

# REGIONAL AIRPORTS POLICY



## Regional Capitals Australia

Regional Capitals Australia (RCA) was formed in 2012 to represent the interests of Australia's regional capital cities. Our objective is to ensure these needs are reflected in national policy and funding priorities.

Regional capital cities perform a 'capital city' role within their regions, providing a central point of access to essential services, commerce, employment and education. These services are accessed by local residents as well as those in surrounding towns and rural areas.

Regional capital cities also provide a liveable alternative for people and businesses wishing to escape Australia's congested metropolitan cities. Every year regional capital cities generate \$225 billion, or more than 16 per cent of national economic activity.

All RCA members have a growth agenda and stand ready to ensure a growing Australia means a stronger and more equitable regional Australia.



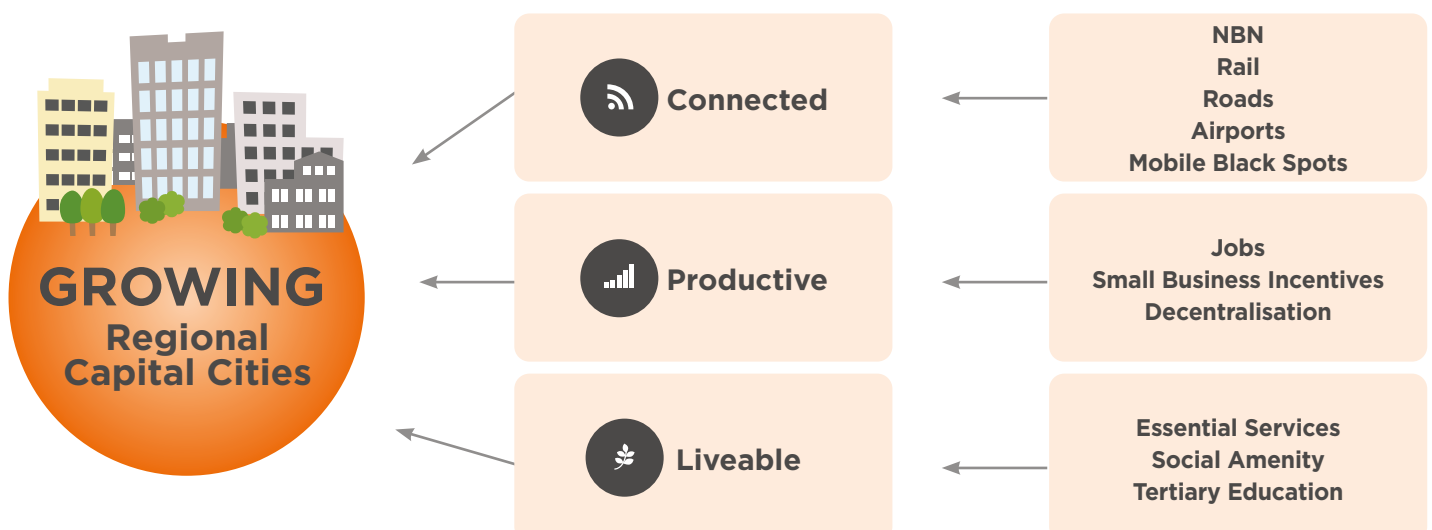
## Policy Platform

The following outlines Regional Capitals Australia's framework to grow regional capital cities that are:

1. **Strong service centres:** that continue to be a central point to access essential infrastructure, services, business, employment and education;
2. **Easing the metropolitan congestion:** encouraging regional migration and decentralisation options for new and existing residents and businesses can take the pressure of major metropolitan capitals; and
3. **An affordable alternative:** providing affordable housing and industry industrial land options for families and business seeking to avoid the inflated housing markets of the major metropolitan capitals.

To achieve this vision we must continue to build regional capital cities that are:

1. **Connected:** with roads, rail, airports (and services), broadband and mobile telecommunications;
2. **Productive:** with diverse economies that can be built with government and private sector decentralisation and skilled labour shaped through strong tertiary and continuing education opportunities; and
3. **Liveable:** with high levels of essential services, social amenities and a continued supply of affordable housing options.



