

Melbourne Airport: Economic Contribution

Melbourne Airport makes a significant contribution to the Victorian and Australian economies. As a key driver of tourism and trade-based industries that supports jobs and creates economic growth, Melbourne Airport plays an important role in the lives of Victorians through job creation, and connects them with other parts of Australia and the rest of the world.

Economic activity

In 2015-16 the economic activity of businesses operating within the airport precinct contributed \$7 billion to the Victorian economy. Melbourne Airport is also a driver of economic growth across Victoria and the rest of Australia, contributing to \$20.7 billion of economic activity across Australia in 2015-16, including \$17.6 billion in Victoria. This accounted for almost seven per cent of Victoria's total economic activity.

A typical daily international flight contributes \$109.1 million to the Victorian economy and supports more than 1000 jobs per annum. A typical daily domestic service used by interstate visitors adds \$16.2 million to the state's economy. As Melbourne Airport continues to grow, so will the economic activity that it generates. By 2037-38 economic activity on the Melbourne Airport precinct is expected to increase from \$7 billion to over \$12 billion.

Employment

The airport precinct is an anchor employer that directly supports more than 20,600 full-time equivalent (FTE) jobs. It is an important employment hub for the local community, with nearly two-thirds of employees living within the seven surrounding municipalities. The most significant industries in the area include manufacturing, retail, transport and warehousing, construction and health care. Proximity to Melbourne Airport can create significant benefits for those who are involved in airport-related industries, such as the export and import of

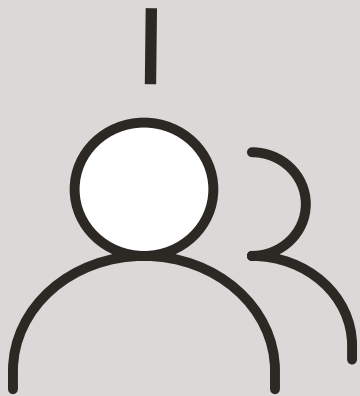
goods, while passengers travelling through Melbourne Airport support other industries in the local economy such as hospitality. More broadly, the airport directly and indirectly supports around 170,000 jobs across Australia, of which almost 150,000 are in Victoria, equivalent to around seven per cent of all jobs within the state.

This role as an important employment hub is expected to continue over the next 20 years as Melbourne Airport continues to grow. Employment within the airport precinct is projected to increase to 35,000 jobs by 2038 if a third runway is built, stronger growth compared with the projected state-wide and national averages, underscoring its economic significance. Most of this increase in jobs will support employment in the local community that surrounds the airport.

Employment benefits from construction of a third runway

During the runway construction process, an additional 130 to 180 direct construction jobs per year are expected to be created. These will be concentrated in the construction industry and primarily will be located in the zone around the airport. Once the construction is complete and the runway is operational, approximately 2000 additional jobs per year are expected to be created, which will increase over time. These jobs are expected to predominantly be in accommodation services, other construction, business services, wholesale trade and retail trade.

