

Department of State Development, Infrastructure and Planning

Economic Directions Statement Queensland Airports

2013–2023

Great state. Great opportunity.



The Department of State Development, Infrastructure and Planning is responsible for driving the economic development of Queensland.

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Foreword



Queensland's decentralised population, attraction as a tourist destination and dynamic economy drive the state's heavy reliance on air services.

Efficient, accessible and well integrated air transport services and infrastructure are vital to Queensland's four pillar economy and ensuring the benefits of prosperity are spread across the state. Airports are capital intensive and in their own right are significant generators of economic growth and employment.

Over the last few years, many of the state's airports have grown with increased demand for workers employed on major resource projects in regional Queensland. Air travel is also increasing with more people travelling within the state, interstate and internationally for business, work and leisure reasons.

On the back of a renewed partnership between the Queensland Government and the tourism industry, we are seeing greater numbers of passengers travelling from more diverse locations. These numbers have been boosted by the Queensland Government's Attracting Aviation Investment Fund which has already secured new routes and customers from priority markets such as China.

The government is determined to support our airports to grow and prosper. We will continue to work with airport owners and operators, local councils and business to remove obstacles to airport growth and allow aviation industries to expand and flourish.

The Economic Directions Statement Queensland Airports 2013-2023 sets down, for the first time, our view of the critical role of airports in supporting Queensland's economic growth. It demonstrates the actions we have already and will continue to take to enable airports and the businesses that rely on them to seize new market opportunities.

Our approach will provide greater certainty and support better coordinated airport planning, expansion and operations. This will deliver more jobs, a better transport system and improved economic outcomes for Queensland.

A great state with great opportunity.

The Honourable Jeff Seeney MP
Deputy Premier and
Minister for State Development, Infrastructure and Planning

Executive summary

As a decentralised state where mining, tourism and agriculture underpin the economy, Queensland relies on a healthy transport sector, with aviation being particularly important.

The movement of materials and people between our widespread resource base and tourist attractions requires modern airport infrastructure with room to grow, along with our economy. It is therefore important that state government decision-making, in relation to planning and economic programs, is done with an eye to protecting and fostering the growth of our airports.

The challenge for the Queensland Government is that, although it has an interest in a healthy airport sector, it is no longer an owner of any airports in the state, and it has no direct role in regulation of aeronautical activity on airports. Government will instead focus on those areas that it can control, notably planning regulation and economic development initiatives in the tourism and resources sectors.

In order to achieve meaningful progress in this area, it is necessary for the government to focus on those airports that have a particular strategic value in terms of economic development. From a total of 191 registered airports in Queensland, 40 metropolitan and regional airports are considered to be of strategic economic importance.

The Economic Directions Statement is designed to facilitate informed planning and investment decisions and assist in strengthening collaboration between the private sector and government. It provides greater clarity about the Queensland Government's priorities for airport development in line with the government's economic goals. The actions in this statement are complementary to other related government aviation initiatives, including the \$8 million Attracting Aviation Investment Fund administered by the Department of Tourism, Major Events, Small Business, and the Commonwealth Games.

As airports play a vital role across many industries, the Queensland Government has identified strategic priorities and areas for action. While the Australian Government is responsible for regulating airports, the Queensland Government is responsible for other legislation that affects airport growth. The government can assist growth of airports, and potentially growth across the economy, by reducing red tape and costs for investors. It can also facilitate growth by providing the right settings in relation to areas like land use and infrastructure planning.

The Queensland Government will assist Queensland's airports to build on their areas of competitive advantage and attract new investment. The government will also encourage them to work more effectively as a system to better support the state's economic development objectives. It will work with the airport owners and managers, local councils and industry groups to expand business investment into, and develop new businesses on or near, the airports and associated

precincts. The government will also support airports' representation to the Australian Government on issues that impact adversely on their growth.

This statement details specific case studies where the government has already taken action to enable certain strategic airports to continue to grow and fulfil their potential as economic drivers in their communities.

1. Queensland airports

Overview

Queensland is Australia's most decentralised state and is served by 191 airports. Most airports fall into the following categories of ownership:

- privatised through long-term leases from the Australian Government
- owned by local governments, such as regional airports and aerodromes
- owned by the Australian Government Department of Defence
- owned by companies or individuals.

Queensland has six international airports that operate from the north to the south of the state. The Commonwealth has classified these airports as:

- Cairns and Brisbane —major international airports
- Gold Coast and Townsville—restricted use and alternative international airports
- Rockhampton—an alternative international airport
- Horn Island—a non-scheduled international airport.

The Sunshine Coast Airport is not currently designated as an international airport by Commonwealth legislation, but commenced international flights from New Zealand in 2012.

