



---

## Significance of the Airport

---

# 3

## 3.1 Introduction

Parafield Airport is used predominantly for general aviation with over 90 per cent of aircraft movements being for pilot training purposes. Strategically, Parafield Airport is exceptionally well located being 18 kilometres from the Adelaide Central Business District and at the centre of a growth area for both industrial and residential development. Core activities include:

- General aviation
- Pilot and aviation training
- Maintenance services
- Commercial, retail and industrial estates.

Parafield Airport plays an essential role in economic prosperity through creating jobs and supporting business in the northern suburbs and beyond.

**Parafield Airport plays an essential role in the economic prosperity and development of Northern Adelaide and South Australia through creating jobs and supporting businesses.**



### Employment 2022

- Over 1,249 direct and indirect jobs (970 on site and 279 off-site)
- Additional 1,321 supporting jobs (induced employment)



### Economic Contribution

- \$354.8 million to the South Australian economy
- 0.3% Gross State Product

**Figure 3.1: Snapshot of Parafield Airport's economic contribution**

## 3.2 Economic Contribution

Parafield Airport makes an important contribution to the Northern Adelaide and South Australian economy through employment and value-added production associated with the airport's aviation and non-aviation business activities.

### 3.2.1 Assessment Approach

An assessment of the contribution that Parafield Airport makes to the South Australian economy was undertaken by Hudson Howells, which provides specialist economic research and analysis. The assessment is based on information provided by the various businesses located at Parafield Airport as well as economic modelling. Forecasts have considered previous economic assessments undertaken in 2008, 2011 and 2016, the forecast aircraft movement growth detailed in Section 6, and the development plans for Parafield Airport described in this Master Plan.

### 3.2.2 Economic Contribution

Parafield Airport contributed an estimated \$354.8 million to the South Australian economy in 2022, equivalent to 0.3 per cent of Gross State Product. This is similar to 0.26 per cent estimated in 2016, reflecting a consistent contribution to growing Gross State Product. An estimated \$217.3 million of this total was attributed to aviation related business activities.

It is estimated that in 2022 the Parafield Airport estate directly employed 1,249 people both on and off airport. This employment level supports a gross operating surplus of \$41.8 million, giving a total contribution to Gross State Product directly of \$150 million.

There is an induced (or multiplier) contribution through the direct and indirect employees spending their incomes on consumer goods and services. In total, and including the induced effect, the full economic contribution associated with the operations of Parafield Airport in 2022 are estimated to be:

- In the Northern Adelaide Region, support for 1,670 jobs, and a contribution to Gross Regional Product of \$216.9 million.
- For South Australia, support for 2,570 jobs, and a contribution to Gross State Product of \$354.8 million.

Table 3-1 outlines the economic assessment for Parafield Airport in 2022.

| IMPACT                          | 2022<br>AVIATION<br>ACTIVITY | 2022<br>NON-AVIATION<br>ACTIVITY | 2022<br>TOTAL   |
|---------------------------------|------------------------------|----------------------------------|-----------------|
| Direct On-Airport Employment    | 355                          | 615                              | 970             |
| Direct Off-Airport Employment   | 196                          | 83                               | 279             |
| Induced Airport Employment      | 881                          | 440                              | 1,321           |
| <b>Total Airport Employment</b> | <b>1,432</b>                 | <b>1,138</b>                     | <b>2,570</b>    |
| <b>Total Value Added</b>        | <b>\$217.3M</b>              | <b>\$137.5M</b>                  | <b>\$354.8M</b> |

**Table 3-1: Economic Contribution of Parafield Airport – 2022 Source: Hudson Howell**

While the impact of the COVID-19 pandemic has been evident, the growth of the induced employment since 2016 is primarily due to the structure of industry sectors, largely in the airport's Commercial Precinct, which have flow through impacts to the economy.

Parafield Airport is located in the Northern Region of Adelaide, within the local government area of the City of Salisbury and in close proximity to the City of Playford, City of Tea Tree Gully and City of Port Adelaide Enfield local government areas. The airport plays a significant economic and employment role within this region. Gross State Product and Gross Regional Product for the four councils in 2022 is estimated to be \$128.6 billion and \$27.2 billion respectively based on an economic model for the state and for the northern region.

