7 December 2023

The Hon Catherine King MP
Minister for Infrastructure, Transport, Regional Development and Local Government
Aviation White Paper Branch
Domestic Aviation & Reform Division
Department of Infrastructure, Transport, Regional Development, Communications and the Arts
GPO Box 594
CANBERRA ACT 2601

Via: aviationwhitepaper@infrastructure.gov.au

Dear Minister,

RE: Regional Capitals Australia - Aviation White Paper Submission

Regional Capitals Australia (RCA) is pleased to present this submission on the Aviation Green Paper for consideration when preparing the Aviation White Paper.

RCA is an alliance of 18 local government associations across the nation, representing Australia's regional capital cities. Regional capital cities perform a 'capital city' role within their regions, providing a central point to access essential infrastructure, services, business, employment and education. These services and infrastructure are accessed by local residents as well as those in surrounding towns and rural areas, especially regional airport facilities.

The value of airports to the economies and communities of regional capital cities in Australia is well documented. They are important and essential to the sustainability and growth of regional cities and most importantly provide critical infrastructure for emergency service response and operations.

This submission highlights our members' position on how to best assist and fund regional cities to successfully operate, maintain and develop their airports through the Aviation White Paper development.

On behalf of our 18 members, we look forward to contributing to the development of the Aviation White Paper regarding the importance of regional airport connectivity.

Yours faithfully,

Cr Kylie King
Chair, Regional Capitals Australia
Mayor, Albury City Council

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.
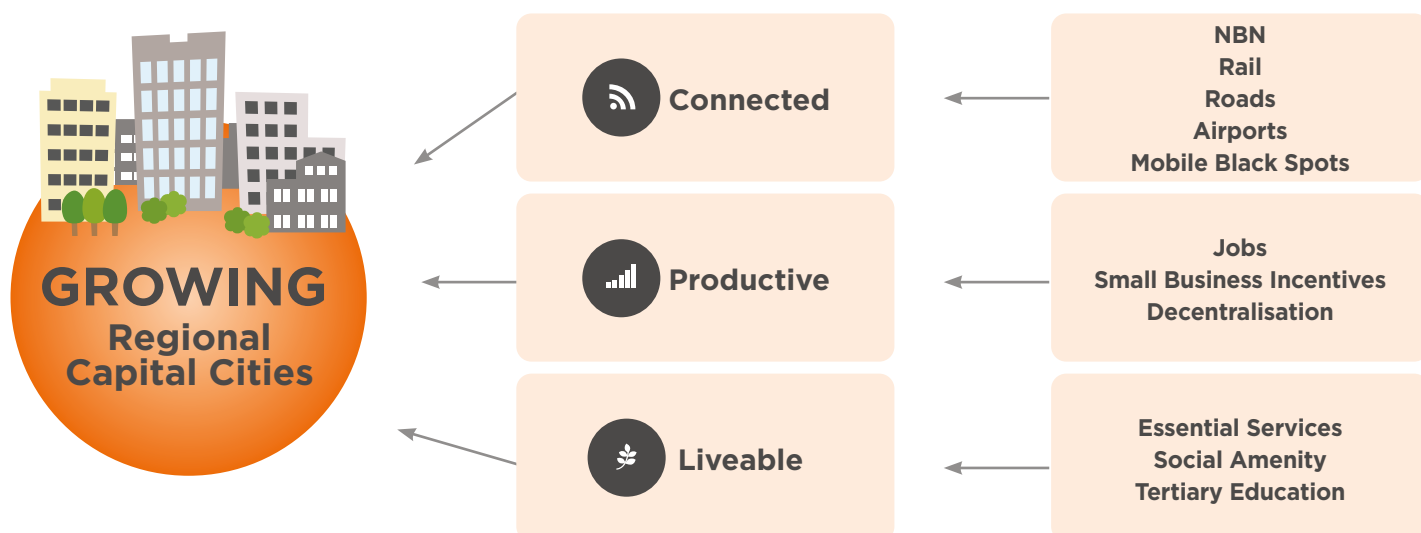
Policy Platform

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.

