

Deloitte Access Economics

# The economic value of Sydney Airport

Sydney Airport Corporation  
Limited

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## Key findings

- Sydney Airport is among Australia's most significant pieces of transport infrastructure, facilitating the movement of more than 36 million passengers and 395,000 tonnes of international airfreight annually.
- Its role in, and contribution to, the Australia economy takes a variety of forms, including:
  - economic activity emanating from the 800 plus businesses operating on the Sydney Airport precinct
  - economic activity generated by the tourism and trade flows that airport operations facilitate
  - economic activity resulting from on-airport capital expenditure.

### Sydney Airport's total economic contribution

- The total economic contribution of the Sydney Airport precinct – that is, the economic contribution encompassing both the direct and indirect impacts – in 2012 can be summarised as follows:
  - The activities of businesses operating on the Sydney Airport precinct contributed an estimated \$9.3 billion in value-added, with associated employment of 49,930 full time equivalent (FTE)
  - The contribution of tourism and freight facilitated by the airport represented a further \$18.3 billion in value-added and generated an estimated 234,000 FTE jobs

**In aggregate, in 2012, the activities of the Sydney Airport precinct generated or facilitated a total of \$27.6 billion in value-added and 283,700 FTE jobs.**

**Relative to the economy more broadly, this represents 1.9% of Australia's gross domestic product (GDP) and, noting that some of this activity occurs outside of NSW, is equivalent to 6% of New South Wales GSP.**

### The contribution of additional activity

- The additional contribution to economic activity and employment is significant for international, domestic and regional services:
  - A typical daily international service contributes \$120 million in value-added and generates an estimated 1,500 FTE jobs on an annual basis
  - A typical daily domestic service contributes \$36 million in value-added and generates an estimated 460 FTE jobs on an annual basis
  - A typical daily regional service contributes \$5.6 million in value-added and generates an estimated 70 FTE jobs on an annual basis.
- Increases in aircraft size can also be significant:
  - The change from a B777 to an A380 contributes \$55 million in value-added and generates an estimated 700 FTE jobs on an annual basis.

**A daily A380 service from Dubai to Sydney would, on an annual basis, contribute an estimated \$342 million to Australia’s GDP and 4,400 jobs.**

### Contribution to household income and employment

- In terms of household income<sup>1</sup>, the activities of the Sydney Airport precinct generate or facilitate:
  - \$7 billion directly and \$13.2 billion in total
- In terms of labour market outcomes:
  - Employment associated with the activity of businesses operating on the Sydney Airport precinct represents 1.5% of total employment in NSW
  - Total employment generated or facilitated by Sydney Airport represents 2.8% of total Australian employment (and, noting that some of this employment occurs outside the state, is equivalent to 8.4% of NSW employment)
  - At \$82,000 per annum, the average FTE wage of an employee working on the Sydney Airport precinct is 13% higher than the NSW average for all employees

### Sydney Airport’s economic contribution in 2033

- The growth in the airport’s economic contribution over coming years will be shaped by a number of factors, including air traffic growth, growth in passenger throughput and airport development.
- Forward-looking modelling – taking account of these factors – finds that the value of economic activity generated or facilitated by the airport will increase from \$27.6 billion in 2012 to an estimated \$30.6 billion in 2017 and \$42.1 billion in 2033, with total employment growing to 315,000 FTE by 2017 and 432,000 FTE by 2033

<b>Economic contribution summary</b>	
<b>\$27.6 billion</b>	<b>The value-added generated or facilitated by Sydney Airport is equivalent to 6% of NSW GSP</b>
<b>283,700</b>	<b>The number of FTE jobs generated or facilitated by Sydney Airport is equivalent to 8.4% of NSW employment</b>
<b>\$13.2 billion</b>	<b>The economic activity generated or facilitated by Sydney Airport contributes \$13.2 billion to household incomes</b>
<b>\$82,000 per annum</b>	<b>The average FTE wage of an employee working on the Sydney Airport precinct is 13% higher than the NSW average</b>

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<sup>1</sup> Note that the household income impacts are not additive with the contribution to value-added.

