AUSTRALIAN AIRPORTS
DRIVING TOURISM GROWTH

With 9 million international arrivals to Australia each year, the international tourism market is a significant driver of our economy. Airports recognise the importance of the tourism sector and are investing to deliver new services, new routes and new airlines to the market. Their collaboration with government, airlines and tourism agencies is an essential part of our collective growth and success.

DRIVING ECONOMIC GROWTH
In 2016-17 Australian airports added:

- $34.6 billion in economic activity
- $32.3 billion in tourism activity

CREATING JOBS
Australian airports supported the creation of:

- 206,400 airport precinct jobs
- 339,700 facilitated tourism industry jobs

SUPPORTING INTERNATIONAL CAPACITY GROWTH

- 5.3% international passenger growth in 2017
- 1.2 million additional inbound international seats in March 2018, compared to the prior year
Australian airports welcome **97 per cent of international tourists** to Australia and are the first and last impression for many visitors. Our major airports are a particularly important part of the international visitor economy, with the country’s seven largest airports accounting for 99 per cent of international air passenger traffic. Direct services positively impact local tourism markets, and Australian airports work closely with their stakeholders to attract and retain new services to support these outcomes.

### AIRPORTS SUPPORT THE GENERATION OF $32.3 BILLION IN TOURISM ACTIVITY EACH YEAR

**INTERNATIONAL**
Supporting a vibrant international visitor economy to facilitate:

<table>
<thead>
<tr>
<th>Economic Contribution</th>
<th>Number of Jobs</th>
<th>Number of International Tourist Trips</th>
</tr>
</thead>
<tbody>
<tr>
<td>$21.6 billion</td>
<td>218,500</td>
<td>8 million</td>
</tr>
</tbody>
</table>

**DOMESTIC**
Connecting our domestic tourism market to support:

<table>
<thead>
<tr>
<th>Economic Contribution</th>
<th>Number of Jobs</th>
<th>Contributes to Regional Tourism Initiatives Across the Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10.6 billion</td>
<td>121,200</td>
<td></td>
</tr>
</tbody>
</table>
International visitors inject billions into our economy each year. In the 12 months to March 2018, Tourism Australia confirmed a total international visitor spend of $42.3 billion, up 6 per cent on the prior year. Research conducted by Deloitte Access Economics for the AAA has found international visitors spend across a range of industries, benefiting a wide range of Australian businesses.
## AIRPORTS WORK TOGETHER WITH TOURISM PARTNERS TO DRIVE GROWTH

Airports play a key role in supporting tourism growth, working together with their partners to identify new markets and support increased capacity. Airports do this in a range of ways.

### INVESTMENT
Airports invest to support airline efficiency and larger aircraft, and facilitate more passengers. Three quarters of airport investment over the next 10 years is expected to be on aeronautical improvements. This will enable competition between international carriers to keep airfares low.

### CUSTOMER EXPERIENCE
Airports offer tailored services, facilities and experiences to meet the needs of a wide range of tourism markets. They are investing in technology to make the passenger experience easy and seamless, from the time tourists first arrive to the time they depart.

### TRADE DELEGATIONS AND BUSINESS DEVELOPMENT
Airports travel to target markets to showcase Australia’s destination appeal. They promote their airports and their cities when engaging with airlines from around the world, making the case for establishing new and more frequent services, as well as sending larger aircraft, to Australia.

### INCENTIVES
Airports offer incentives to attract new airlines and new markets. They work closely with airlines to understand their needs, and the needs of their customers.

### HOTELS
Airports provide hotel facilities to meet local tourism needs. On-airport hotels not only provide much-needed capacity in our cities, they also provide convenient accommodation for passengers with early flights, extended time between connections or tourists whose flight details have changed.

### CELEBRATING KEY EVENTS
Airports celebrate key cultural events, such as Chinese New Year, with in-terminal activations and additional staffing to meet increased demand. They partner with local cities and councils to support major events, ensuring tourists’ experience of an event begins from the moment they arrive at an airport.
INCREASING CAPACITY
Airports have invested significantly to increase capacity to support the continued growth of our visitor economy. There are four new runways under construction or planned at the moment, representing a significant investment that will dramatically boost the capability of the national network. Airports have also introduced a range of infrastructure and technological improvements to increase capacity, ranging from the development of airside infrastructure to support new, larger aircraft to the introduction of lighting and other technology that facilitates improved capability to land in adverse weather conditions. Combined, these initiatives will support the significant growth anticipated in future years.