Within Australia, airports generated a total economic contribution of around \$17.3 billion, equivalent to around 1.2 per cent of Gross Domestic Product in 2011.¹ In the same year the nation's airport precinct activities (both aeronautical and non-aeronautical) contributed around \$14.1 billion in value added and about 108 300 full-time equivalent (FTE) workers.² With few exceptions, most of the aviation industry forms part of Australia's air transport sector, which contributed around \$6.9 billion to the national economy and about 56 500 jobs.³

In 2012, Australia's tourism industry was estimated to contribute \$34.6 billion and employ around 400 000 FTE workers, with airport connections vital in supporting the sector.⁴ In 2010–11, exported freight accounted for just over 40 per cent of the total cargo carried with a value of

¹ Deloitte Access Economics for Australian Airports Association, *Connecting Australia*, 2012, p.ii.

² *Ibid.*, p.iv.

³ *Australian Bureau of Statistics Estimates 2012* quoted in *Connecting Australia*, Deloitte Access Economics for Australian Airports Association, 2012, p.iv.

⁴ Deloitte Access Economics for Australian Airports Association, *op.cit.*, ps. ii and iv.

\$38 billion, while \$63 billion worth of air freight imports arrived in Australia during this period.⁵ In 2011–12, Queensland’s exported air freight by port of loading was valued at \$1.5 billion.⁶

The Australian Government, through the Civil Aviation Safety Authority (CASA), is primarily responsible for regulating airports. Airspace management is handled by Airservices Australia and economic regulation matters are managed by the Australian Competition and Consumer Commission. State and local government agencies are responsible for a range of regulatory aspects affecting airport activity such as environmental controls and town planning.

Airports of economic significance

Of Queensland’s 191 airports, there are 40 metropolitan and regional airports which have strategic significance for economic growth (see Map 1 and Table 1). These airports link Queensland industries to workforces and national and international supply chains, markets and customers. They have been identified based on a threshold of activity in functions that are integral to the state’s economy, such as the volume of aircraft and passenger movements, and hosting of aerospace activities such as maintenance and training for fixed and rotary wing aircrafts, both civil and military.

Airports of strategic significance include:

- Alpha
- Amberley
- Archerfield
- Brisbane
- Bundaberg
- Caboolture
- Cairns
- Charleville
- Chinchilla
- Clermont
- Cloncurry
- Emerald
- Gladstone
- Gold Coast
- Gympie
- Hamilton Island
- Hervey Bay
- Horn Island
- Kingaroy
- Longreach
- Mackay
- Mareeba
- Miles
- Moranbah
- Mount Isa
- Oakey
- Redcliffe
- Rockhampton
- Roma
- Scherger
- Sunshine Coast—
Maroochydore (includes
Caloundra and Teewah)
- Blackall
- Taroom
- Biloela (Thangool)
- Toowoomba
- Townsville
- Wandoan
- Watts Bridge
- Weipa
- Whitsunday Coast
(Proserpine)

These airports are catalysts for growth not only in Queensland’s major industries of resources, tourism, construction and agriculture, but also associated industries such as aviation training and maintenance, repair and overhaul facilities. They also provide a source of employment in many cities and regional communities.

⁵ Deloitte Access Economics for Australian Airports Association, op.cit., p.ii.

⁶ <http://abs.gov.au/ausstats/abs@.nsf/mf/5372.0.55.001>

New airports are proposed in central and southern Queensland, mostly to support growth in the resources sector, including Toowoomba and mine sites in the Galilee Basin. These airports will also play important economic roles in the future.

2. Economic trends and challenges

There is a range of domestic and international economic trends and challenges that will impact on the growth of Queensland's airports and inform the Queensland Government's actions.

Resource sector's demand for flights to peak then moderate

In recent years, Queensland's economic growth has been driven by strong resource industry investment. This has led to a rapid increase in passenger movements to airports servicing the industry. These airports include Gladstone, Emerald, Cloncurry, Mackay, Moranbah, Whitsunday Coast, Roma and, more recently, Cairns.

As resource sector investment levels out and the construction phase of major projects gives way to production we will see changing patterns of demand in mining communities and regional markets in general.⁷ The emergence of a globally significant resources region in the Galilee Basin will however provide additional demand for air services. In this case, to ensure investment is efficient and delivers the best regional development outcomes, the Queensland Government encourages proponents and airport operators to collaborate on expansion projects.

Tourism markets are diversifying with a rise in tourists from China

The continuing rise of the middle-class throughout Asia is predicted to increase Asian consumer demand for high-value services such as tourism and education—two services in which Queensland is internationally competitive and which involve high levels of air traffic.

Queensland, as a preferred destination in Australia, is positioned to be one of the biggest beneficiaries of Australia's 2013 forecast average growth in international tourism for the next 10 years at approximately 3.5 per cent annually.⁸ While China remains Queensland's second largest international visitor market overall, it was the largest source of international holiday visitors to Queensland in 2012.⁹ The annual number of visitors from the United States and Japan was up 8 per cent and 7 per cent respectively in 2012.¹⁰ It is anticipated, however, that competition from other countries for Chinese tourism spend will be strong in the coming years.