# 1 Introduction and background

Sydney Airport is Australia's largest and busiest airport, functioning as a major gateway for the Australian economy. In 2011-12, it catered for 36 million passenger movements, over 290,000 aircraft movements and 395,000 tonnes of international airfreight (BITRE 2011). Sydney Airport is particularly critical to the facilitation of international travel, with around 40% of international travellers arriving at or departing from Sydney Airport.

Between now and 2030, passenger numbers at Sydney Airport are forecast to double, necessitating a range of developments and investments at, and proximate to, the airport. This includes additional investment in passenger facilitation services and in ancillary transport infrastructure.

However, this investment is not being driven solely by the volume of growth; it is also being influenced by the changing composition of travellers, changing traveller preferences and the demands of a growing on-airport aviation community. As well as investments in aviation infrastructure, the commercial development planned over the next two decades is likely to take a variety of forms, from hotel accommodation, to office space, hospitality and retail.

*The report analyses the airport's economic value to the Australian economy and models how this value is likely to grow over time, given projected growth in air traffic and expected on-airport development.*

## The economic role of Sydney Airport

In broad terms, the role that Sydney Airport plays in the Australian economy – and the social and economic contribution that it makes – comprises several elements:

- **Activity generated by businesses operating on the Sydney Airport precinct and the associated flow-ons to upstream and downstream sectors**
  - This includes the operations of ancillary aviation sectors such as catering, maintenance and fuel, as well the myriad of hospitality, retail and commercial activities taking place on the airport precinct
- **Activity generated through the trade flows facilitated by the airport**
  - This includes the 2.4 million international tourists that pass through the airport each year and the 125,000 tonnes of international air freight exports
  - The value of this activity is not attributable to Sydney Airport in the same way as the operations taking place on the airport precinct, but it is nevertheless value which is directly facilitated by the airport's operation
- **Broader social and economic dimensions**
  - Sydney Airport also plays an important role in, connecting friends and families, supporting recreation and facilitating knowledge transfer and information exchange among businesses and the community,

While the analysis presented in this report highlights Sydney Airport's social significance, the value of this dimension of the airport's economic contribution is difficult to reliably measure. The main focus of the analysis in the remainder of this report, therefore, is the first two aspects outlined above, where the economic value is both significant and quantifiable.

## Overview of the approach to this study

The analysis presented in this report is informed by industry data, including primary data sourced through a survey of businesses operating on the Sydney Airport precinct; the airport's latest air traffic forecasts and capital expenditure plans; and economic modelling using Deloitte Access Economics' in-house models.

The report's findings have also been shaped by a series of consultations with airport users and other key stakeholders, including airlines, industry associations and government agencies. These discussions provided valuable insights in relation to airport operating conditions and the nature and magnitude of expected future growth.

A detailed account of the approach and methods employed in the analysis is presented at Appendix A. Key features of the approach are summarised below:

- The modelling techniques and methods employed in the analysis are both widely used and commonly accepted as the preferred tools of economic contribution estimation
  - The primary analytical method is Input-Output analysis
- The economic envelope adopted for this study – that is, the scope of the direct impact analysis – is one consistent with convention for airport economic impact assessments, focusing on the activity taking place on the airport precinct
- No existing source of data provides a comprehensive account of the economic activity taking place on the Sydney Airport precinct. However, when combined with two existing datasets, a survey of 100 businesses provided a robust base of evidence for the analysis.

## 2 Findings and results

As the discussion above outlines, the economic contribution of a major piece of infrastructure such as Sydney Airport takes a variety of forms. In broad terms, these include the economic activity of enterprises operating on the airport precinct; the contribution of on-airport development; and the economic activity generated by the trade flows the airport generates.

