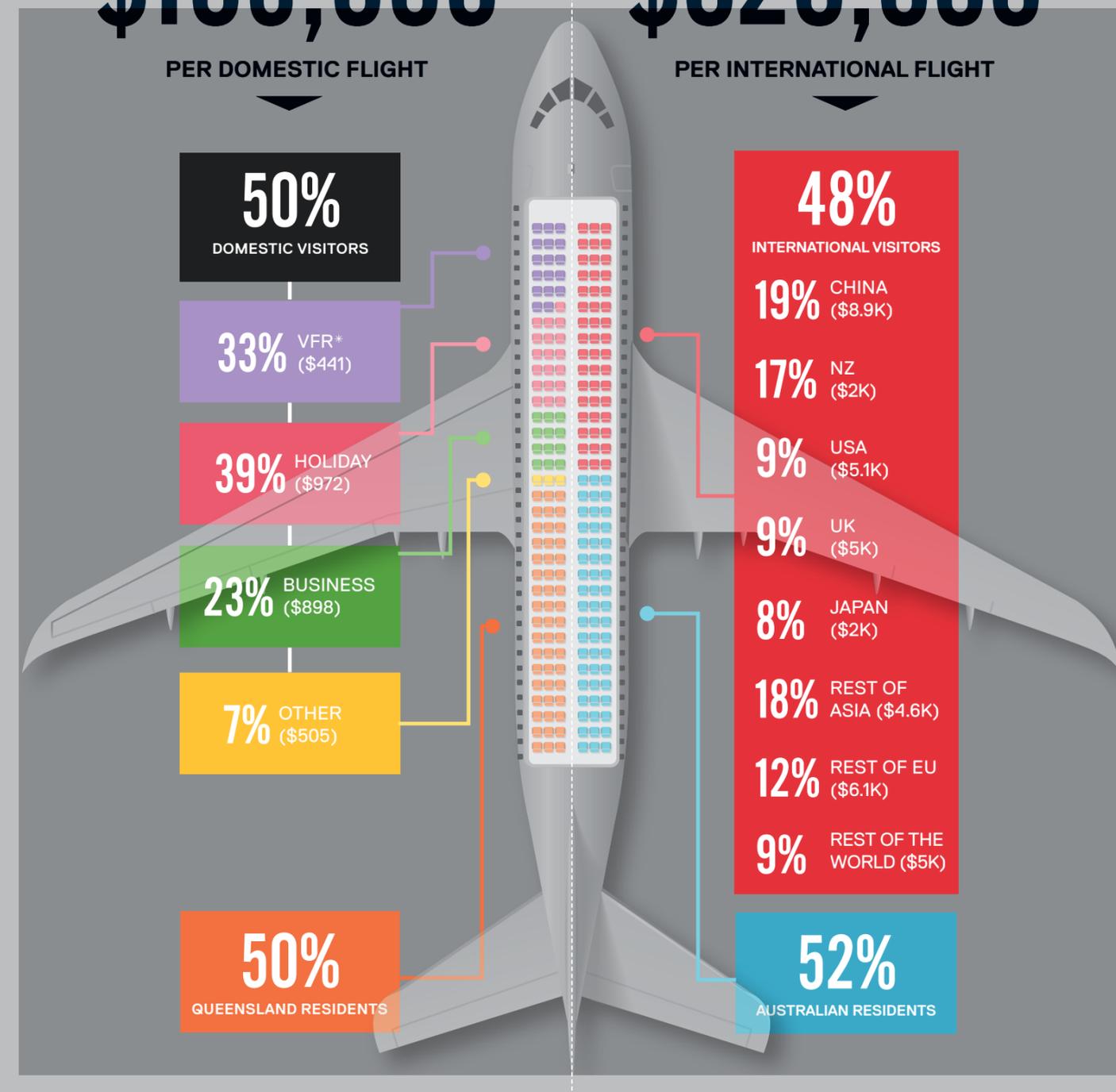
2018-2019

**\$105,000**

PER DOMESTIC FLIGHT

**\$620,000**

PER INTERNATIONAL FLIGHT



\*Visiting friends and relatives



## 02. INCREASING CONNECTIVITY



**Brisbane Airport is Australia's most domestically connected airport, servicing 52 domestic destinations, including 27 destinations in Queensland. The airport accounts for over half of domestic arrivals into Queensland.**

In a state where over 50 per cent of residents live outside the greater Brisbane area and there is often considerable distances between communities, Brisbane Airport connects individuals, families and communities with the rest of the state, country and internationally, creating economic and social opportunity.

