

CAIRNS REGIONAL COUNCIL

AVIATION INDUSTRY

2021/22



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Industry Snapshot - 2022



\$345M

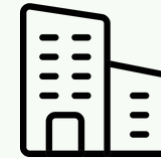
Output / Total Sales



1,512

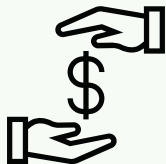
Local Jobs

1.8% of total local jobs



76

Local Businesses



\$146M

Gross Value Added

1.7% of total industry value added

**5YR
GROWTH**



Output
Value Added
Local Jobs

KEY SUB-INDUSTRIES



Air Transport and Airport Operations

\$113M Value Added

1,275 Jobs



Aircraft Manufacturing and Repair Services

\$33M Value Added

236 Jobs

Sources: NIEIR, 2023; ABS, 2022

Industry Size and Composition



Output/Sales



Value Added



Employment

Direct

\$345M

\$146M

1,512

Indirect/Flow-on Impacts

Industrial

\$152M

\$75M

585

+

+

+

Consumption

\$130M

\$66M

715

Total Impact

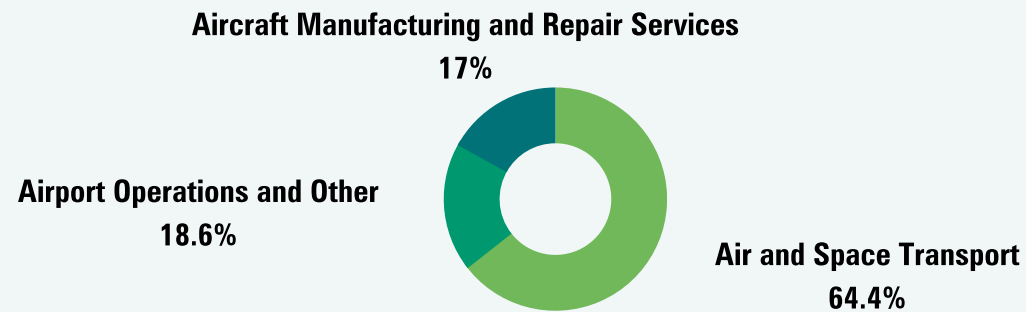
\$627M

\$287M

2,812

In 2021/22, the Aviation industry in Cairns was estimated to have generated \$146M in direct plus an additional \$141M in indirect impacts for a total contribution of \$287M in Value Added. The industry supported 1,512 jobs directly and an additional 1,300 in indirect employment. The largest sub-industry for direct employment was estimated to be Air and Space Transport with 64.4% of the total sector's employment.