⁷ IBIS World Industry Report 16403, *Non scheduled air and space transport in Australia*, June 2012, p.5.

⁸ Tourism Forecasting Committee, Australian Department of Resources, Energy and Tourism, Tourism Research Australia, *Forecast Issue 1 2013*, April 2013.

⁹ The Honourable Jann Stuckey MP, Minister for Tourism, Major Events, Small Business and the Commonwealth Games, *Resurgence of international visitors continues*, Media Release, 6 March 2013.

¹⁰ The Honourable Jann Stuckey MP, Minister for Tourism, Major Events, Small Business and the Commonwealth Games, *Resurgence of international visitors continues*, Media Release, 6 March 2013.

The Queensland Government's commitment to supercharging the tourism sector includes setting a \$30 billion overnight visitor expenditure target by 2020. A strong and vibrant aviation sector, efficient and customer-focused airports, and solid on-bound transport connections will be vital in achieving this ambition.

The introduction of a low cost terminal, one of the first in the Asia-Pacific region, has benefited the Gold Coast Airport. The airport's low cost model provides residents and visitors with access to competitive airfares and access to Australia's major capital cities and key destinations in Asia and further afield.¹¹ The Gold Coast Airport has become one of the busiest and fastest growing airports in Australia with over five million passengers passing through the airport in 2011.¹² It will be a strong contributor to the regional and state economies in 2018 when the city hosts the Commonwealth Games.

New airport infrastructure will create opportunities for economic growth

Large-scale investments in airports are anticipated over the next two decades, particularly in Brisbane, Townsville, Gold Coast, Sunshine Coast, Mount Isa, Cairns, and Mackay airports—creating significant opportunities for these airports to strengthen their contribution to the state's economic development.

For regional airports, the development of modern turboprop aircraft, which are larger (most are over 50 seats), pressurised and more fuel-efficient, is contributing to the shift toward greater hubbing of air routes. The size and weight of these aircraft will impact on the infrastructure and maintenance requirements for affected regional airports in the long-term.¹³

This creates opportunities for Queensland's construction industry, particularly as major resource sector projects currently under construction move into the production phase. Investment in new airport infrastructure, such as passenger terminals or runways, will help Queensland maintain the highly-skilled construction workforce developed during the resources boom. New airport infrastructure will, in particular, be needed to support the development of the Galilee Basin, and to further develop the more established Bowen and Surat basins and North West Minerals Province.

Airports are increasingly hubs for business precincts

Airports with large areas of available adjacent land have become part of multi-modal transport hubs, meeting the demand for more globalised business supply chains. In particular, these hubs

¹¹ Deloitte Access Economics for Australian Airports Association, op.cit, p.14.

¹² Ibid., p.4.

¹³ Ibid., p.62.

service the growth in air freight of high-value, low-density products and perishable goods.¹⁴ The projected annual average growth rate for total freight movements (domestic and international) at international and capital city airports is 2.9 per cent from 2011 to 2025.¹⁵

The increasing trend to develop commercial business precincts on or near airports to capitalise on the need for air service accessibility will benefit a number of regions. This will especially advantage Brisbane Airport which has mixed light industrial activity and commercial offices in its precinct and retail activity both at the terminal and in the broader complex.¹⁶ Other high-value sectors, including research and development (e.g. biotechnology), financial services and information and communication technology are increasingly relying on aviation to support service exports and business-to-business connections.

New opportunities for airports of military significance

The emergence of the Indo-Pacific arc extending from India, through South-East Asia and into Northeast Asia, is of strategic significance to Australia. The Australian Defence Force must be prepared to carry out operations ranging from joint operations and peacekeeping to humanitarian assistance and evacuation. Border protection and disaster response for extreme events are national tasks that are likely to boost the role of airports of military significance in the economic development of the state.

There are a small number of airports of military importance located in Queensland, particularly in North Queensland. Increased use of military infrastructure creates opportunities to diversify the economies of the region which, in many cases, are traditionally focused on a small number of industries.



Demand for air training is growing

Air training is expected to grow as a share of industry revenue from 2012–17 with strong demand for pilot training services outpacing the demand from other industry activities.¹⁷ This trend should strengthen the contribution of Queensland airports that focus on air training, such as Brisbane, Archerfield, Cairns and the Sunshine Coast airports.

¹⁴ Ibid., p.35.

¹⁵ Ibid., p.57.

¹⁶ Ibid., p.32.

¹⁷ IBIS World Industry Report 16403, *Non scheduled air and space transport in Australia*, June 2012, p.13

3. Contribution to the Queensland economy

Industry development—the four pillars

Resources

Queensland airports are essential for continued growth in the resource development sector. A substantial proportion of the resource sector’s workforce operates on a fly-in fly-out (FIFO) basis. FIFO passenger traffic continues to grow, flying mainly between Brisbane and other Queensland locations, such as Emerald, Moranbah, Gladstone and Whitsunday Coast. More recently, the benefits of the resources boom have spread to places such as Cairns and Wide Bay, with opportunities for workers in these communities underpinned by regular airport services.