GROWING Regional Capital Cities

Connected
NBN
Rail
Roads
Airports
Mobile Black Spots

Productive
Jobs
Small Business Incentives
Decentralisation

Liveable
Essential Services
Social Amenity
Tertiary Education

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.

![Regional Capitals Australia logo]
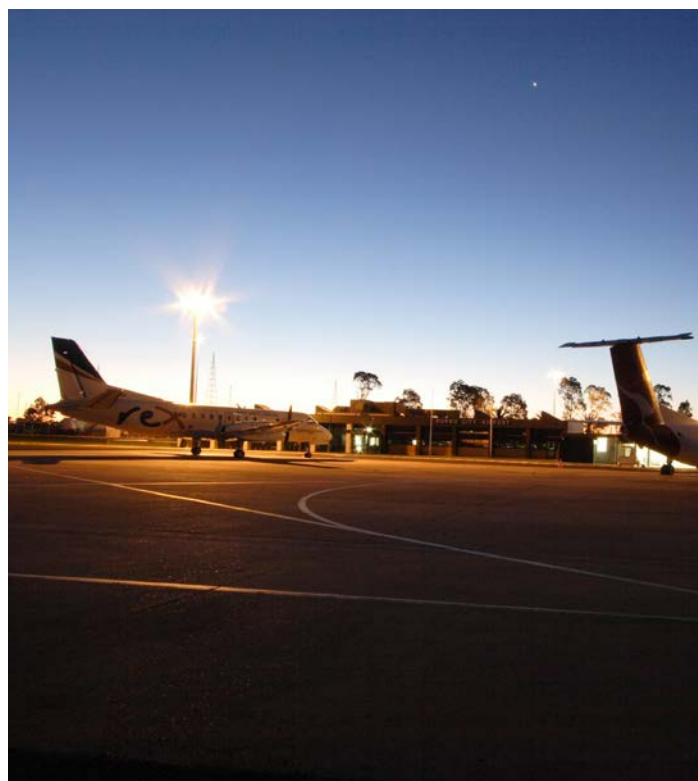
The Challenges

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 the cost of security can be covered in regional airports - $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.

Vulnerability of Regional Aviation Routes

An additional challenge faced by regional airport operators is the propensity of airlines to suspend, cancel or reduce services on routes, often with limited notice. Within the last 12 months service reductions or suspensions by Qantas, Rex, Virgin, FlyPelican and new low-cost carrier Bonza have affected regional airports in every Australian state and territory. At least seven of the cancelled services had been in place for less than 8 months. These abrupt decisions can leave local governments without sufficient revenue to recover the cost of facility upgrades required by airlines and regulators, as well as the cost of ongoing airport operation. Regional ratepayers ultimately bear these costs.

The vulnerability of regional aviation routes creates a risky investment environment not only for airport operators but also for local businesses. It's clear that for many regional airports a market-driven approach to service provision, which is the basis of major city airports, is not viable. Ongoing federal government investment is required to support provision of reliable air services to these communities.

Snapshot of service changes:

- Since April 2023 Rex has reduced services on 16 routes and suspended 4 routes.

- Less than 6 months after launching in January 2023 Bonza cancelled services on 5 regional routes, and reduced services on a range of other regional routes.

- In November 2023 Qantas cancelled services from Exmouth, Burnie, Davenport and Alice Springs. Other regional airport operators have noted a change in service operations on ad-hoc arrangement.

REGIONAL AIRPORTS
CASE STUDIES

About the city

Albury is a major administrative centre to the surrounding agricultural regions along the Murray River and is also home to a number of university and TAFE campuses. Albury has a population of over 50,000 people however when combined with the population of Wodonga over the border in Victoria, the two cities form an urban area with a population of nearly 100,000. Albury is located 550km from Sydney and 330km to Melbourne.

Airport overview

Albury Airport is owned and operated by Albury City Council. It is the second busiest regional airport in New South Wales with approximately 280,000 passenger movements per year.

Albury Airport is the nominated aerial firefighting and search and rescue base for both Victoria and New South Wales and supports multiple emergency services flights including both planned and emergency transfer flights, live organ transfers and patient repatriation.

The airport also accommodates large air tankers (fire bombers), helicopters, and other aircraft belonging to both government agencies and non-profit organisations (Little Wings, CareFlight and the Royal Flying Doctor Service).