Eight of Queensland's regional airports; Biloela, Bundaberg, Charleville, Emerald, Gladstone, Longreach, Moranbah, and Roma, rely on connections with Brisbane Airport for all their passenger services. For Rockhampton and Mackay, Brisbane Airport accounts for 97 per cent and 89 per cent of their domestic passenger movements, respectively.

Research shows that entrepreneurs wishing to launch new businesses globally look for cities with high standards of living and easy access to interstate and international destinations.

Additionally, connectivity is one of main influencers of employers in regional Queensland being able to attract the right skills and employees.

Brisbane residents also rely on Brisbane Airport for leisure travel, with travel to regional Queensland a critical driver of local tourism industries in those areas.

In the increasingly connected digital world, Brisbane Airport provides Queensland businesses with the opportunity to extend their markets at home and overseas by providing access to distribution through air freight to an increasing number of local and international destinations.

### SUPPORTING TRADITIONAL EXPORTS

While air freight is a relatively small portion of exports by weight, it is a major contributor to the value of exports. As the leading airport and transport hub in the state, Brisbane Airport facilitates the overwhelming majority of air freight exports out of Queensland.

This export market is estimated to support over 93,000 jobs in the state by assessing jobs created in business that export goods, the businesses that supplied inputs to those goods, and the state-wide transport industry to get the goods to point of export.



## 03. ENABLING JOB CREATION



Offering the dual benefits of excellent connectivity and proximity to airport operations, Brisbane Airport has become a major employment hub. The airport is home to more than 400 enterprises, with three in four being small to middle sized businesses.

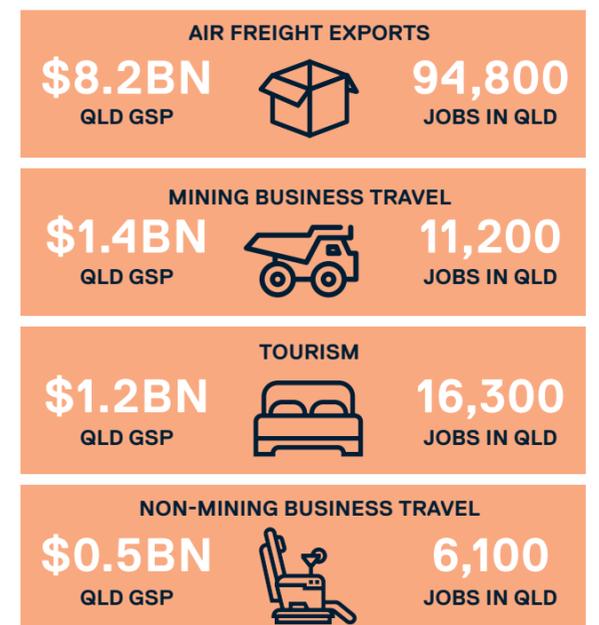
The businesses currently operating from Brisbane Airport include a mix of aviation and non-aviation enterprises including food and retail outlets, warehousing, freight, logistics, maintenance and transport companies.

More than 23,000 people are employed on the airport site. The majority are employed in aviation (42 per cent), retail (12 per cent) and freight (8 per cent). Direct employment at Brisbane Airport also supports indirect employment in the supply chain industries providing goods and services to onsite companies. This indirect supported employment is expected to have generated 27,500 indirect jobs across Queensland and the rest of Australia in 2018-19.

Employment at Brisbane Airport is estimated to provide \$1.5 billion in employee wages to Queensland families, with a further \$818 million earned through the associated supply chains.

Planned future developments will continue to support the growth of the airport. Capital investment on new projects creates jobs in construction and supporting services in the short term while, in the longer run, it supports future employment generated by the use of that capital.

Employment at BNE is expected to grow by 3.1 per cent per year, in line with current trends in real operational expenditure that will see total direct employment at the airport reach a figure of more than 46,000 by 2040.