With mining contributing 11 per cent of Gross State Product, it is essential that FIFO workers are able to access regular, efficient flights. Airport infrastructure that supports the movement of this workforce is vital to the success of existing and future resource projects and associated industries.



In Central Queensland alone, resource sector spending of \$4.4 billion in 2010–11 in the four Central Queensland local government areas delivered over 55 000 jobs—half the region’s employment.¹⁸ There are currently five declared coordinated projects proposed in the Galilee Basin with four projects located in close proximity to the small town of Alpha (population approximately 400) west of Emerald. These projects could create more than 21 000 jobs during the construction phase of the projects and 11 000 long-term operational jobs.¹⁹ Should they

¹⁸ Queensland Resources Council, *Statutory regional plans key to state’s future* Media Release, 24 July 2012.

¹⁹ Queensland Government Submission to the Commonwealth House of Representatives Standing Committee on Regional Australia Inquiry into the use of “FIFO and drive-in, drive-out” workforce practices in regional Australia, October 2011, p.8.

proceed, these projects will require a significant number of non-resident workers and new airport infrastructure.

Tourism

Airports are a key driver of the tourism industry with 99 per cent of tourists arriving in Australia by air. Expenditure by tourists forms a major part of the economic impact of tourism and is partly attributable to the existence of an airport. By improving access to particular destinations, airports further support activity in tourism segments such as long-haul tourism, short domestic breaks, hospitality, conference and exhibition centres and visitor attractions.²⁰

Queensland's tourism industry attracts over 20.3 million domestic and international overnight visitors annually and in 2010–11 contributed \$8.4 billion or 3.1 per cent to Queensland's Gross State Product.²¹ International passenger movements at Brisbane, Gold Coast and Cairns airports increased from 4.8 million to 5.75 million between the year ending December 2007 and the year ending December 2012.²²

Queensland is seeing ongoing growth in international flights from emerging markets in China, South-East Asia and the Middle East.



²⁰ Deloitte Access Economics for Australian Airports Association, *op.cit.*, ps. 35 and 39.

²¹ Queensland Government, *Destination Q Blueprint 2012-2015*, p.4.

²² http://www.bitre.gov.au/publications/ongoing/airport_traffic_data.aspx

Construction

Brisbane Airport has the largest expansion plans by value and scope. The Brisbane Airport Corporation has committed \$4.2 billion toward a 20-year infrastructure program. A \$1.3 billion project to construct a 3.3 kilometre parallel runway at Brisbane airport by 2020 is underway. Approximately \$60 million worth of first-phase site works commenced in August 2012 and was completed by June 2013. The additional runway is forecast to boost the state's economy by \$5 billion a year by 2035.

Other major expansion projects have included the Gold Coast Airport's terminal expansion (\$100 million), Alpha Airport's runway extension and widening and associated works (\$43 million), Townsville Airport's terminal upgrade (\$30 million), and the Roma Airport upgrade (\$14 million).

In addition, the Cairns Airport Land Use Plan has been approved. This provides for a 20-year, \$1 billion redevelopment of the Cairns Airport that will allow long-term growth of core airport activities, such as international, domestic, regional and general aviation, engineering and maintenance facilities, freight and logistics, and training facilities. The plan recognises the Cairns Airport's role as a centre of economic activity for Far North Queensland, generating jobs and helping to diversify the employment market.²³

Significant airport expansion plans suggest projections for economic growth in the region are strong. Expansion plans often include a focus on industrial development comprising transport, logistics and trade. The expansion of Queensland's airports provides opportunities for growth in the state's construction industry.

Agriculture

The major contribution made by airports to the agricultural industry is through the transport of high-value and time-sensitive products, which has led to a greater number of freight-forwarding firms locating on or near airports.²⁵ For instance, live fish, marine products, and fruit and vegetables exported from Cairns Airport contributed approximately \$94 million to the regional economy in 2010–11.²⁶

This is part of the broader growth in the freight and trade sector. Air transportation is important to the high-value sectors as it connects businesses, markets and the promotion of research and development.²⁷ Additionally, the growth in household internet shopping has increased the demand for light package delivery.²⁸ Brisbane, Cairns and Townsville airports recorded significant

²³ Honourable Jeff Seeney, Deputy Premier and Minister for State Development, Infrastructure and Planning, *Cairns Airport Land Use Plan cleared for take-off*, Media Release, 27 March, 2013.

²⁵ Deloitte Access Economics for Australian Airports Association, *op.cit.*, p.35.

²⁶ North Queensland Airports, *Cairns Airport Land Use Plan*, 2012, p11.

²⁷ Deloitte Access Economics for Australian Airports Association, *op.cit.*, p.39.

²⁸ Deloitte Access Economics for Australian Airports Association, *Ibid.*, p.39.

overseas export of merchandise goods by value in 2011–12. Similar trends have been seen at Gladstone, Mackay and Bundaberg airports in recent years.