Parafield Airport currently has 103 businesses operating at the airport.\* Going forward, the airport will continue to develop as a significant economic generator to Northern Adelaide and South Australia.

Taking into consideration the developments outlined in this Master Plan 2024 for the next eight years, it is anticipated that by 2031 the airport will contribute approximately \$467 million annually to the South Australian economy and 3,627 full-time equivalent jobs, including 1,764 direct on- and off-airport employees.

Recognising the proposed developments over the 20-year planning period, it is forecast that by 2043 Parafield Airport's economic contribution will be approximately \$740 million to Gross State Product, with an estimated 3,342 direct full-time jobs and 6,878 total jobs.

Table 3-2 provides a comparison of the current and forecast employment generated by Parafield Airport. Figure 3.2 depicts the historical and forecast total employment (direct and indirect) for the airport between 2008 and 2043.

|  | 2022         | 2031         | 2043         |
|--|--------------|--------------|--------------|
| Direct On-Airport Employment                         | 970          | 1,371        | 2,805        |
| Direct Off-Airport Employment                        | 279          | 393          | 537          |
| Induced Airport Employment                           | 1,321        | 1,864        | 3,536        |
| <b>Total Airport Employment (Direct and Induced)</b> | <b>2,570</b> | <b>3,627</b> | <b>6,878</b> |

**Table 3-2: Forecast Employment Growth Source: Hudson Howell**

\* On 29 April 2024, Bruce Hartwig Flying School Pty Ltd went into Voluntary Administration. With students transitioning to Aerostar Aviation and staff migrating to other organisations on airport, economic outcomes and forecasts contained in this Master Plan 2024 remain unchanged.



Figure 3.2: Actual and expected case forecast total Employment 2008 – 2043: Source: Hudson Howell.

