



AUSTRALIAN  
AIRPORTS  
ASSOCIATION

**ALGA National Local Roads and Transport Congress 2017**

# **Australia's Regional Airports – the infrastructure challenge**

**8 November 2017**

**Albany, WA**



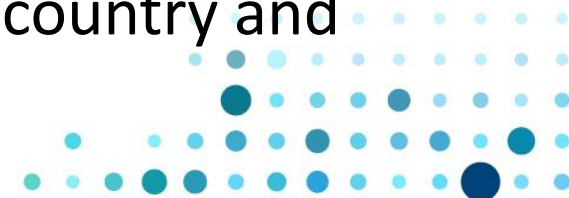
# Overview

- About the AAA
- Regional Airports in Australia
- The Infrastructure Challenge
- The Proposed Solution
- Outlook for the future



## About the AAA

- The AAA is the national industry voice for airports in Australia.
- Representing the interests of more than 300 airports and aerodromes Australia wide – from local country community landing strips to major international gateway airports.
- The Charter of the AAA includes facilitating co-operation among members to maintain a safe, secure, environmentally responsible and efficient air transport network.
- Safety is the number one priority at all airports across the country and that focus is reflected in the work of the AAA.



# About the AAA – Strategic Plan



- » Policy
- » Research
- » Stakeholder Engagement & Relationships
- » Communicating Key Messages
- » Industry Leadership



- » Recruitment and Retention
- » Ensuring a Strong Value Proposition
- » Events & Meetings
- » Resources & Services
- » Membership Networks & Engagement



- » Innovation
- » Education
- » Technical Research
- » Knowledge Sharing



- » Board Performance
- » Financial Sustainability
- » High Performing & Appropriately Resourced Team
- » Governance



## Regional Airports in Australia

- **What does the regional airport industry look like?**
  - There are over 2000 landing strips across Australia.
  - Approximately 400 of these are aerodromes that facilitate significant civilian aviation operations.
  - Approximately 250 provide regular public transport (RPT) services.
  - The vast majority of these aerodromes/airports are in regional Australia and are owned and operated by local government and councils.



# Regional Airports in Australia

- Why are regional airports important?



**360,000+** flights

In 2016-17, domestic RPT aircraft movements were in **excess of 1.2 million**, of this over 360,000 or **nearly 25%** were to or from an airport in **regional Australia**.

 **25%**



**15m** passengers

Domestic passengers account for around 117 million trips per year, **regional passengers** are estimated at around 12 per cent or 15 million passengers per year.



**500** aircraft



Across Australia, airports house more than 500 aircraft available to be deployed for **firefighting** duties.



**over 6,000**

Patient rescues/transfers across Australia, over 6,000 **emergency evacuations** a year.



## Regional Airports in Australia

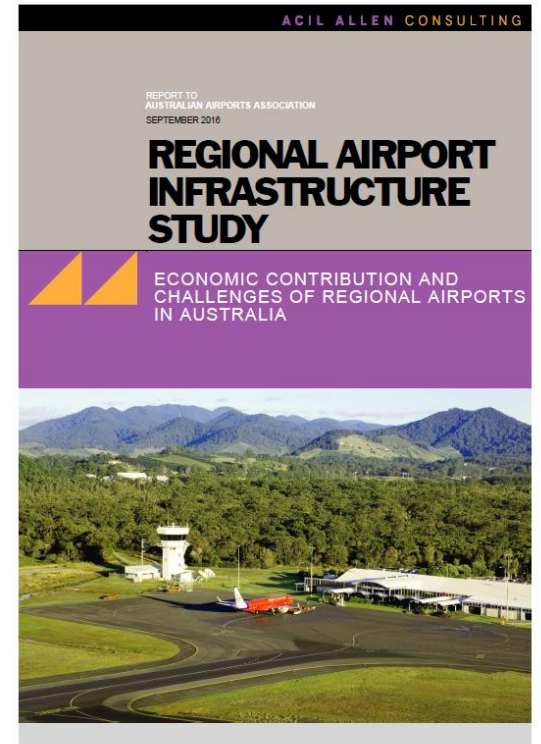
- **The economic benefits of regional airports**
  - Directly employ over **1,700 full-time workers**.
  - Support an **additional 2,750 jobs**.
  - Contribute of **\$260 million directly** to regional Australia each year.
  - Growing role in out **\$1.6 billion produce export market**.
  - Essential for tourism – **45% of Australia's tourism** is in regional Australia.





## The Infrastructure Challenge

- In 2016, the AAA commissioned a study to examine the benefits regional airports provide but more importantly, the significant infrastructure challenges they face.
- The report confirmed what many in the industry had understood for years.
- Most regional airports financially struggle to maintain their critical assets and the problem is only getting worse.





## The Infrastructure Challenge

- Key findings from the report:
  - Over **60% of regional airports operate at a loss.**
  - **40% of regional airports** expect to keep operating at a **loss for the next 10 years.**
  - Operating **costs to increase by 38%** over the next decade (as assets continue to deteriorate).
  - A minimum infrastructure funding **shortfall of over \$170 million** over the next decade.



## The Infrastructure Challenge

- Difficulties of operating and maintaining a regional airport:
  - Much of the aeronautical infrastructure is 70+ years old.
  - Inherently costly businesses to maintain in line with regulations and safety standards.
  - Do not have the same revenue diversification options as major airports – hotels, business and retail parks, etc.
  - Local governments struggle to subsidize regional airport costs and in most cases simply can not afford significant capital works infrastructure programs.



## The Proposed Solution



## The Proposed Solution

- A two-pronged approach:
  1. Extend funding for the existing **Remote Airstrip Upgrade Programme (RAUP)** at **\$15 million per year** for four years.
  2. Develop a **new airport grants program** for other regional airports (not just remote airstrips) at **\$25 million per year** for four years.
- A **total of \$160 million** of essential infrastructure funding assistance over four years.
- The target is to secure a funding commitment for regional airports in the Federal Budget 2018/19, if not sooner.



## The Proposed Solution

- Progress to date and how to get involved:
  - The AAA has directly engaged with many Federal regional MPs and Ministers, with a positive reception to date.
  - Currently undertaking a comprehensive stakeholder engagement and communication process – including state and local government.
  - Expressions of support for the campaign from local governments to their respective Federal and State MPs would be invaluable.



## Outlook for the Future

- With additional Government funding assistance, regional airports could help future-proof the safety and viability of regional aviation through essential infrastructure projects, including:
  - Replacing WWII era airfield lighting systems;
  - Maintaining and improving critical airport runways, taxiways and parking aprons;
  - Minimising wildlife safety incidents through appropriate boundary fencing.



## Outlook for the Future

- Safe and efficient aeronautical infrastructure also opens up opportunities for regional airports to grow and thrive.
  - Attract more airline services that would not have otherwise been possible on deteriorating infrastructure.
  - Open up produce and export markets.
  - Boost regional tourism growth.
  - Improved productivity and attract other businesses to the region.





## Further Information

- Visit the AAA website to download the “Protect Regional Airports” brochure – [www.airports.asn.au](http://www.airports.asn.au)
- Contact the AAA Office in Canberra with any questions or guidance on how to get involved.





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