Industry development—aviation and aerospace industries

Maintenance, repair and overhaul

The airports currently supporting the highest presence of maintenance, repair and overhaul (MRO) companies are Brisbane, Cairns, Townsville, Redcliffe, Archerfield and Toowoomba. Currently the Asia-Pacific region captures about 17 per cent of the global MRO market.²⁹ Over the past 10 years significant MRO facilities have been attracted to Queensland generating over \$100 million in capital expenditure and over 2000 jobs.³⁰ This has included the consolidation of the Qantas heavy maintenance facility at Brisbane Airport.³¹

Brisbane Airport is home to two maintenance bases for Virgin Australia, a state-of-the-art Qantas heavy maintenance precinct, and Alliance Airlines also operates significant maintenance facilities at Brisbane Airport for F100 aircrafts. The flexibility afforded from 24/7 operations at Brisbane airport has allowed the airlines to undertake overnight maintenance as required.^{32 33}

Far North Queensland has a growing aviation sector focussed on MRO and aviation training. There is an opportunity for the region to position itself as an MRO hub for aircraft, particularly in the 30–72 seat aircraft market as Cairns Airport has the only recognised service facility for Bombardier’s Dash 8 Q-series aircraft in the southern hemisphere. It also boasts the largest avionics facility in Australia. Townsville Airport also has dynamic general aviation maintenance activities.



²⁹ <http://centreforaviation.com/profiles/hot-issues/mro---maintenance-repair--overhaul>

³⁰ Invest Queensland, Queensland Government, *Aviation and Aerospace*, 2013, p.6.

³¹ Australian Aviation, *Tipping Point – Challenges aplenty for Australia’s MRO industry*, April 2013, p.60.

³² Deloitte Access Economics for Australian Airports Association, *op.cit.*, p.32.

³³ Invest Queensland, Queensland Government, *op.cit.*, p.5.

Defence

Defence industries in Queensland have an estimated annual revenue of \$1.9 billion. Defence plays a significant role in the operations of a number of airports in the state. Brisbane, Townsville, Amberley and Oakey airports are home to key defence activities in Queensland. Global defence contractors Boeing, Airbus Military, Raytheon, Northrop Grumman, Sikorsky Helitech, BAE Systems, TAE (Tasman Aviation Enterprises), GE Aviation and Vector Aerospace all have operations on, or are clustered around, these airports.

Defence activity continues to grow in line with the relocation of assets into Queensland and the increased demand for training for both the Australian Defence Forces and allies including the United States and Singapore. Recent renewal of bilateral treaty level agreements with Singapore will see the Republic of Singapore Air Force (RSAF) continue helicopter training at Oakey Airport.



The RAAF base Amberley is one of the Australian Defence Force's largest bases. Its primary role is to provide a home-base and support for the Precision Strike element of the Air Combat Group, the F/A-18F Super Hornet aircraft. It also supports elements of the Strategic Airlift Capability with the introduction of the five Airbus A330 Multi-Role Tanker Transport (MRTT) and C-17 Heavy Lift Aircraft.³⁴ Further growth will occur at Amberley by the end of the decade with the relocation of the C-130 fleet from Richmond, the C-27J fleet and establishing P-8 deeper maintenance support.

³⁴ <http://www.dsdip.qld.gov.au/air/economic-development/air.html>

Transport

Passenger traffic reflects levels of economic development, demographics, business activity and tourism.³⁵ The highest numbers of domestic regular passenger transport movements for 2011–12 were recorded at Brisbane, Gold Coast, Cairns, Townsville and Mackay airports. In this time period Brisbane Airport recorded 16.51 million movements.

Domestic passenger movement through Brisbane, Gold Coast, Cairns and Townsville airports is forecast to grow between 3.6 and 4.1 per cent per annum until 2030–2031.³⁶

Queensland is pursuing a cumulative average annual growth rate in domestic capacity of 5 per cent per annum between the years ending 30 June 2013 to 20 June 2016.³⁷ Annual passenger numbers are tipped to reach 45 million by 2030.

Training and skills

Air training is a significant service segment of the aviation industry and Queensland is at the forefront of the aviation training industry. The Sunshine Coast Airport has the highest number of training providers with eight companies providing training services at the airport. This is followed by the Gold Coast and Archerfield airports with four companies each.

Brisbane, Amberley, Cairns and Sunshine Coast all host type-specific pilot training simulators, as well as companies providing aircraft maintenance training to local and overseas students.

The Sunshine Coast Airport has dedicated facilities for helicopters, with a mix of companies providing flight training, maintenance and corporate charter services. These companies also contribute to local tourism offering scenic flights from the airport.³⁸

Becker Helicopter Services (BHS) at the Sunshine Coast Airport is the first civilian helicopter training academy in Australia to offer an international helicopter licence and this has been critical in securing multimillion dollar contracts. BHS trains more helicopter pilots per year than the Australian Defence Force and the internationally recognised facility turned over about \$20 million in 2012–13.