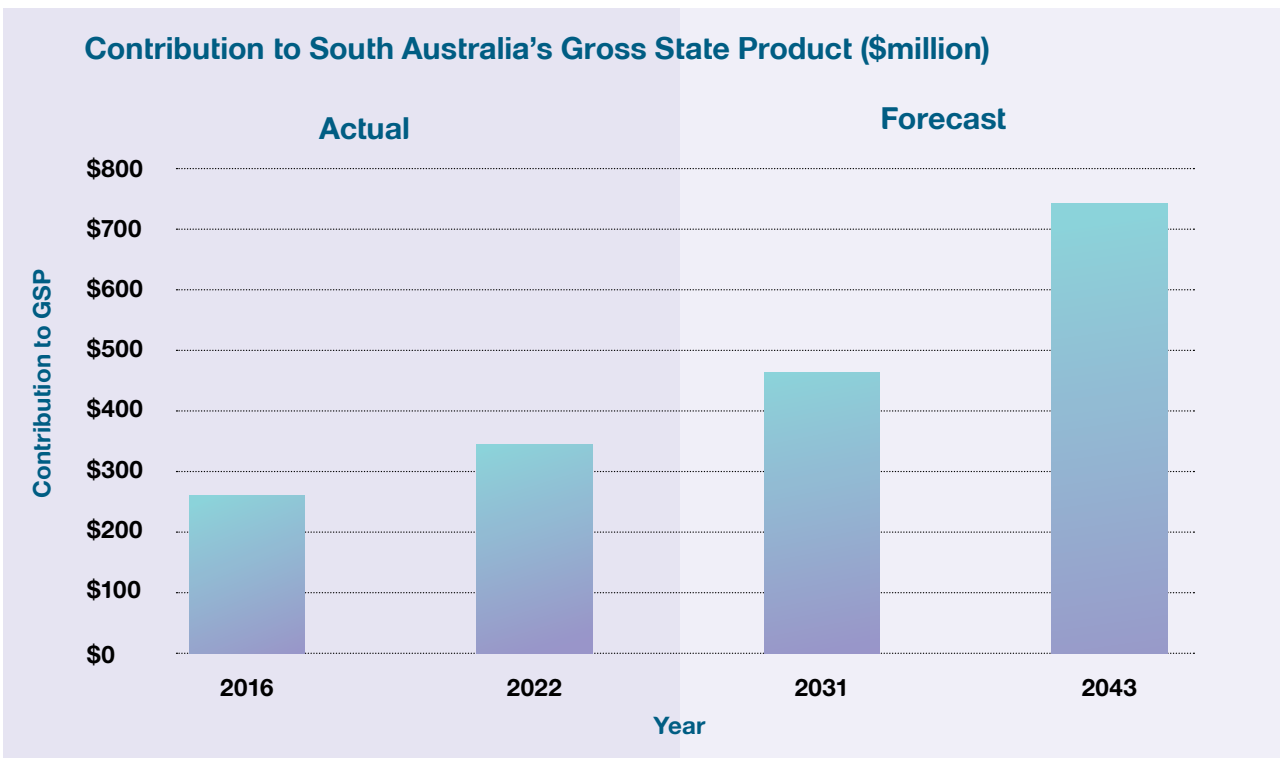


Figure 3.3: Parafield Airport's contribution to Gross State Product 2016 – 2043: Source: Hudson Howell.

The historical and forecast contribution of Parafield Airport to South Australia's Gross State Product (direct and indirect) from 2016 to 2043 is shown in Figure 3.3.

The Parafield Airport site has five precincts: the Airport Business Precinct, Commercial Precinct, Enterprise Precinct, Runways Precinct and Bennett Precinct (see Section 7). Most employees are based in the Commercial and the Airport Business precincts, which generated 1,249 full-time equivalent jobs in 2022. With the anticipated developments detailed in this Master Plan 2024, employment is expected to grow to almost 1,763 in 2031 and 3,342 full-time equivalent positions by 2043. The current and forecast employment for each precinct is shown in Table 3-3.

| <b>PRECINCT ESTIMATES – EXPECTED JOBS</b><br>(Full-Time Equivalent) |              |              |              |
|---|--------------|--------------|--------------|
|   | <b>2022</b>  | <b>2031</b>  | <b>2043</b>  |
| Airport Business Precinct   | 622          | 786          | 1,340        |
| Commercial Precinct   | 627          | 727          | 752          |
| Enterprise Precinct   | 0            | 250          | 1,250        |
| Total Direct Jobs   | 1,249        | 1,763        | 3,342        |
| Induced Jobs  | 1,321        | 1,864        | 3,535        |
| <b>Total</b>  | <b>2,570</b> | <b>3,627</b> | <b>6,878</b> |

**Table 3-3: Parafield Airport current and forecast total employment 2022 to 2043 per precinct**  
Source: Hudson Howell

The international student pilots at Parafield Airport generate additional export revenue benefits, as well as relationship and reputation benefits for South Australia from supporting the training needs of major international airlines.

### 3.2.3 Economic impact of the COVID-19 Pandemic

The impact of the COVID-19 pandemic on the aviation industry has been significant. Due to the Australian and South Australian border closures and lengthy lockdown periods, many businesses at Parafield Airport reduced their operations. Some of the cost saving measures implemented by businesses at the airport during this time included reduced trading days, reduced part-time staff hours, implementing business operations efficiency improvements, and not operating aircraft to save operating costs (such as fuel and maintenance). In financial year 2021/2022, when South Australia was experiencing regular lockdowns and travel restrictions, Parafield Airport recorded its lowest volume of aircraft movements since 2003. This is discussed further in Section 6.

A survey was conducted of 47 businesses located at Parafield Airport that represent 80 per cent of the total on-site employment in 2022. Based on this survey, the economic activity lost at Parafield Airport in 2020 and 2021 as a result of the COVID-19 pandemic is estimated to be:

- 107.5 direct full-time equivalent jobs and 221.2 induced jobs were lost, which is equivalent to 8.6 per cent of total employment at the airport.
- Contribution to the GSP was reduced by \$12.91 million per annum, or \$30.54 million per annum for total induced GSP.
- \$14 million in direct investment (including business expansion, major equipment investment or building construction) was deferred or lost, resulting in a further 45 direct jobs (or 92.6 induced jobs) and \$33.12 million in total induced GSP that was lost.
- The combined impact of reduced business operations and deferred or lost direct investment is a total of 313.8 full-time equivalent jobs lost and a reduction of \$47.1 million per annum in total GSP.