IMPROVING EFFICIENCY
Australian airports are working in partnership with airlines to invest in projects that deliver greater efficiency and support airlines’ on time performance. Investment in gate and lounge facilities, airside infrastructure and baggage systems are among the areas of investment considered together by airports and airlines. Australia’s major airports have invested $11.5 billion in airport improvements over the last 10 years, with most of these funds delivering aeronautical improvements.

FASTER CHECK-IN
Airports have worked with airlines to introduce automated check-in and bag drop facilities that give the passenger greater control over how they move through the airport and reduce queue wait times.

IMPROVED BORDER PROCESSING TIMES
Airports have worked with border agencies to introduce SmartGates that dramatically reduce the time to process a passenger, from minutes to just seconds. This is reducing queues and improving passengers’ experience of border processing.

FACIAL RECOGNITION
Australian airports are trialling biometrics technology to allow passengers to move through airport processes without having to present their passport on each occasion. This will dramatically improve the passenger experience and offers enhanced security outcomes at the same time.

MORE ENJOYABLE TERMINAL SPACES
With extended, redeveloped or new terminals now completed or underway at a number of major Australian airports, terminal designs have been improved to meet passenger needs. Targeted retail offerings, comfortable dwell spaces and improved facilities are encouraging passengers to relax and enjoy their time at the airport ahead of their flight.

TAILORED INFORMATION
Airports have introduced a range of digital communications to allow passengers to access information in a way that best suits them. Many Australian airports have launched new, passenger focused websites, in addition to social media platforms, apps and digital displays in terminal to make it easier for passengers to find what they need.

A SEAMLESS EXPERIENCE
GROWTH FORECAST BY OUR FOUR LARGEST AIRPORTS

SYDNEY AIRPORT

- **Total 43.3 million** passengers in 2017
- **Total 65.6 million** passengers forecast in 2039
  - International
  - Domestic

- **Total 348,520 aircraft** movements in 2017
- **Total 408,260 aircraft** movements forecast in 2039

BRISBANE AIRPORT

- **Total 23.2 million** passengers in 2017
- **Total 46 million** passengers forecast in 2034
  - International
  - Domestic

- **Total 192,000 aircraft** movements in 2017
- **Total 360,000 aircraft** movements forecast in 2034

MELBOURNE AIRPORT

- **Total 35.2 million** passengers in 2017
- **Total 67.8 million** passengers forecast in 2034
  - International
  - Domestic

- **Total 239,000 aircraft** movements in 2017
- **Total 384,000 aircraft** movements forecast in 2034

PERTH AIRPORT

- **Total 34.1 million** passengers in 2017
- **Total 5.6 million** passengers forecast in 2016-17
  - International
  - Domestic

- **Total 130,111 aircraft** movements in 2017
- **Total 170,000 aircraft** movements forecast in 2029
# CASE STUDY
## SUPPORTING GROWTH FROM CHINA

<table>
<thead>
<tr>
<th>Route</th>
<th>Airline</th>
<th>Commenced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shenzhen – Brisbane</td>
<td>Hainan Airlines</td>
<td>September 2017</td>
</tr>
<tr>
<td>Qingdao – Sydney</td>
<td>Capital Airlines</td>
<td>October 2017</td>
</tr>
<tr>
<td>Shanghai – Brisbane</td>
<td>China Eastern Airlines</td>
<td>November 2017</td>
</tr>
<tr>
<td>Chongqing – Melbourne</td>
<td>Tianjin Airlines</td>
<td>November 2017</td>
</tr>
<tr>
<td>Shenzhen – Cairns</td>
<td>Hainan Airlines</td>
<td>December 2017</td>
</tr>
<tr>
<td>Beijing – Brisbane</td>
<td>Air China</td>
<td>December 2017</td>
</tr>
<tr>
<td>Hangzhou – Melbourne</td>
<td>Xiamen Airlines</td>
<td>December 2017</td>
</tr>
<tr>
<td>Zhengzhou – Melbourne</td>
<td>Jetstar</td>
<td>December 2017</td>
</tr>
<tr>
<td>Zhengzhou – Sydney</td>
<td>Tianjin Airlines</td>
<td>January 2018</td>
</tr>
<tr>
<td>Haikou – Sydney</td>
<td>Hainan Airlines</td>
<td>January 2018</td>
</tr>
<tr>
<td>Shenzhen – Darwin</td>
<td>Donghai Airlines</td>
<td>May 2018</td>
</tr>
</tbody>
</table>