³⁵ James Cherry, President and CEO Aeroports de Montreal, *The Economic Importance of Airports*, powerpoint, 2006, http://legacy.icao.int/DevelopmentForum/Forum_o6/Presentations/Cherry.pdf

³⁶ Bureau of Infrastructure, Transport and Regional Economics (BITRE), Australian Government, *Air passenger movements through capital and non-capital city airports to 2030-31*, Nov 2012, ps. 5 and 7.

³⁷ Queensland Government and Tourism Queensland. *Queensland Tourism Aviation Blueprint to 2016 Discussion Paper*, 2013 p 25.

³⁸ http://en.wikipedia.org/wiki/Caloundra_Airport

Industrial precincts

Industrial precincts are adjacent to 12 airports. Airports with strong connections to domestic and international markets have the potential to attract businesses to locate at, or within close proximity to them. Industries that need air services to conduct their operations improve their efficiency when located near airport networks, while sectors with a trade element also benefit from proximity to airports. These advantages are evidenced in the broader ‘off-airport’ precincts around major airport facilities.³⁹

Technical innovation

A small number of airports such as Watts Bridge is able to accommodate unmanned aircraft systems (UAS). The Asia-Pacific region is forecast to represent the second largest UAS market after the United States. More than 30 per cent of Australia’s growing UAS industry is located in Queensland.⁴⁰ Innovative technologies, including UAS, contribute to the state’s economic prosperity.



Image courtesy of Insitu Pacific

³⁹ Deloitte Access Economics for Australian Airports, op.cit., p.35.

⁴⁰ Invest Queensland, Queensland Government, op.cit., p.3.

Employment

Employment at airports is a significant contributor to economic growth at a national and state level. In 2011, national employment at airports was estimated at approximately 115 200 FTE workers.⁴¹ Furthermore, on average across 10 selected major airport sites (including Brisbane, Gold Coast, Cairns and Townsville) there were 580 people employed onsite for every million annual passengers.

In recent years, airports have been amongst the most important job growth hubs in Australian cities. Between 2006 and 2011, employment growth was particularly pronounced at Brisbane Airport which added 3900 jobs.⁴² Approximately 420 businesses and nearly 17 000 people work on Brisbane Airport every day and this is forecast to increase to 50 000 people by 2029.⁴³

It is estimated that 37 of the strategic economic airports identified, employed 20 812 FTE workers in 2011–12⁴⁴. Continued growth in airport infrastructure should increase passenger movements and support employment growth at Queensland's airports.

⁴¹ Deloitte Access Economics for Australian Airports Association op.cit., p.ii.

⁴² http://www.bitre.gov.au/publications/2013/files/is_046.pdf

⁴³ <http://www.australiatradecoast.com.au/our-partners/brisbane-airport-corporation-pty-limited>

⁴⁴ Excludes the defence airports of Oakey, Amberley.

4. Government action

Strategic principles for future action

The Queensland Government will ensure:

- airports are protected from incompatible development to guarantee the long-term viability of their operations and prevent encroachment on airport land
- state government approval processes and regulatory frameworks do not impose undue costs or burdens on airport growth and operations
- airports are supported in progressing appropriate development plans
- key transport corridors linking airports to the broader transport network are protected
- greater collaboration among airports is supported to enhance the state's competitiveness and better influence Australian Government policies.

In line with these principles, this statement identifies priority actions where the Queensland Government can help increase the contribution of airports to the economic development of the state.

Priority actions

The Queensland Government will assist in optimising strategic airports' contribution to economic development by:

Airport development

- providing advice, and where necessary, case management to airport owners, managers and operators around airport master planning, approval processes and expansion projects
- developing consistent and evidence-based vegetation management policies and processes on land on, or nearby, airports to enable growth
- developing tenure arrangements for state reserve leasehold land on, and nearby, airports that support economic development
- working with local councils to address blockages to growth and ensuring effective co-existence with local communities and industries
- working to remove any obstacles to the growth of passenger traffic in ways that do not restrict the future growth prospects of general aviation and training providers

- encouraging airports to operate more effectively as a network by building on their strengths, particularly in areas where they undertake complementary activities, to deliver better coordinated and more efficient use of airports
- participating in forums including the Brisbane Airport Area Round Table to provide advice on state government initiatives and increase awareness of airport development plans
- providing local governments, airport owners and operators with advice on relevant state government funding programs including Royalties for the Regions that may support airport development.

Industry development

- working with airport owners and operators to ensure airport precincts are business ready by streamlining planning, assessment and approval processes and by encouraging and assisting airports to develop strong connections to domestic and international markets
- facilitating planning approval processes, consistent with the State Planning Policy, to accelerate the development of maintenance, aviation industry and passenger infrastructure
- working with transport service providers and the private sector to ensure airports are serviced by effective supply chains and, where appropriate, are part of integrated multimodal transport hubs
- collaborating with airports to develop and expand aviation-related industries.