# 04. SUPPORTING REGIONAL ECONOMIES



**Queensland's regions rely heavily on Brisbane Airport's role in connecting businesses, individuals, families and communities to Australia and the rest of the world.**

Brisbane Airport facilitates access for businesses in Regional Queensland to larger markets. The relationship with Regional Queensland is one of mutual partnership, enabling enterprises particularly in the tourism industry, to connect to customers. BAC supports industry by strengthening and accelerating trade, social and business connections. Companies in the resources, manufacturing and agriculture sectors use airport freight and logistics networks to import and export goods, parts, produce and skills.

FIFO charters support new resource developments with almost 4,500 residents of South East Queensland now working in the regional mining industry. In 2018-19, Brisbane Airport facilitated travel for 3.3 million passengers to and from the mining regions, representing 83 per cent of all flights to these destinations.

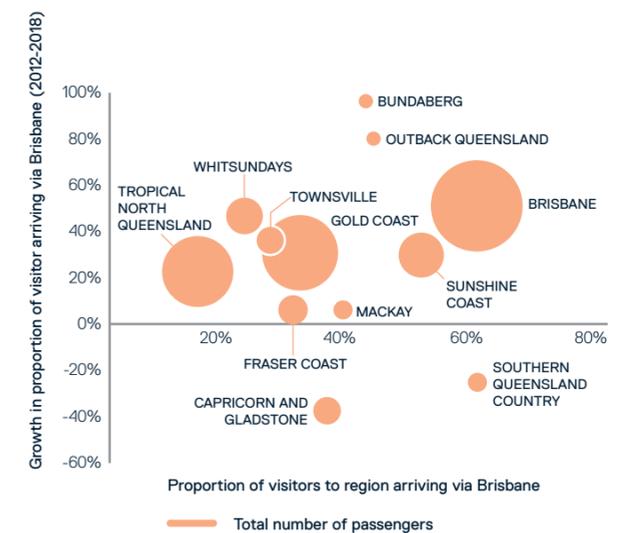
Non-mining industry air travel supports approximately 6,100 Queensland jobs in professional services, wholesale and retail trade. Collaborations with the Royal Flying Doctor Service and Lifeflight provide urgent medical services to the most remote areas in Queensland.

## CONNECTING QUEENSLAND

In FY2018, Brisbane was the chosen city of arrival for 41 per cent of international visitors. The number of connections directed through Brisbane Airport to regional Queensland makes the airport critical to the state's tourism industry development.

Almost four in 10 international visitors arrived in the state's capital city, even where their final destination may have been outside south-east Queensland. Brisbane was the city of arrival for 40 per cent or more of international visitors to Darling Downs, Bundaberg and the Sunshine Coast. The majority of Queensland's tourism regions have seen an increase in arrivals via Brisbane in the last decade.

A key component in visitor growth to destinations across Queensland is the role the airport plays in continuing to provide direct and convenient air transport services. Research shows that some regions such as Whitsundays (65 per cent), Northern (28 per cent) and Tropical North Queensland (28 per cent) have seen their visitation from Brisbane arrivals increase substantially since the 2014 Master Plan.





## 05. BOOSTING TOURISM



**Tourism is an important contributor to the Queensland and Australian economies and a major employer.**

Tourism is one of Queensland's most important industries, estimated by Tourism Queensland to have a total value of \$25 billion. The tourism industry directly and indirectly employs 217,000 Queenslanders, generating in excess of \$60 million a day in overnight visitor expenditure across the state. Unlike many industries concentrated in certain geographic areas, the benefits of tourism are widespread.

International tourism spend in Queensland enabled by Brisbane Airport is currently estimated to support over 15,000 jobs across the state and contributes \$1.2 billion to Gross State Product with around six in every 1,000 jobs in the state being supported just by international visitors arriving through the airport.

The same modelling revealed that 65 per cent of the state's tourism output was generated in South East Queensland with the Brisbane inner region generating 11.5 per cent of this GVA, making it the largest tourism region in Queensland.

### BOOSTING GROWTH IN TOURISM

A key component in achieving visitor growth to destinations across Queensland is the role the airport plays in continuing to provide direct and convenient air transport services via the state's capital.

With state and local governments active in marketing activities, research shows that the majority of Queensland's tourism regions have seen an increase in arrivals via Brisbane in the last decade.

### SUPPORTING THE INTERNATIONAL EDUCATION INDUSTRY

Education is one of Queensland largest service exports and it relies on Brisbane Airport to bring international students to the state and disperse them to the regions whereby 42 per cent of international student enrolments are outside of Brisbane.