### 2.1 The economic contribution of the Sydney Airport precinct

#### Direct economic contribution

Taking account of the activity generated by businesses operating on the airport precinct and that associated with airport development (i.e. the continual stream of construction-related activity), the Sydney Airport precinct directly contributed an estimated \$5.2 billion in value-added in 2012 and employed an estimated 28,030 FTE workers. At \$82,000 per annum, the average FTE wage of an employee working on the Sydney Airport precinct is 13% higher than the NSW average for all employees.

Unsurprisingly, the most significant source of employment on the airport precinct is the transport and storage sector, which accounts for around 61% of total direct employment – the largest component of this being airline staff.

The government services sector – which includes the likes of Customs, immigration, quarantine and air traffic control – was the second largest employer, with 1,650 FTE workers, or 6% of airport precinct staff. Construction; Accommodation, Cafes and Restaurants; and the Property and Business Services sector were also significant sources of on-airport employment.

#### Indirect economic contribution

When the linkages between sectors operating on the Sydney Airport precinct and the economy's other industries are taken into account, the extent of the airport's economic footprint becomes fully apparent. Indeed, the indirect impacts of the economic activity taking place on the Sydney Airport precinct contribute a further \$4.2 billion in value-added and 21,900 FTE employment positions.

In total, therefore, taking account of the direct and indirect impacts, around 49,930 FTE jobs are generated by the economic activity taking place on the Sydney Airport precinct. This represents 1.5% of total employment in NSW.

The pattern of employment across industries bears close similarities to the profile of direct employment, reflecting the fact that when industries are defined in this aggregate form, they commonly purchase intermediate inputs from their own sector. For example, the Transport and Storage Industry – broadly defined – purchases a larger proportion of inputs

from the Transport and Storage sector. That said, sectors with high levels of downstream linkage – such as Utilities and Construction – are more significant sources of indirect employment than they are direct employment.

### Airport precinct economic contribution summary

**Taking the direct and indirect impacts into account, the total economic contribution of the Sydney Airport precinct is \$9.3 billion in value-added, with associated employment of 49,930 FTE.**

## 2.2 The economic contribution of facilitated tourism and trade

### International and domestic tourism

Australia's tourism industry is heavily reliant on the aviation sector and, in particular, on Sydney Airport. More than 40% of Australia's 5.8 million international visitors arrive via Sydney, with the airport serving as Australia's major tourism infrastructure hub. International visitors arriving in Sydney spent over 58 million nights in NSW in 2011-12. At the same time, the average nightly spend by international visitors in NSW, including pre-paid package expenditure, was \$92 per night. On this basis, it can be inferred that total spend in NSW by international visitors who arrived via Sydney Airport was \$5.4 billion. When expenditure in other states and territories by visitors who arrived in Australia via Sydney Airport is taken into account, international tourism expenditure facilitated by the airport is estimated at \$8.3 billion.

An estimated 44% of domestic interstate visitors to NSW arrive by air, with these visitors spending over 12 million nights in the state annually and outlaying an average of \$167 per night. Accordingly, interstate visitors who utilise air travel as their basis for visiting NSW – the vast majority of whom arrive or depart via Sydney Airport – spend over \$2 billion in NSW annually; with this expenditure distributed across the state.

### Facilitated freight

As noted above, Sydney Airport is Australia's most significant air freight hub. In 2011, the airport facilitated the export of \$12.3 billion in products and commodities, generating export earnings for businesses operating across all parts of the nation. Among the most significant export items were medicinal and pharmaceutical products; professional, scientific and controlling instruments; office machines and telecommunication equipment; and electrical machinery, apparatus and appliances.