5. Case studies of current activity

Cairns

In March 2013, following extensive engagement between the government, Cairns Airport and Cairns Regional Council, the Deputy Premier and Minister for State Development, Infrastructure and Planning, Jeff Seeney MP approved the Cairns Airport Land Use Plan—thereby moving forward a 20-year, \$1 billion redevelopment of the Cairns Airport. This approval followed successful resolution of a number of planning and environmental issues.

Mackay

Mackay Airport is located close to the centre of Mackay city and adjacent to some of the region's busiest roads. The Department of State Development, Infrastructure and Planning is assisting both Mackay Airport and Mackay Regional Council in solving infrastructure and planning issues necessary to allow future growth on the airport at the same time as efficient movement of traffic in this fast growing region.

Sunshine Coast

The Sunshine Coast Airport is a major source of tourist traffic and has now entered the FIFO market. The state government has been assisting with the expansion phase of the Sunshine Coast Airport (Maroochydore) by facilitating planning and approval processes to accelerate the development of maintenance and passenger infrastructure. It is assisting in overcoming vegetation management issues and freeing up state-owned land for flexible use on the airport's footprint. The positive outcome at Sunshine Coast Airport in relation to vegetation management was achieved by changing state planning regulations relating to public transport infrastructure.

The state government has also been working with major stakeholders as part of a whole-of-government process to identify solutions to current issues constraining the future growth of the helicopter sector on the Sunshine Coast. It will continue working with Sunshine Coast Airport business development staff to attract anchor tenant companies from interstate and internationally.

Archerfield

Archerfield Airport has the largest number of general aviation movements and the largest number of flying schools of all Queensland airports. Queensland Government officers have been working with the Archerfield Airport Corporation on how the government can remove any obstacles to the growth of passenger traffic in ways that do not restrict the future growth prospects of the existing general aviation and training providers. The state government is supporting the airport's expansion plans for training activities and possible student accommodation.

Gold Coast

The Gold Coast Airport completed a major investment in its terminal in 2010 that has allowed the airport to become one of the busiest and fastest growing airports in Australia. The Queensland Government is supporting the City of Gold Coast and the airport's economic development team's aspirations for the region's employees to use the Gold Coast Airport to fly to mining sites in regional Queensland.

Toowoomba

The Toowoomba-based Wagner Group is developing a \$100 million plus Brisbane West Wellcamp airport in the city's western outskirts that is due for completion in late 2014. It is designed as a gateway for FIFO workers and charter services from the mining and gas regions of the Surat, Galilee and Bowen basins. The facility's greenfield size and expansion may generate other opportunities for mainstream aviation, passenger activity and industrial development on nearby land.⁴⁵ The Wagner Group joined other participants on the Queensland Government stand at the Avalon International Air Show in Victoria in February 2013, which provided an opportunity for the company to promote its development to Federal regulatory authorities and showcase its plans to the industry.

Cloncurry

Cloncurry is a key centre in the North West Minerals Province. The Cloncurry Regional Airport is an ageing facility, first constructed during the early 1940s. In the last four years, the airport has seen passenger growth of 128 per cent, with 94 per cent of passengers in 2012–13 being FIFO workers. Passenger numbers are forecast to reach 100 000 over the next two years and Virgin Australia has recently announced that they will commence twice weekly non-stop flights between Cloncurry and Brisbane using Embraer E190 jets from November 2013.

To help meet this demand for growth the Queensland Government will commit \$500 000 from the Royalties for the Regions program towards a \$3.6 million upgrade of the airport terminal and apron.

⁴⁵ The Courier Mail, *High-flying family build own airport in Toowoomba*, 11 March 2013.