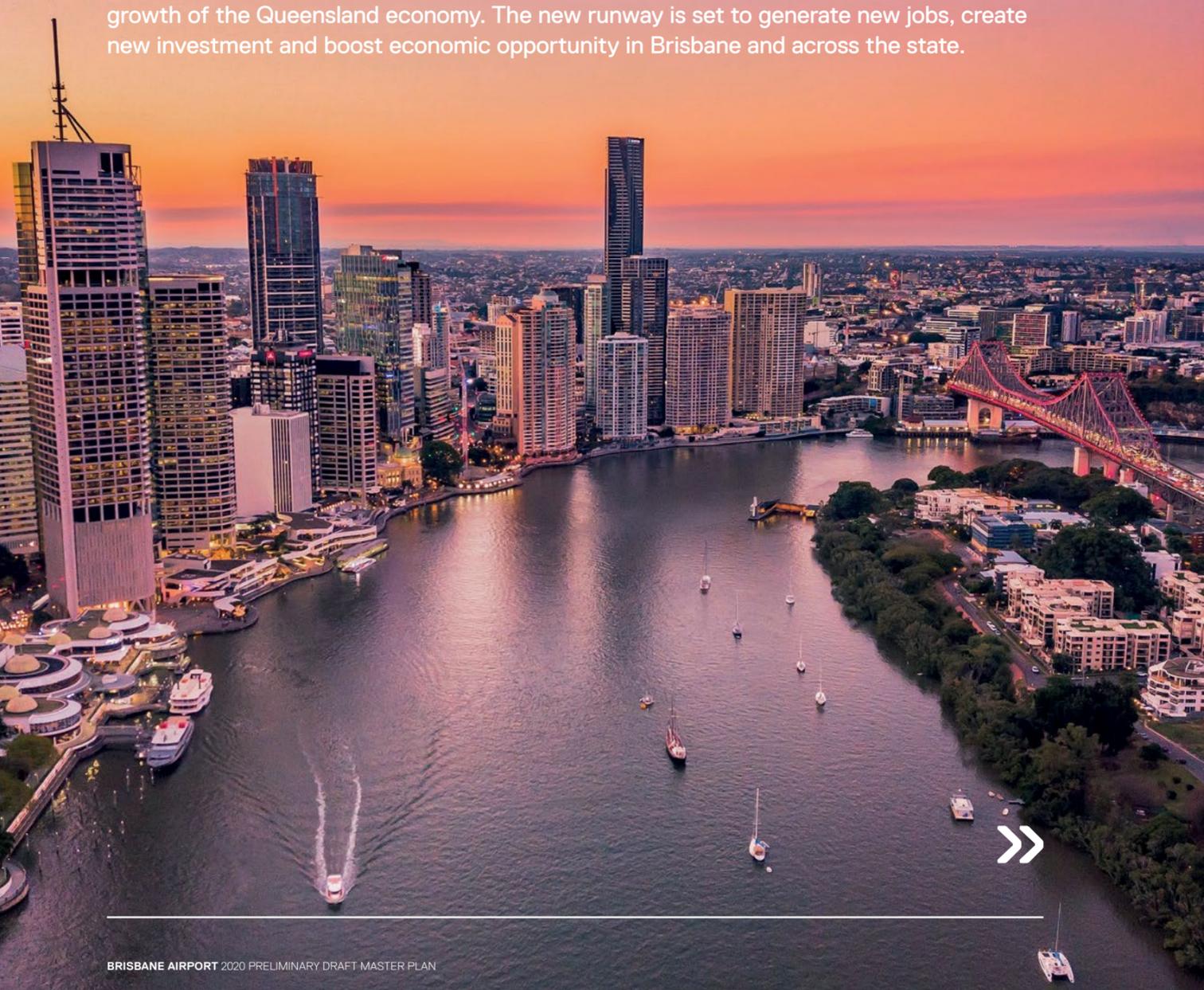
Key learning institutions such as University of Southern Queensland, Central Queensland University, James Cook University and TAFE Queensland all benefit from air services provided by Brisbane Airport.

There were over 1.1 million international students enrolled in Queensland in 2017, made up of higher education (42 per cent), vocational education and training (26 per cent) and English language intensive courses for overseas students (21 per cent).

International enrolments in Queensland grew 12 per cent in 2017, comparing well with national growth over the same period. 40 per cent enrolments came from the top three countries. Together, students from China, India and Brazil also made up more than half the growth in enrolments.