Share of Total Sector Employment, 2020/21 Top Sub-Industries

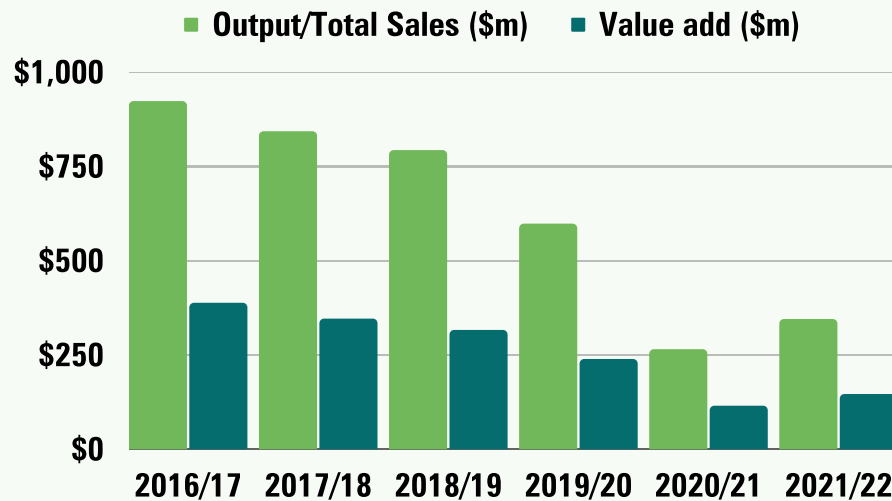


Sources: NIEIR, 2022

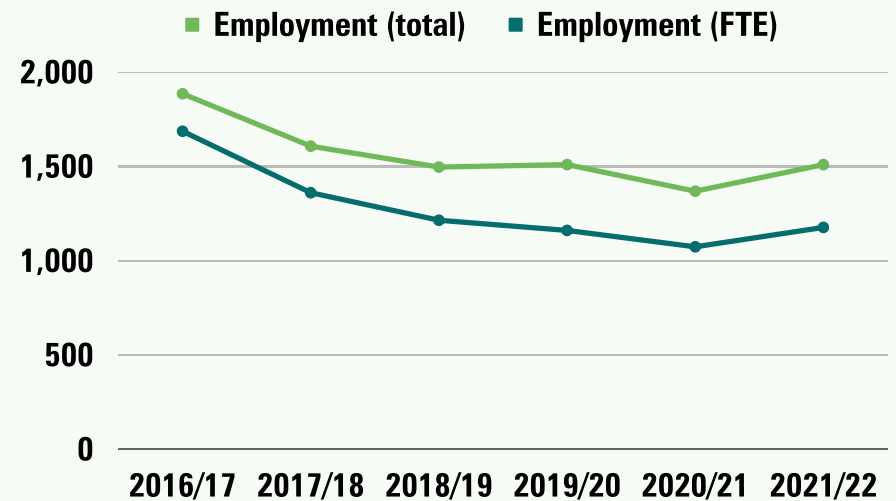
GROWTH TRENDS

In 2021/22, there were an estimated 1,512 employees working in the Aviation Industry in Cairns and 1,177 full-time equivalents. The industry generated \$146M in Value Added, or \$96,688 per employee (\$\$124,044/FTE). Change in the industry has averaged -4.3% p.a. for employment over the last five years and -18% p.a. for value added, both below the state average. However, it is important to note that Aviation was one of the industries most impacted by COVID. Passenger numbers in 2021/22 at Cairns Airport were only 54% of the level experienced in 2018/19.

Economic Value, Cairns Region, Financial Year



Average Employment, Cairns Region, Financial Year



**5 YEAR
AVERAGE
ANNUAL
INDUSTRY
GROWTH**

-18%

Output/Sales

▲ -15% p.a.

-18%

Value Added

▲ -15% p.a.

**5 YEAR
AVERAGE
ANNUAL
INDUSTRY
GROWTH**

-4.3%

Employment

▲ -0.5% p.a.

-6.9%

FTEs

▲ -2.8% p.a.

Sources: NIEIR, 2022

COMPETITIVE ANALYSIS



Cairns Airport is the 7th busiest airport in Australia servicing almost 5 million passengers annually pre-COVID. The airport also supports smaller tourism based aircraft, FIFO routes and is a major base for the Royal Flying Doctor Service.



Cairns is home to major aircraft maintenance facilities that provide fixed and rotary wing service. Major companies include global players such as Jet Aviation and local players such as Skytek.



Cairns Aviation Skills Centre and the CQUniversity Aviation Campus are both located at Cairns Airport, delivering vocational and Bachelor level qualifications in aircraft maintenance engineering and flight operations.



Cairns' role as a gateway to natural assets such as the Great Barrier Reef and Wet Tropics Rainforests has encouraged the start of numerous charter flight operations.

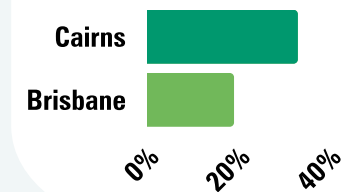


Cairns is located near to highly populated countries in Asia which supports tourism and potential international air freight opportunities. Before COVID, Cairns was directly connected to ten international airports.



Domestic passenger numbers to Cairns Airport were growing faster than Brisbane pre-COVID.