NEW SERVICES FROM MAINLAND CHINA ANNOUNCED IN 2017-18

[Map showing flight routes from China to various destinations]
Australia has seen significant growth in the Chinese tourism market in recent years, boosted by the Federal Government’s open skies agreement with China in 2017. Airports have been at the forefront of attracting and retaining new air services to capitalise on this growth market. As a result, there are now seven mainland Chinese airlines operating services to Australia, in addition to domestic carriers.

**ABOUT THE CHINESE TOURISM MARKET IN AUSTRALIA***

1.4 million visitors to Australia, representing 14 per cent growth on the previous year

173 flights between China and Australia per week

30 per cent growth in inbound seats over a 12 month period

$10.9 billion spent by visitors from China in Australia, expected to rise to $13 billion by 2020

$199 per night average spend

75 per cent of passengers in the 12 months to October 2017 flew on China Southern Airlines, China Eastern Airlines or Air China

*As at 31 March 2018

**HOW AIRPORTS ARE SUPPORTING TOURISM FROM CHINA**

- Chinese language wayfinding
- Use of digital platforms such as WeChat and Baidu Maps
- Tailored retail offerings
- Mandarin speaking staff and volunteers
- Celebration of cultural events such as Chinese New Year
PROMOTING NEW AIR SERVICES

ROUTES ASIA HIGHLIGHTS
AUSTRALIAN POTENTIAL IN THE ASIA PACIFIC REGION

Securing new air services to Australian airports is often a years-long process. Australian airports are working closely with government and tourism stakeholders to identify potential new routes and make the case to international carriers to establish new services to the country.

In March 2018, Brisbane hosted the Routes Asia conference, a key route development event for the Asia Pacific region. It followed Brisbane Airport’s strongest year of international passenger growth in a decade and took place at a time when the city itself was undergoing a period of significant development.

Initial discussions about the event began in 2014. Brisbane Airport partnered with Brisbane Marketing, Tourism Events Queensland, Tourism Australia and the Brisbane Convention and Exhibition Centre to bid for Routes Asia to be hosted in the city, bringing in key corporate sector representatives to support the bid process.

The event featured a range of tours to showcase Brisbane and South East Queensland to delegates, with the aim of highlighting the potential for new services, increased capacity on existing services or shifting of services from other locations in the Asia Pacific region.

Routes Asia wasn’t just focused on international services, with delegates also discussing dispersal of international tourists to regional destinations through the domestic network. In fact, Brisbane Airport welcomed a new Virgin Australia service from Brisbane to Uluru during the event, highlighting the importance of domestic services from our capital cities to support our regions.

ABOUT ROUTES ASIA

Brisbane
March 2018

Collaboration
between Brisbane Airport, Brisbane Marketing, Tourism Events Queensland, Tourism Australia and the Brisbane Convention and Exhibition Centre

970
delegates

100
countries represented
ADELAIDE TO WELCOME THE WORLD IN 2019

The 25th annual World Routes Development Forum will be hosted in Adelaide in 2019 after a successful bid to secure the major event.

The event is expected to inject $21 million into the South Australian economy as 3000 delegates descend on the city. It is the first time the world event will be hosted in Australia, and will build on the success of Brisbane’s Routes Asia event in 2018.

World Routes will be hosted by Adelaide Airport, the South Australian Tourism Commission and Tourism Australia. It comes as Adelaide Airport completes its terminal redevelopment to increase capacity and support a more enjoyable passenger experience.

CREATING A BUSINESS CASE FOR NEW SERVICES

Airports work closely with airlines and other stakeholders to identify new routes that will offer sustainable outcomes for the airline and best support their state’s tourism market. A number of factors are assessed as part of this process.