# ECONOMIC CONTRIBUTION OF THE NEW RUNWAY

Due to open in 2020, Brisbane Airport's new runway will be a key driver in the long-term growth of the Queensland economy. The new runway is set to generate new jobs, create new investment and boost economic opportunity in Brisbane and across the state.



# ECONOMIC CONTRIBUTION TO QUEENSLAND

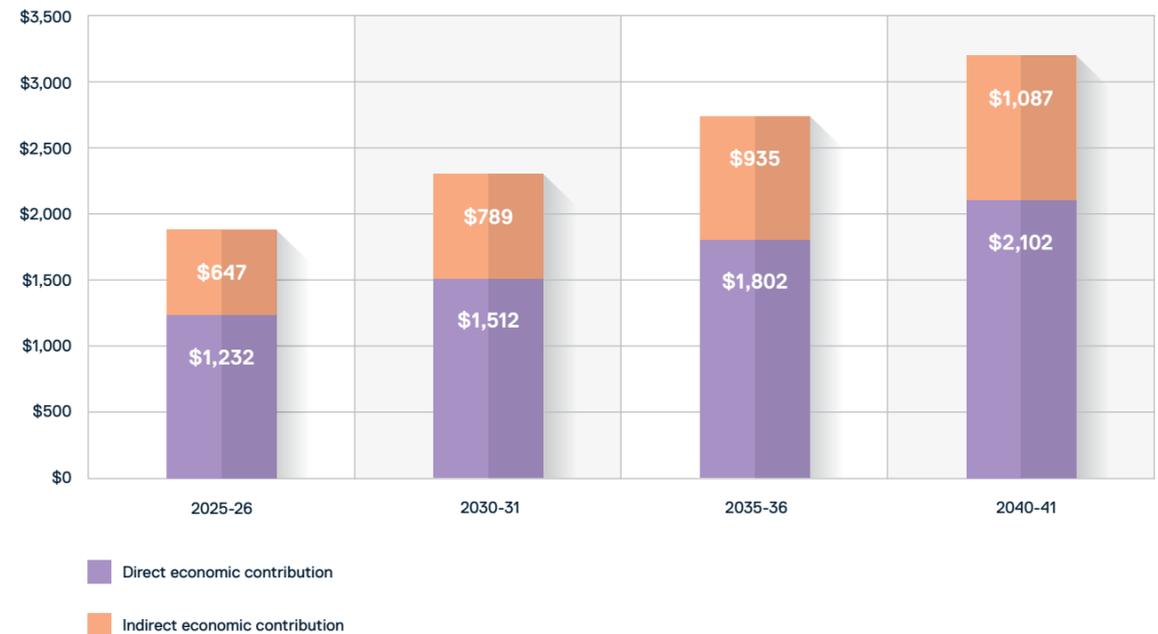
It is estimated that in its first year of operation, the new runway will create an additional \$1 billion in direct economic contribution to the Queensland economy. Further, indirect benefits accruing from the new runway are estimated to be worth more than \$545 million in indirect benefit.

Forecasts indicate that the direct economic contribution to the Queensland economy attributable to the runway will rise over the next 20 years to an estimated \$2.1 billion with the indirect contribution growing to an estimated \$1.1 billion.

Combining those two figures shows that the total economic contribution of the new runway to Queenslanders is forecast to grow from \$1.6 billion in 2020-21 to \$3.2 billion by 2040-41, representing an annual growth rate of 3.6 per cent, a higher figure than the Queensland Government estimated for the economy overall.

As a result, it can be seen that the contribution of the new runway will effectively grow in real terms over time.