Growth in Domestic Passengers decade to 2018/19



Sources: NIEIR, 2022

WORKFORCE PROFILE

Workers in the Aviation Industry in Cairns in 2021 were slightly older than the state as a whole with a median age of 45. The workforce was male orientated and 28% were born overseas.

Only 18% of the workforce was degree educated compared to 26% at the state level, and 33% were working in professional or managerial roles.

In 2021, the FTE median income of the local workforce was lower than the state median, likely due to lower qualifications and a lower percentage of workers employed in professional roles.

KEY CHARACTERISTICS OF THE AVIATION INDUSTRY, 2021 - CAIRNS REGION



45 years

Median Age

QLD - 43 years



\$87,711

Median Income FTE

QLD - \$94,517

♂ 68% **♀ 32%**
Male **Female**

QLD - 69%/31%



67%

Full Time

QLD - 72%



28%

Born Overseas

QLD - 29%



4.5%

Owner Manager

QLD - 3.9%



18%

Degree or Above

QLD - 26%

55%

Certificate III to Advanced Diploma

QLD - 48%



33%

Professionals/Managers

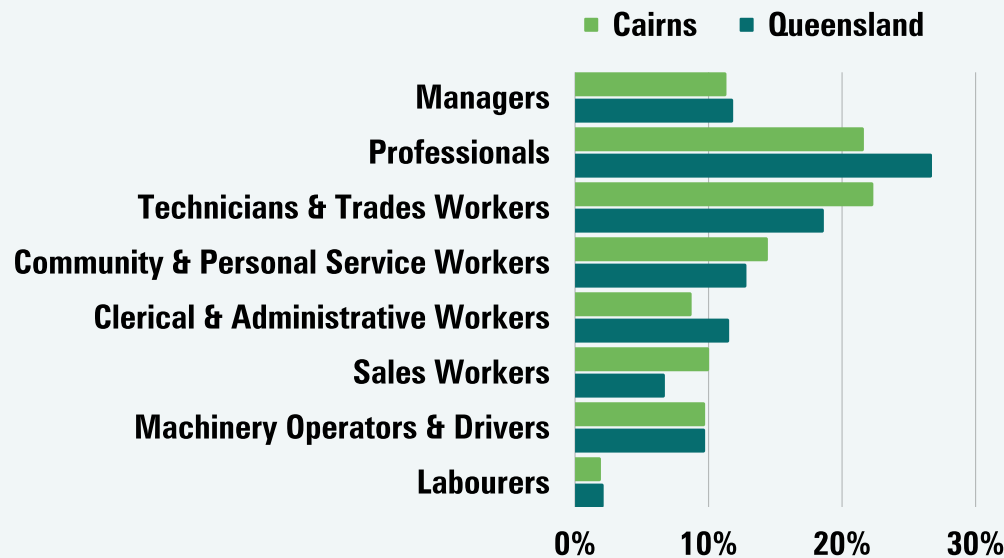
QLD - 38%

Sources: ABS Census of Population and Housing, 2022

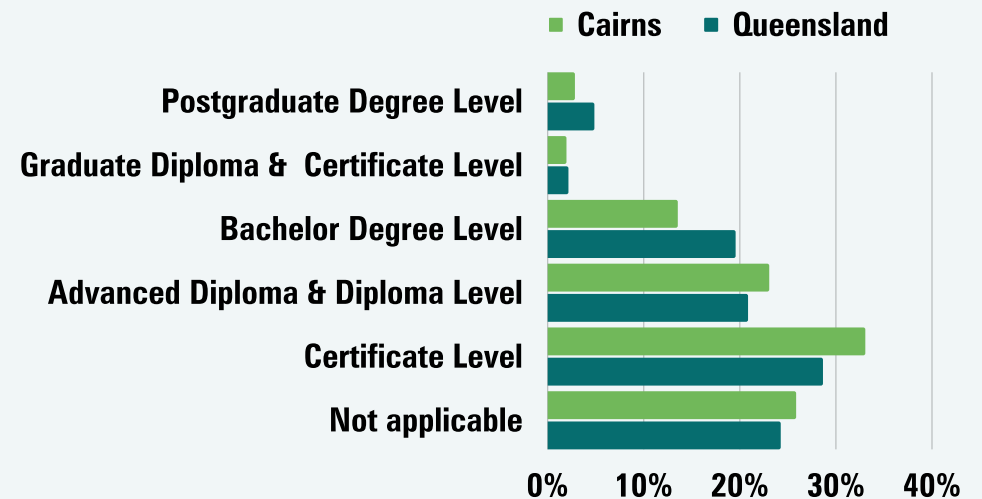
EDUCATION & SKILLS

The Aviation Industry in Cairns had a lower share of workers in professional occupations in 2021 (22%) compared to the QLD average (27%). The top occupations were Aircraft Maintenance Engineers and Air Transport Professionals. The industry had a slightly lower share of qualified workers (74%) than the QLD average (76%), but a much lower share with degree level qualifications (18% vs 26% for QLD).

Local Workforce Occupations, 2021



Local Workforce Qualifications, 2021



Top Occupations

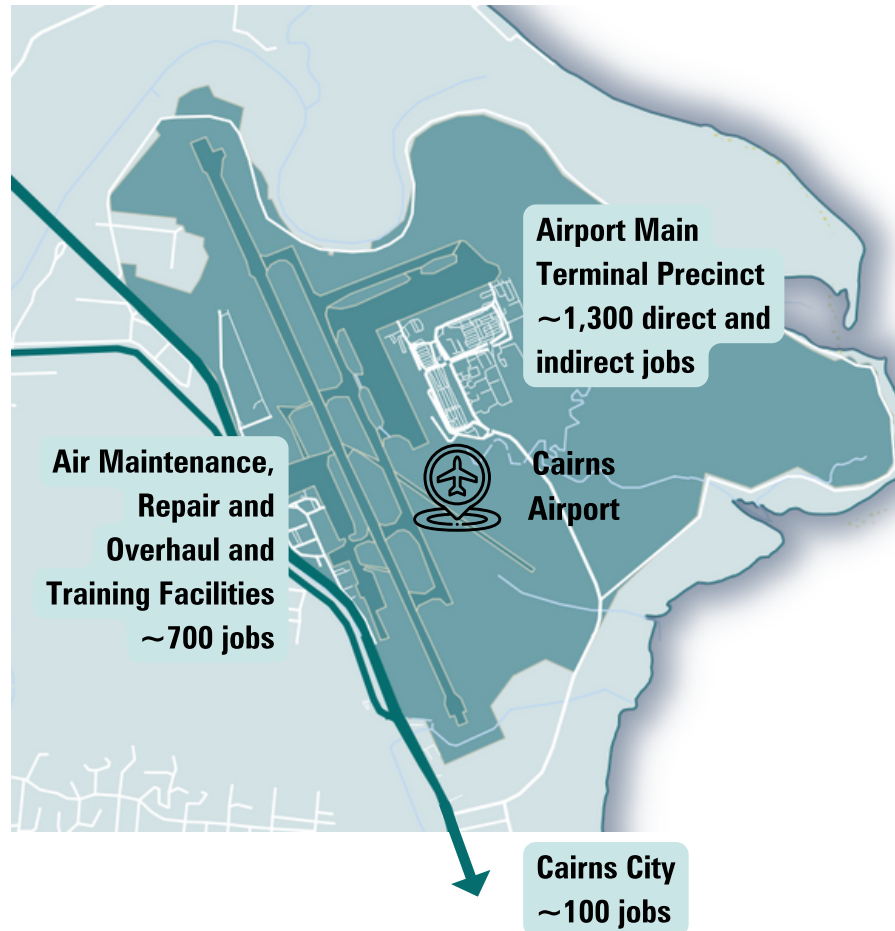
- Aircraft Maintenance Engineers
- Air Transport Professionals
- Travel Attendants
- Ticket Salespersons