### Economic contribution

When input-output analysis is applied to these expenditure figures, the direct value-added contributed to the NSW and Australian economy by the tourism facilitated by Sydney Airport is estimated at \$5.1 billion in 2012. When the indirect impacts are taken into account, the total contribution of tourism facilitated by the airport is estimated at \$9.5 billion. Similarly, the direct contribution of freight exports is estimated at \$5.1 billion in

2012; or \$8.8 billion when the indirect impacts are accounted for. The associated aggregated employment represents 234,000 FTE.

## 2.3 Economic contribution summary

- The economic contribution of Sydney Airport and the economic activity it facilitates can be summarised as follows:
  - In direct terms, the Sydney Airport precinct contributes an estimated \$5.2 billion to the economy. When the indirect impacts are taken into account, this contribution increases to \$9.3 billion
  - Associated with the direct and indirect contribution of the Sydney Airport precinct is employment of 49,930 FTE – representing 1.5% of total employment in NSW
  - At \$82,000 per annum, the average FTE wage of an employee working on the Sydney Airport precinct is 13% higher than the NSW average for all employees
  - The tourism and trade exports facilitated by the airport’s operations contribute an estimated \$10.2 billion to the Australian economy directly and \$18.3 billion in total.
- In aggregate, the activities of the Sydney Airport precinct generate or facilitate a total of \$27.6 billion in value-added and 283,700 FTE jobs.
  - In terms of household income<sup>2</sup>, \$7 billion directly and \$13.2 billion in total is derived from the economic activity that is generated or facilitated
  - Total employment generated or facilitated by Sydney Airport represents 2.8% of total Australian employment (and, noting that some of this employment occurs outside the state, is equivalent to 8.4% of NSW employment).

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<sup>2</sup> Note that the household income impacts are not additive with the contribution to value-added.

### Contribution per passenger and per flight

- **When the economic contribution estimates are combined with air traffic and passenger volumes, it is apparent that:**
  - An average interstate domestic passenger generates a total of \$639 in value-added for the Australian economy
  - An average international passenger generates a total of \$2,328 in value-added for the Australian economy
- **An additional daily A380 service from Dubai to Sydney would, on an annual basis, contribute an estimated:**
  - \$342 million to Australia’s GDP
  - \$206 million to Australia’s household income
  - \$213 million to NSW GSP
  - 4,400 FTE jobs (2,800 of which are in NSW)
- **An additional daily A380 service from China to Sydney would, on an annual basis, contribute an estimated:**
  - \$388 million to Australia’s GDP
  - \$233 million to Australia’s household income
  - \$311 million to NSW GSP
  - 5,000 FTE jobs (4,000 of which are in NSW)
- **The incremental contribution, on an annual basis, from a sample of additional daily services or aircraft upgrades is included in the table below.**

<b>Annual contribution per additional service</b>		
	<b>GDP (\$ million)</b>	<b>FTE Jobs</b>
<b>International</b>		
<i>A380</i>	210	2,700
<i>Typical</i>	120	1,500
<i>Upgrade from B777 to A380</i>	55	700
<b>Domestic</b>		
<i>A330/B787</i>	63	805
<i>Typical</i>	36	460
<i>Upgrade from B738 to A330</i>	26	340
<b>Regional</b>		
<i>B738</i>	24	310
<i>Typical</i>	5.6	70
<i>Upgrade from Saab 340 to Dash 8-400</i>	4.6	60

### 3 The airport's future economic contribution

In order to examine how Sydney Airport's economic value is likely to increase over time, it is first necessary to consider the factors that drive its growth. Naturally, the core driver is the level of aviation activity. However, different on-airport businesses will be affected in different ways. Some businesses, such as maintenance, ground handling and fuel, will be affected most significantly by the growth in aircraft movements. Others, such as baggage handling and retail, will be affected most significantly by growth in passenger movements.