Map 1: Queensland airports of economic significance

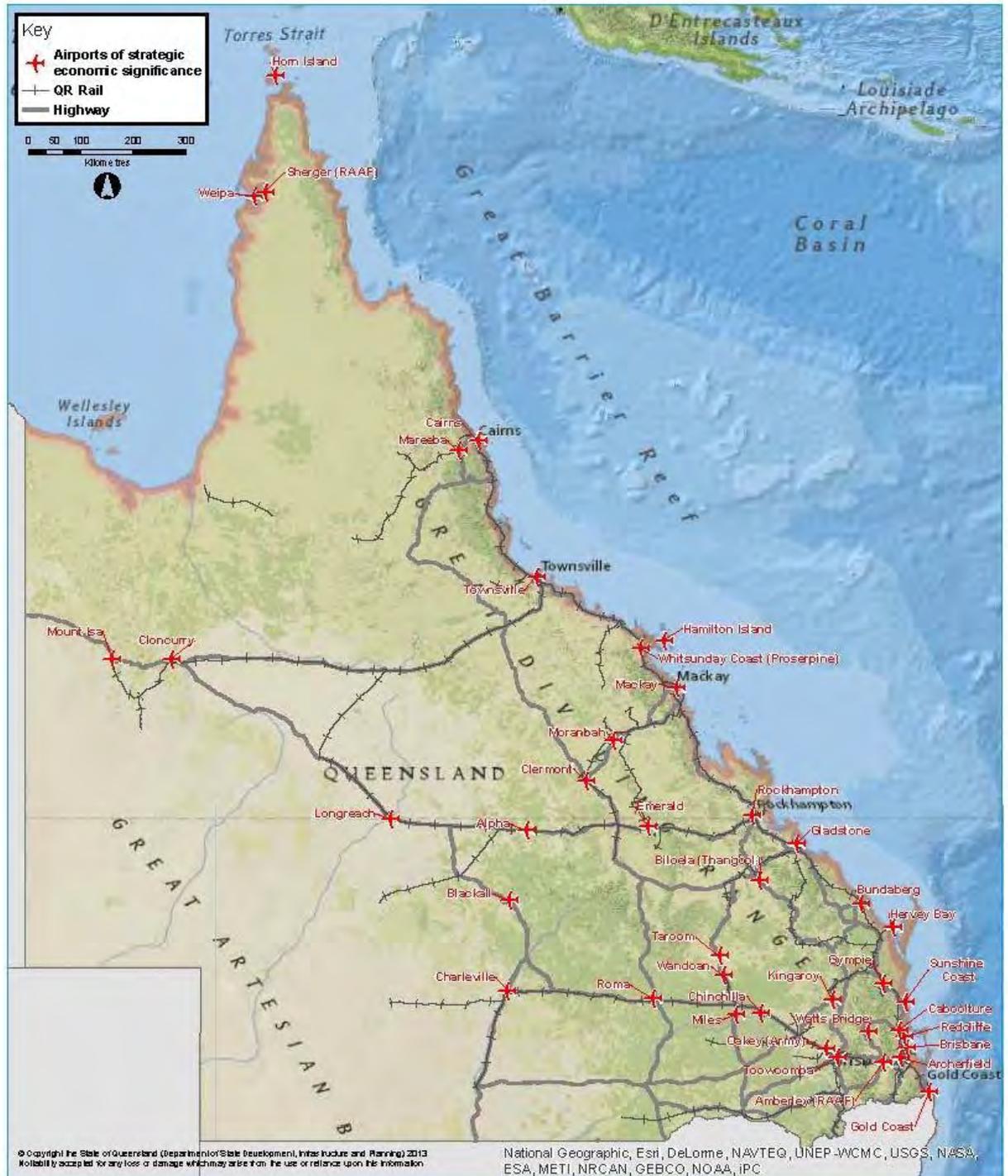


Table 1: Queensland airports of economic significance and their functions

Airport	Function													
	Passenger movements	Aircraft movements	FIFO: vpoint of departure (v) receiving airports near committed projects	Military significance	Tourism	Freight	Maintenance, repair and overhaul	Training and skills	Employment	Helicopters	Industrial precinct	Significant airport expansion	Other specialised activities	State Planning Policy
Alpha			(v)*									v**		
Amberley				v										v
Archerfield		v					v	v		v	v	v		v
Biloela (Thangool)												v		
Blackall												v**		
Brisbane	v	v	v	v	v	v	v	v	v		v	v	v	v
Bundaberg	v										v	v	v	v
Caboolture											v	v**		
Cairns	v	v	v		v	v	v	v			v	v		v
Charleville					v									
Chinchilla			(v)*											
Clermont			(v)*											
Cloncurry			(v)								v			
Emerald	v		(v)								v			v
Gladstone	v		(v)		v						v	v		v
Gold Coast	v	v			v			v		v	v	v		v
Gympie								v						
Hamilton Island	v				v					v				v
Hervey Bay	v				v						v			v
Horn Island	v													v
Kingaroy													v	
Longreach				v+	v						v			v
Mackay	v		v		v						v			v
Mareeba		v									v	v		v
Miles			(v)*									v		
Moranbah	v		(v)									v		v
Mount Isa	v		(v)		v						v	v		v
Oakey				v										v
Whitsunday Coast (Proserpine)	v				v							v		v
Redcliffe							v	v				v**		
Rockhampton	v	v		v+	v							v		v
Roma	v		(v)									v		v
Scherger				v										v
Sunshine Coast– Maroochydore (includes Caloundra and Teewah)	v				v			v		v		v		v
Taroom			(v)*									v**		
Toowoomba							v	v			v	v**		v
Townsville	v	v	v	v	v	v	v				v	v		v
Wandoan			(v)*											
Watts Bridge													v	
Weipa														v

(v)* Based on projected value of projects within 200 kilometres should they be approved. v** Dependent on either approval of land use plan, master plan or resource project. v+ Rockhampton airport is included due to its importance in defence services activity especially relating to the use in the Shoalwater training area with Longreach airport included due to its important role associated with the Jindalee Operational Radar Network.



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