Top Study Fields

- Aircraft Operation
- Aircraft Maintenance Engineering
- Business and Management
- Engineering and Related Technologies

Sources: ABS Census of Population and Housing, 2022

Main employment precincts



Estimated Industry Jobs, 2021



Key employers

- All Calibration Services
- Cairns Airport
- Cairns Aviation Skills Centre
- CJ Aerospace
- Cobham Aviation Services Australia
- Daintree Air Services
- EastAir
- FNQ Avionics
- Hinterland Aviation
- Jet Aviation
- Jetstar
- Nautilus Aviation
- Qantas
- Queensland Government Air (QGAir)
- Royal Flying Doctor Service
- Skytek
- Skytrans
- Zoom Helicopters

Sources: ABS Census of Population and Housing, 2022

PROJECTS & TRENDS SHAPING THE FUTURE



Cairns Airport Terminal upgrades

Cairns Airport Domestic Terminal received a \$55M upgrade in 2020. The International Terminal is now being refurbished. These projects will allow future expansion and maintain the competitiveness of the airport.



Cairns Regional Trade Distribution Centre

Air Freight Handling Services (AFHS) has recently opened a new dedicated facility that will allow for growth in fresh food exports at the Cairns Airport.



Advanced manufacturing facilities

There is an early stage proposal for an Advanced Fibre Composites Maintenance and Repair Facility and access to 3D printing technologies in Cairns. If realised, this would assist local aviation businesses specialise in maintenance and repair work, particularly for small-to-medium sized aircraft.



New precincts

Cairns Airport plans to create two new dedicated spaces. One will support aeromedical and emergency activities which already operate to a large scale in the region, and the other is a specific helicopter precinct aimed at reducing delays and boosting runway capacity.

Sources: NIEIR, 2022

SWOT Analysis

STRENGTHS

- Major airport with connections to domestic capital cities and overseas destinations
- Natural assets that support charter flight operations
- Established expertise in aircraft maintenance and repair
- Quality aviation training facilities
- Complementary industries that support increased tourism and passengers numbers



WEAKNESSES

- Decline in air freight volumes in recent years
- Scale of industry is heavily reliant on tourism, therefore exposed to global factors (e.g. currencies) and strength of local tourism operators and assets
- Access to skilled labour is constrained by local market and challenges in requirements for occupational licencing



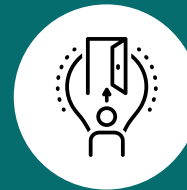
THREATS

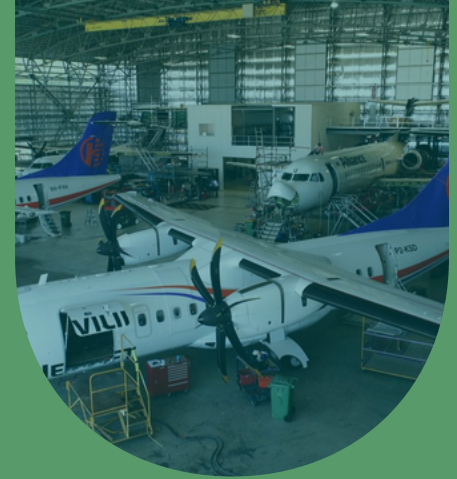
- Potential for increases in commercial leasing costs at the Airport to impact smaller businesses
- Energy and labour costs will continue to impact profit margins in the near future
- Stringent CASA requirements for licencing continues to exacerbate skills shortages
- A weaker economy may impact travel numbers
- Climate change may impact natural assets to the extent that Cairns loses its attractiveness to tourists



OPPORTUNITIES

- Refurbishment of Cairns Airport Terminals and new precincts development can support growth in passenger numbers
- The new Cairns Regional Trade Distribution Centre will enable more air freight opportunities
- Investments in composites manufacturing facilities may support Aircraft maintenance, repair and overhaul growth





For more economic data on the
Cairns Region, visit economy.id