In modelling how the contribution of Sydney Airport is likely to increase over time, each industry represented on the airport has been assigned a growth driver – either aircraft traffic or passenger movements. The only exception to this is the transport and storage sector. The airline component of this sector has – conservatively – been held constant. This assumption is based on recently observed trends in the sector, which have seen industry employment remain all but static over the last five years, as well as the ongoing technological revolution impacting the air travel sector. While at some stage the strong productivity increases, which are keeping employment flat as passengers grow strongly, will slow, it has been conservatively assumed that this will be outside the forecast period.

Taking this growth profile and applying it to the 2012 contribution of the Sydney Airport precinct indicates that:

- The airport precinct's direct economic value will increase to \$6.1 billion in real terms by 2033
- When the indirect impacts are taken into account, the total economic contribution of the airport precinct is projected to grow from \$9.3 billion today to \$12.1 billion in 2033.

Further to the growth in economic activity associated with airport precinct operations is the growth in the value of the facilitated tourism and trade. Again, taking passenger and traffic forecast as the basis for projecting the future economic contribution, the value of tourism and freight exports facilitated by the airport is projected to increase from its 2012 value of \$10.2 billion directly and \$18.3 billion in total, to \$16.5 billion and \$30 billion, respectively, in 2033. In aggregate, therefore, the total value of activity generated or facilitated by the Airport is projected to increase from \$27.6 billion in 2012 to an estimated \$42.1 billion in 2033.

As Chart 3.1 and 3.2 below show, over the next five years, growth in the airport's economic contribution will be driven by both on-airport development and its daily operations. By 2017, the value of economic activity generated or facilitated by the airport will increase to an estimated \$30.6 billion in 2017, with total employment growing to 315,000 FTE.

Chart 3.1: Forecast contribution to value-added; 2012-2017

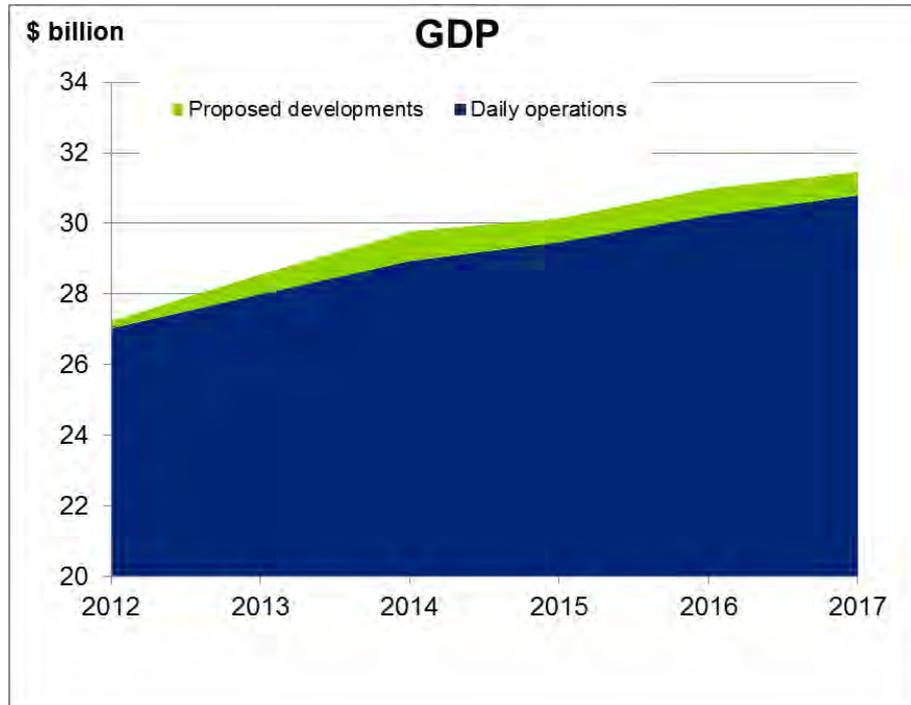
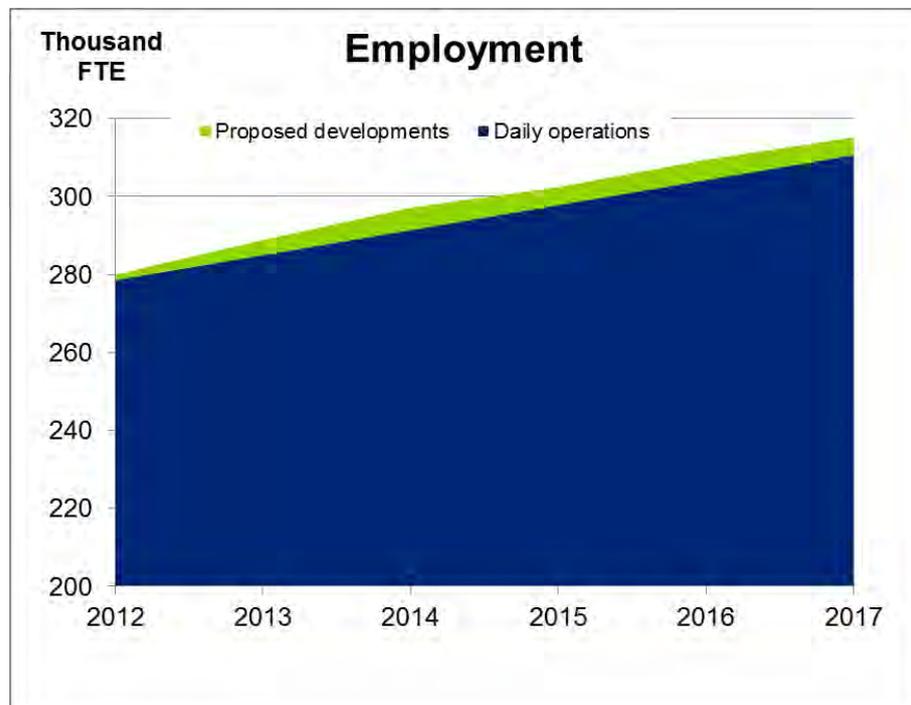