**BRISBANE AIRPORT'S NEW RUNWAY - ECONOMIC CONTRIBUTION TO QUEENSLAND (\$ MILLIONS)**



Source: QEAS

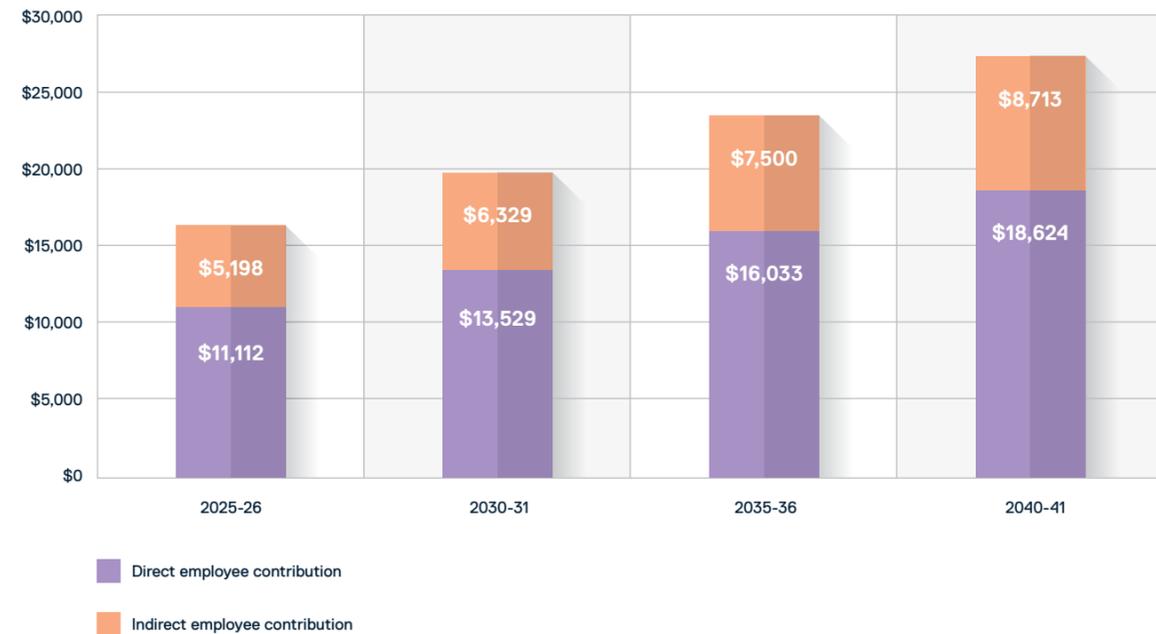
# JOB CREATION FACILITATED BY THE NEW RUNWAY

It is estimated that the contribution of \$1.6 billion to the Queensland economy will directly support more than 13,600 jobs, with an estimated 9300 jobs created in direct employment and a further 4,300 created in the various supply chains. An annual growth rate of 3.6 per cent will see an estimated 18,624 jobs directly created and another 8,713 indirectly created by 2040-41.

In summary by 2040-41, Brisbane Airport's new runway will support almost 30,000 direct and indirect jobs and contribute \$3.2 billion to Queensland's economy. This total is equivalent to around 0.6 per cent of all jobs in Queensland and represents approximately 0.5 per cent of Queensland's Gross State Product.

In total, jobs created as a result of BNE's new runway are forecast to increase to reach 27,337 by 2040-41 from 13,690 in 2020-21.