By December 2022, 90 of the 107.5 direct jobs lost during the COVID-19 pandemic had been recovered by businesses operating at Parafield Airport. Labour and skills shortages were key reasons for some businesses not being back to pre-COVID employment levels. Consistent with the national and South Australian trend for employees continuing to work from home, an estimated 40 direct employees had transitioned to permanently working from home.

## 3.3 Social and Community

The community – which includes those people living around the airport, users of the airport, business partners, local government, customers attending businesses on the airport site, stakeholders and employees - have unique demographics, needs, wants and expectations.

Since its inception in 1998, Parafield Airport Limited (PAL) has prided itself on being an active community stakeholder and responsive corporate citizen, listening to and working with airport neighbours to better understand, empathise with and act on issues of concern. A Community Engagement Framework was developed for Parafield Airport in 2020 which takes a proactive, 'open door' approach. This is a vital component of PAL's strategy and is pursued through a wide variety of activities, such as facilitating the Parafield Airport Consultative Committee and Planning Coordination Forum, and attending and speaking at numerous stakeholder, service group and community forums.

Parafield Airport continues to be one of the most significant business, training and employment precincts in the northern suburbs of Adelaide and supports the surrounding northern suburbs through partnerships across environment, community, business and tourism.

Direct investment into the local community has been an ongoing feature of PAL's approach. PAL has a social investment program that supports charities, community events and other not-for-profit organisations forming partnerships across various sectors including aviation, business and community development. Key recent contributions and support include:

- Establishment of the Parafield Aviation Heritage Centre as a community space, staffed by volunteers and designed to celebrate the airport's rich aviation and local history.
- Support for the North City Panthers Soccer Club, which uses the airport's community oval as its training and home ground and is provided with a club room.
- Key supporter of the Northern Business Breakfast delivered by the Rotary Club of Salisbury and Rotary Club of Elizabeth.
- Support for not-for-profit entities located at the airport, including the Australian Air League, the SA Marine Corps (incorporating Air Youth of SA Inc.) and the Rotary Club of Salisbury – All Sorts Op Shop located in the Airport Business Precinct.
- Financial and in-kind support for a range of charitable organisations including Youth Opportunities Australia Inc., Foodbank SA and Dress for Success.
- Support for the Classic Jets Fighter Museum, which is a non-profit organisation that is staffed by volunteers dedicated to the restoration of military aircraft and history.
- The PAL Pilot Scholarship program, which has supported two local northern Adelaide students to obtain their Commercial Pilot Licence (the Scholarship was suspended in 2021 due to the COVID pandemic, and an alternate skills-based aviation traineeship program is being introduced in 2024).
- A Men's Shed, which incorporates a meeting place and workshop for community use and assists to advance the health and wellbeing of men in the local community.
- Providing access to dedicated hangar space to allow for the safe transfer of COVID-19 positive patients from remote areas during the COVID-19 pandemic.
- Working with the South Australian Government to facilitate the construction of a new \$5 million Northern Ambulance Station at Parafield Airport. The new facility includes garaging for fourteen ambulances and four light fleet vehicles, and provides optimal ambulance response times for the surrounding areas.
- The South Australian Government's shark patrol service for Adelaide's metropolitan beaches during the summer season is conducted by Hartwig Air fixed-wing aircraft from their base at Parafield Airport. The patrol covers the metropolitan beaches from Outer Harbour and tracks South to Aldinga, Myponga and Rapid Bay, Victor Harbour and along the coast up to the Murray River Mouth.
- Provision of a land lease for child-care facilities to be constructed in the Airport Business Precinct to support employees at the airport and the surrounding community.
- Providing airport tours to organisations such as The Smith Family, a non-profit children's charity that creates opportunities for disadvantaged children and their families, and Thomas More College to introduce students to careers in aviation.
- Working with organisations such as Para Hills High School Disability Unit, Campbelltown Home Support Group, Life Care, Prospect Community Support and various retiree and senior citizen groups to provide tours of the Parafield Aviation Heritage Centre and the Classic Jets Museum.
- Sharing aviation related information and news of community events on the Parafield Airport Facebook page.