Chart 3.2: Forecast contribution to employment; 2012-2017



### **Forecast economic contribution summary**

**Based on current forecasts for air traffic and passenger movements, the total economic contribution of the Sydney Airport precinct — is projected to increase from \$9.3 billion today to \$12.1 billion by 2033.**

**The economic contribution of the tourism and trade exports facilitated by the airport is projected to increase from \$18.3 billion today, to \$30 billion by 2033.**

**Accordingly, the total value of economic activity generated or facilitated by the airport is projected to increase from \$27.6 billion in 2012 to \$30.6 billion in 2017 and an estimated \$42.1 billion in 2033, with total employment growing to 315,000 in 2017 and 432,000 in 2033.**

## 4 References

Australian Bureau of Statistics 2010, 5249.0 – Australian National Accounts: Tourism Satellite Account, 2009-10. Online, available from:  
<http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/5249.02009-10?OpenDocument>

Tourism Research Australia 2012, *International Visitors in Australia, Quarterly Results of the International Visitor Survey – various editions*, Canberra.

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# Appendix A: Approach to the analysis

## *Modelling methods and outputs*

The economic significance of Sydney Airport – including both activities occurring on the airport precinct and the value of tourism and trade facilitated – is measured in this report against conventional economic metrics such as gross domestic product, value-added and employment (both direct and indirect). The modelling techniques and methods employed here are both widely used and commonly accepted as the preferred tools of economic contribution estimation.

## Measuring the economic contribution

There are several commonly used measures of economic activity, each of which describes a different aspect of an industry or entity's economic contribution:

- **Value-added** measures the value of output (i.e. goods and services) generated by the entity's factors of production (i.e. labour and capital) as measured in the income to those factors of production. The sum of value-added across all entities in the economy equals gross domestic product (GDP). Given the relationship to GDP, the value-added measure can be thought of as the increased contribution to welfare.