**BRISBANE AIRPORT'S NEW RUNWAY - ECONOMIC CONTRIBUTION TO QUEENSLAND (\$ MILLIONS)**



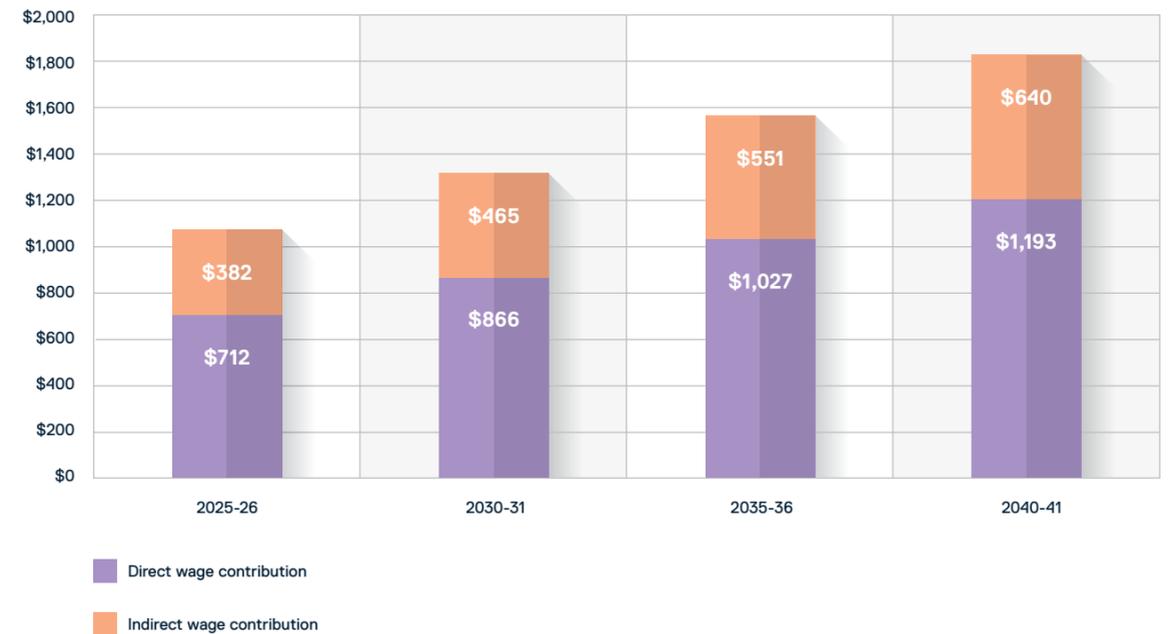
Source: GEAS

# WAGES INCOME CREATED BY THE NEW RUNWAY

Each of the new jobs created will result in wages being paid to Queensland workers and their families. It is estimated that in the first year of opening, jobs created by the new runway will have a total value in wage terms of approximately \$598 million to employees of Brisbane Airport based businesses and a

further \$321 million in wages indirectly paid across supply chain businesses to their employees. By 2040-41 these figures are predicted rise to approximately \$1.2 billion in direct wages and \$640 million in indirect wages.

**BRISBANE AIRPORT'S NEW RUNWAY - WAGE CONTRIBUTION TO QUEENSLAND (\$ MILLIONS)**



Source: GEAS

# GROWTH FORECASTS

## LONG-TERM GROWTH

Examination of previous estimates of passenger numbers and net exports from Brisbane Airport demonstrate considerable growth in the last decade, with further growth predicted due to a number of underlying trends.

- There has been a sustained increase in the number of international flights to and from Brisbane Airport, with the proportion of international flights compared to domestic showing continuous growth.
- At the same time, the fact that inbound international visitors to Australia are growing faster than outbound Australian travellers means that the proportion of overseas visitors on international flights is increasing.
- The addition of new services from emergent and affluent markets is also a contributory factor in the growth of average spend per visitor.

Construction at Brisbane Airport using local jobs and suppliers is a major driver of this growth with industries expected to benefit from this capital expenditure being those related directly to capital creation, such as construction, professional services (including engineering and design), wholesale trade and manufacturing.

## SUPPORTING CITY AND STATE

With a sustained period of growth in passengers, an increased number of airlines and destinations served, accompanied by the development of popular retail and business precincts, Brisbane Airport's role as a vital economic enabler is firmly established.

As the city of Brisbane and the state of Queensland also experience growth in infrastructure investment coinciding with an increase in population, in part due to Australian families moving from Victoria and New South Wales.

The airport will continue to play a critical supporting role connecting a number of proposed and current major projects and developments with their key markets and suppliers.

The international connections provided by the airport enable investment in Brisbane and South East Queensland that may otherwise be less likely to occur.

A range of major projects currently proposed or under development across Queensland have the potential to further increase the demand for passenger and freight capacity offered by the airport.

## FACILITATING A CONNECTED CITY

The continued growth of services at Brisbane Airport is a key driver of the corresponding growth of Brisbane as a truly globally connected city.

Brisbane Airport is an important contributor to the viability of future developments through a range of factors, most importantly creating the confidence for organisations new to Queensland to invest in the area knowing that reliable aviation infrastructure is in place to allow the fast and efficient movement of goods and services both domestically and internationally.

Conversely, major infrastructure projects like Brisbane's Queens Wharf Resort and the completion of the Toowoomba Second Range Crossing are expected to increase visitor traffic to the area and to drive greater demand for freight related services.

Through an ongoing program of consultation and engagement, Brisbane Airport is able to plan ahead, ensuring capacity is available to support the anticipated growth in demand generated from these and other major infrastructure and constitution projects.

As the city and the state both continue to grow, Brisbane Airport plays a strategically pivotal role in underpinning the ability to attract and invest in major events in Brisbane and Queensland more generally.

Everything from major sporting and cultural events, conferences and global summits such as G20 rely on a globally connected airport to facilitate visitation and its associated investment and spending.