The economic contribution of Melbourne Airport

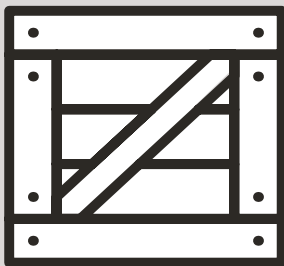


35.2 million
passengers in 2016-17

9.9m
international
passengers

25.2m
domestic
passengers

**67.8
million**
passengers
by 2038



\$16 billion
in international
freight moved through
Melbourne Airport

**\$5.5
billion**
in exports

**\$10.5
billion**
in imports

Airport precinct
economic activity

2018

\$7 billion

2038

**Over \$12
billion**

**\$20.7
billion**
contributed to
the national
economy

**\$17.6
billion**
contributed to
Victoria's
economy



**More than
20,600 jobs**
on the airport
precinct now

**35,600
jobs**

on the
airport
precinct
by 2038

Supporting
170,000
jobs across
Australia

Supporting
150,000
Victorian jobs



Melbourne Airport
facilitated
**71.9 million
visitor nights**

**\$8.9
billion**

in tourism spending
in Victoria

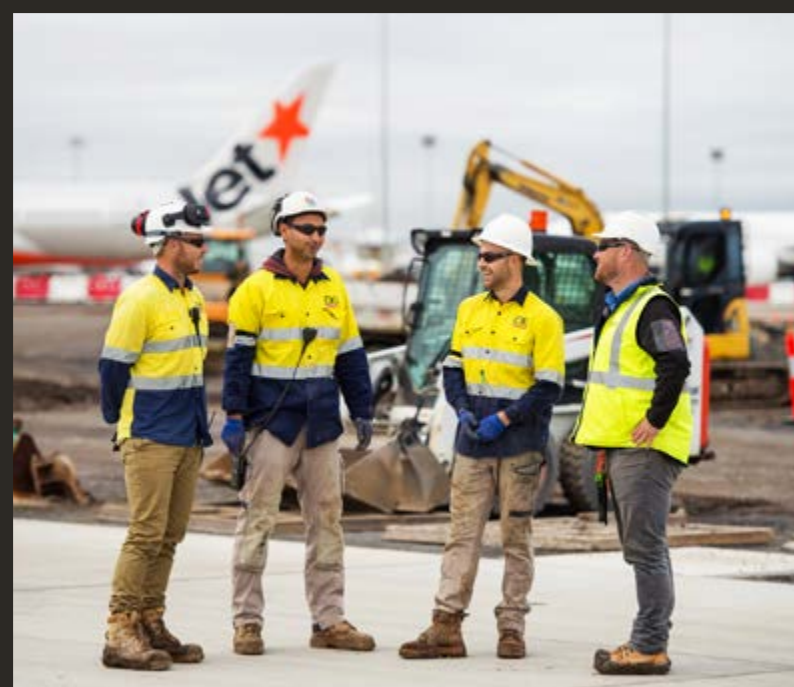


**\$109.1
million**

contributed to the Victorian
economy by a typical daily
international service per
annum

**\$16.2
million**

contributed to the Victorian
economy by a typical daily
domestic service



Melbourne Airport continues to experience strong growth in passenger numbers and freight; a Master Plan ensures the airport has the plans to manage that growth.

In Victoria the industry that experiences the greatest impact is accommodation and food services, which is expected to have an additional 1180 jobs by 2028, due to the boost to the tourism industry. Other industries that experience significant employment impacts are administrative and support services (580 jobs), construction (610) and retail trade (560). By 2028, 456 new jobs are expected to be located in the Melbourne Airport zone; by 2043, 6,904 additional jobs are expected within the Melbourne Airport zone. By 2028, accommodation and food services are expected to be the most affected industry, followed by construction. By 2043, most of the new jobs are expected to be in transport, postal and warehousing.

Tourism

Melbourne Airport is a key tourism hub for Australia, which facilitates 29 per cent of all international visitor nights to Australia and 21 per cent of total visitor expenditure across the country. During 2015-16 Melbourne Airport facilitated 71.9 million visitor nights and \$8.9 billion in tourism spending in Victoria, supporting 75,100 FTE jobs across the state and another 10,000 throughout Australia.

Tourism facilitated by Melbourne Airport is expected to continue to grow. By 2026-27 the contribution of tourism to the economy is projected to almost double, supporting an additional 40,000 Victorian jobs.

Freight

In 2016-17 Melbourne Airport handled 277,000 tonnes of international air freight worth \$16 billion, on top of 186,000 tonnes of domestic air freight. International freight tonnage at Melbourne Airport is expected to grow to 598,000 tonnes by 2037-38. Domestic freight tonnage at Melbourne Airport is forecast to grow from approximately 186,000 tonnes in 2016-17 to 303,000 tonnes in 2037-38.

Air freight that was transported through Melbourne Airport in 2015-16 facilitated \$4.3 billion in economic activity, of which \$3.7 billion was in Victoria. The movement of air freight supported more than 31,000 jobs nationally, of which more than 28,000 were in Victoria.



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