Value-added is the sum of:

- Gross operating surplus (GOS). GOS represents the value of income generated by the entity's direct capital inputs, generally measured as the earnings before interest, tax, depreciation and amortisation (EBITDA)
- Labour income is a subcomponent of value-added. It represents the value of output generated by the entity's direct labour inputs, as measured by the income to labour
- Tax on production less subsidy provided for production. This generally includes company taxes and taxes on employment. Note: given the returns to capital before tax (EBITDA) are calculated, company tax is not included or this would double count that tax.
- **Gross output** measures the total value of the goods and services supplied by the entity. This is a broader measure than value-added because it is an addition to the value-added generated by the entity – it also includes the value of intermediate inputs used by the entity that flow from value-added generated by other entities.
- **Employment** is a fundamentally different measure of activity to those above. It measures the number of workers that are employed by the entity or industry, rather than the value of the workers' output. It is nevertheless an important and meaningful representation of an entity's or industries economic significance.

In the analysis presented in this report, each of these metrics is considered; however, emphasis is placed on that of most significance to economic welfare – that is, value-added and employment.

### **Estimating the economic contribution**

Both the economic contribution of activities taking place on the Sydney Airport precinct and the economic contribution of the tourism and other trade flows facilitated by the airport can be estimated utilising input-output (IO) analysis.

IO analysis takes the economic relationships established in the Australian Bureau of Statistics' IO tables, and utilises these as a basis for determining how economic variables such as output and employment quantitatively relate, and how a defined level of economic activity in one sector generates economic activity in related up- and downstream sectors. Where the value of direct activity is known (or has been estimated), it therefore provides a basis for estimating the indirect and hence total contribution of the activities being analysed. The distinction between these terms is outlined below.

- The **direct** economic contribution is a representation of the flow from labour and capital in the sectors of the economy where the economic activity being measured takes place. In this case, those sectors of the economy represented on Sydney Airport
- The **indirect** contribution is a measure of the demand for goods and services produced in other sectors as a result of demand generated by the direct activity
- The **total economic contribution** is the sum of the direct and indirect economic contributions

Like all modelling techniques, IO analysis is not without its limitations (see Appendix B). However for a study of this nature, it provides the preferred – and a widely accepted – framework for conducting the economic analysis.

### ***Underlying data***

The utilisation of IO analysis requires, in the first instance, data in relation to the level of direct economic activity. Ratios and multipliers derived from the IO tables can then be applied to estimate the total economic contribution. This data can take a variety of forms, including employment, expenditure, output or profit. The data that has been used in this instance is outlined in the subsection below.

### **The economic contribution of the Sydney Airport precinct**

Like most major modern airports, the Sydney Airport precinct is a complex economic hub, more akin to a small city than a major piece of infrastructure. The mix of businesses operating on the precinct is diverse, ranging from services supporting the airport's aeronautical activities – catering, maintenance, baggage handling and the like – to retail, restaurants, accommodation and offices. Indeed, there are some 800 businesses operating on the airport precinct, representing almost all the major sectors of the economy.

Establishing the level of activity occurring across this disparate economic base is therefore not immediately straightforward. While the activities of these businesses are regulated and

managed, they are nevertheless independent operating entities, with only limited forms of centralised reporting. Accordingly, the total revenue of on-airport operations is not known in the same way it is for a single entity and the sensitive, commercial, nature of this information makes it challenging to collect.

### *The available data sources*

There are, however, several sources of data which can be drawn on to understand the number of businesses operating on the precinct and the size and nature of their operations. Of these, the most comprehensive are Sydney Airport's accounts receivable records and the registry of issued Aviation Security Identification Cards (ASICs).