## Regional Airports Policy

RCA acknowledges the recent Australian Government commitment to prepare an Aviation White Paper which will work with industry and communities to deliver an understanding of the role of aviation in terms of economic development, skills and workforce into the future with regional aviation a key focus.

Regional airports are key to the social and economic life of regional Australia, connecting regional centres and their residents to Australia's capital cities. However, while regional airports play a critical role in their communities, the simple fact is most regional airports are under significant financial strain.

Many are faced with ageing infrastructure, ever increasing security cost pressures, high staffing costs, community service costs and a disproportionately high regulatory cost burden.



## Fast Facts

1. It is estimated that more than 200 regional airports and aerodromes are owned and operated by local governments across Australia;
2. Forty per cent of Australia's 61 million annual domestic aviation passengers travel through regional airports;
3. Civil Aviation Safety Authority (CASA)'s regulatory imposts are higher for regional and remote airports, comprising 12 per cent of total expenditure, compared to about 4 per cent for major airports and major regional airports;
4. Sixty per cent of regional airports operate at a loss. They depend upon cross-subsidisation by their local government owners who are already burdened by competing demands on their limited financial resources; and
5. Almost 40 per cent of regional airports expect persistent budget deficits over the next 10 years.

## The Contribution

Regional airports are largely owned and operated by local government. During COVID-19 lockdowns these facilities allowed regional communities to keep essential workers and freight moving.

Regional airports continue to generate significant direct employment and economic activity, as well as indirectly through associated business, service and industry activity.

They support the attraction of staff to, and their retention in, regional and remote communities, make FIFO (Fly-in, Fly-out) employment possible, make businesses more efficient and facilitate freight services and same-day business travel to capital cities from regional centres.

Regional airports support tourism and trade, assist regional Australians' access to specialist health, education and legal services that are otherwise not available locally, and play an essential role in saving lives by facilitating medical evacuations, collection and delivery of organ donations and search and rescue.

They also play a vital role in the protection of Australia's physical assets, enabling aerial fire fighting and supporting law enforcement bodies, such as the Western Australia Police Air Support and border protection agencies which operate out of Australia's regional airports, particularly in Northern and Western Australia.







## The Challenges

The majority of Australia's regional airports are experiencing ongoing financial strain. During COVID-19 local governments continued to operate their facilities despite suffering major financial losses. Today two-thirds currently operate at a loss and almost forty per cent anticipate continuing deficits over the next decade.

Many regional airports are in need of urgent upgrades - including the burden of costly ongoing security upgrades and increasing and disproportionate regulatory costs.

Existing resources will be further strained as expenditures rise by almost 40 per cent over the next ten years. RCA acknowledge the Government's existing support for regional airports, including the Regional Airports Program and the Regional Airport Security Screening Fund. However, we are concerned by the lack of certainty about ongoing funding given existing financial challenges.

As many regional cities look towards a more connected world in a post-COVID recovery - support for landside investment will be sought to secure the future of agriculture and manufacturing sectors in regional communities.

## Recommendations



1. Implement a policy recognising the importance of regional airports in increasing the connectivity of regional Australia and to consider future planning and funding of regional airports;
2. Provide recurrent funding for the Regional Airport Fund to ensure that regional airports can be upgraded and maintained, and to guarantee the sustainability of the regional aviation network - \$500m over 4 years;
3. Upgrade the guidelines for the Regional Airport Fund to allow for landside developments to be considered; and
4. Review the efficacy of Western Australia's Strategic Airport Asset and Financial Management Framework (as recommended by the Productivity Commission) to assess the efficacy of the Framework and determine its suitability for application across all jurisdictions. Subject to the results of the review, support the roll-out of the Framework across other Australian jurisdictions.



## For More Information:

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Rachael Sweeney

Regional Capitals Australia Secretariat

**e** [secretariat@regionalcapitalsaustralia.org](mailto:secretariat@regionalcapitalsaustralia.org)

**p** 0422 067 858