- Data driven business cases to determine the sustainability of a new service in the local market
- Freight opportunities to maximise the use of the cargo hold on passenger services
- Trade opportunities to support business travel between the two locations
- Education opportunities to support Australia’s international education offering
An unconstrained air services sector promotes social connectedness and unlocks new tourism and trade potential for Australia. The AAA welcomes the Australian Government’s open and liberal approach to the negotiation of air services agreements. Over the next 12 months, the AAA has identified four key locations where further negotiations should be prioritised.
HONG KONG
With services by Hong Kong-designated carriers to our four largest airports already at capacity, there is strong potential for increased passenger traffic from the country under more liberalised air services agreements. New services by Australian carrier Virgin Australia were added in 2018, while existing services by Qantas and Cathay Pacific have recorded high load factors. While, inbound traffic increased 28 per cent to 305,100 passengers in the 12 months to March 2018, longer term trends show relatively flat capacity growth since traffic fell from earlier highs in 2008.

110 flights
per week

1,683,112
inbound seats

FIJI
While a new agreement saw passenger capacity increase by 10 per cent and freight capacity double in 2017, more is required. Routes between Fiji and Australia are currently at capacity, with airlines from both sides expected to be using all available seats during peak periods by the end of 2018. A new bilateral agreement would likely open up new opportunities for low cost carriers to serve the route.

56 flights
per week

533,450
inbound seats

MALAYSIA AND THE PHILIPPINES
While there remains some capacity for growth in these markets, the number of available inbound seats has fallen recently. The AAA supports further negotiations to provide greater tourism and trade opportunities with these markets.

MALAYSIA

110 flights
per week

1,683,112
inbound seats

PHILIPPINES

28 flights
per week

407,476
inbound seats

INDIA
International passenger traffic from India has already surpassed 2020 forecasts, with 318,100 visitors to Australia in the 12 months to March 2018. While a relatively small number compared to more mature markets, this represented an 18 per cent increase on the prior year.

There remains capacity within existing air services agreements with the country, with seven flights per week currently operating between Australia and India. Visitors from the country spend $1.5 billion per year in Australia.

Importantly, India is the eighth biggest source country for travellers to Australia, with many visitors currently travelling via other destinations in Asia. This highlights the potential for new direct services in the future for this underserved market.

7 flights
per week

93,184
inbound seats

FIJI
While a new agreement saw passenger capacity increase by 10 per cent and freight capacity double in 2017, more is required. Routes between Fiji and Australia are currently at capacity, with airlines from both sides expected to be using all available seats during peak periods by the end of 2018. A new bilateral agreement would likely open up new opportunities for low cost carriers to serve the route.

56 flights
per week

533,450
inbound seats
The AAA has identified a range of initiatives that would support the efficiency and sustainability of our airports, providing a more seamless and enjoyable experience for passengers. This is an essential part of the arrivals and departures experience for international visitors in particular. However, improvements that support the long-term strength of our national aviation network would also deliver benefits to our economy and communities.
PRIORITISE INVESTMENT IN TRANSPORT LINKS BETWEEN AIRPORTS AND CITY CENTRES
Collaboration between airport operators and all levels of government will best deliver transport options that meet the needs of international visitors and domestic users. The AAA has welcomed government funding commitments for airport rail links in Perth and Melbourne. When completed, Australia’s four largest airports will all be served by rail links connecting the airport to the CBD. Continued investment in our road network to meet the growing demands of our cities – in addition to increasing international visitors – is also essential.

IMPROVEMENT AND INNOVATION IN THE BORDER PROCESSING EXPERIENCE
Technology and innovation has dramatically improved many airport processes, including border processing. There are further opportunities to build on these efforts by enhancing quarantine processing through the use of technology. This will prevent quarantine becoming a bottleneck in the airport journey as other processes become faster and easier.

REDUCE BARRIERS THROUGH VISA CHARGING REFORMS
Streamlined application processes and reduced fees would modernise Australia’s visa system. The AAA would welcome continued enhancement and innovation of online processing to enhance Australia’s appeal as a tourist destination. The AAA also recommends minimising fees where possible and regular monitoring of visa charges compared to competitor destinations to ensure Australia’s fees do not become a disincentive to tourists.

SUPPORT EFFECTIVE LONG-TERM LAND USE PLANNING
Land use planning decisions in areas around airports can have a significant impact on airport operations. To ensure the long-term sustainability of our airports, the AAA recommends state governments ensure their planning frameworks align with the National Airport Safeguarding Framework (NASF), as agreed in 2012. This will ensure airports can continue to deliver on community needs for years to come.

SUPPORTING THE GROWTH OF TOURISM AUSTRALIA
Tourism Australia plays a vital role in boosting international visitor numbers. The AAA recommends the Federal Government provides necessary funding to support the growth of the agency.