- The accounts receivable registry, while not necessarily providing an exhaustive list of businesses, does provide an extensive picture of the number of businesses operating on the precinct and the nature of their operations. It does not, however, provide information on the size of each business's workforce or the financial scale of their operations (i.e. their turnover)
- The ASIC card registry lists the number of ASIC passes currently on issue – that is, the number of employees authorised to conduct activities on the air side of the security screening point at Sydney Airport.<sup>3</sup> While this provides the most comprehensive source of on-airport employment data, it is not without its limitations. Most significantly:
  - It simply demonstrates the number of employees working at the airport, providing no indication of the level of their employment – an employee working five hours a week is issued the same ASIC as an employee working full time. This of course presents particular challenges in relation to mobile sales staff or management, who may visit their airport business only intermittently, and – similarly – pilots
  - Sydney Airport is not the sole issuing authority of ASICs on the airport; several of the major operators, including two airlines, are authorised by the Australian Government to issue ASICs
  - The data does not capture those employees who work on the landside areas of the airport. These include, among others, employees of rental car companies and car park security.

### *Supplementing the existing data*

Evidently, while the ASIC data provides the most comprehensive existing data source in relation to the level of on-airport employment, this data alone is not sufficient to reliably gauge Sydney Airport's direct economic contribution. To overcome this, a survey of businesses operating on the airport was conducted.

The survey sample was established to be representative against business type (i.e. industry) and was conducted via phone interview by a third party specialising in survey data collection. Information was sought in relation to airport-related employment (including on-airport employment and off-airport employment which directly supports on-airport activities), wages and employment expectations. In total and including some follow-ups to

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<sup>3</sup> Details on the conditions under which ASIC passes are required and issued is available at the Department of Transport's website: [www.infrastructure.gov.au](http://www.infrastructure.gov.au)

airlines – an industry which was underrepresented in the initial dataset – a total of 100 useable survey responses were obtained.

This survey data was cleaned and analysed, with anomalous data investigated via follow-up correspondence. Once the validity of the dataset had been established, the survey data was extrapolated using both the ASIC data (after deriving ratios of ASIC passes issued to FTE workers) and the accounts receivable registry (which provided for a further cross-check of the data, based on employees per business) to estimate total Airport precinct employment.

The extrapolated employment results were then classified by industry – according to the Australian and New Zealand Standard Industrial Classification (ANZSIC) framework – in order to facilitate the IO analysis that followed.

### *Defining the economic envelope*

The broad range of the activity taking place at, and related to, Sydney Airport means that defining the boundaries of the economic analysis faces challenges not experienced in analysing a single entity or industry. The analysis must be conducted within a suitable and defensible economic envelope and, ideally, one comparable with other studies of a similar nature. The envelope employed here is one largely consistent with the convention adopted in other airport contribution studies.

The direct economic contribution is defined based on the businesses conducting operations on the airport precinct and taking only their on-airport activity into account (i.e. not the activity, for example, of other retail outlets of a business with an outlet on the airport precinct).

### **The economic contribution of facilitated tourism and trade**

The economic contribution of the tourism and trade facilitated by Sydney Airport is estimated based on data on the value and volume of activity passing through the Airport. In the case of freight, this is sourced from the BITRE's database – the same data which informs the tables presented in Chapter 2. These value, or gross output, figures are converted to direct value-added, utilising the IO analysis techniques described above and, similarly, the indirect impacts are estimated by applying the derived IO multipliers.

In the case of tourism, economic value estimates are generated based on the ABS Overseas Arrivals and Departures collection – which provides statistics on the origin and destination of passenger flows – and data compiled by Tourism Research Australia (TRA). The TRA database is populated with data sourced via the National and International Visitor Survey. It enables international visitor expenditure by visitors who arrive in Australia via Sydney Airport to be separately identified and, therefore, provides a basis for measuring the economic value of this activity. It also allows this expenditure to be disaggregated by region, enabling this contribution to be quantified on a geographic basis (i.e. distinguishing the contribution to the Sydney economy from the contribution to the rest of NSW and the rest of Australia).

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