Financial implications

- Annual expenses of $5,200,000 far exceeds the airport's annual income of $4,000,000 leading to an unsustainable burden on ratepayers of $1,200,000 annually;

- Regulation costs (including security) accounts for 60% of expenses, contributing significantly to the general operating costs of the airport as well as capital upgrades required to meet safety and regulatory standards;

- There are insufficient resources in the foreseeable future to undertake significant but essential upgrades to the facilities and infrastructure at the airport.

Problem statement

Due to the demand for air services in the region, the newest entrant to Australia's aviation sector, Bonza launched new services out of Albury airport. The welcome addition of new direct connections to regional destinations has however increased demand on airport infrastructure (runway, carpark, security and check-in facilities).

However during a time of uncertainty in the aviation sector there are large risks for council to undertake any expansions and pursue new commercial opportunities. This is on the basis of airlines propensity to fail or pull services on any route to if financial pressures demand action. This has occurred in recent times on all the major passenger airlines (Rex, Qantas, Virgin, Bonza).

Council has the unenviable task of closely monitoring potential investment against a risky market in order to protect the ratepayers of Albury against any losses.

Airport Uses

Passenger		45%
Emergency Management		15%
Health Services		15%
Pilot Training		10%
Freight		4%
Defence		2%
Other		9%

Flight Statistics

Number of carriers		3
Number of flights/week		130
Number of passengers/week		5,100

Passengers

Tourism		40%
Fly In Fly Out		3%
General passenger		12%
Other		45%

Challenges

- Airport is currently operating at a loss with regulation costs accounting for approximately 60% of expenses;

- Higher regulatory and operating costs, particularly due to screening and security measures, is deferring limited resources away from pursuing new opportunities or upgrades; and

- Skills shortages and housing availability for essential airport workers remains a persistent barrier.

Opportunities

- Albury Airport needs to be expanded to accommodate larger aircraft and meet the increasing demand for air travel in response to growth in the region;

- Albury Airport's strategic location means that it is uniquely positioned to become an aviation hub, accommodating emerging aviation technologies and providing testing grounds and research facilities for leading aviation companies; and

- The airport is also well-positioned to become Australia's leading aerial firefighting base, taking advantage of its unique location and current capabilities to host large air tankers for export

About the city

Ballarat is the commercial capital of Victoria's Central Highlands and a significant tourist destination. As the fourth largest inland city in Australia, Ballarat has a population of over 110,000 people with a growth rate accelerated by housing pressures in Melbourne. Ballarat is located 115km from Melbourne and 970km from Sydney.

Airport overview

Ballarat Airport is owned and operated by Ballarat City Council. The airport is home to an airline pilot training academy. It is also a well-established operational and training base for helicopter and fixed wing aircraft firebombing services.

It accommodates twice weekly flights by air ambulance fixed wing aircraft and also acts as an alternative landing site for the emergency helicopter service that typically use the Ballarat Base Hospital heliport.

Financial implications

• Annual expenses of $255,000 exceeds the airport's annual income leading to an unsustainable burden on ratepayers of $100,000 annually;

• Regulation costs (including security) accounts for 50% of expenses, contributing significantly to the general operating costs of the airport as well as capital upgrades required to meet safety and regulatory standards;

• There are insufficient resources in the foreseeable future to undertake significant but essential upgrades to the facilities and infrastructure at the airport.

Problem statement

The Ballarat and Western Victoria region suffers from a lack of connectivity to other locations in Australia. Interstate travel for businesses and residents involves costly and inconvenient travel by road to Melbourne Airport where user costs are high.

An airport with the capability of accommodating scheduled interstate airline services would greatly enhance the mobility of the people of Western Victoria and connect the region to the major population centres, supply chains and markets in Australia.

Ballarat Airport is well-placed to serve as the region's air transport hub and as a secondary airport for western Melbourne. Ballarat Airport also provides a strategic role as an operational training base for the national aviation industry.

Addtionally, Victoria is one of the most bushfire prone areas in the world and in recent times has suffered from a series of catastrophic events. As a regional hub, the Ballarat airport services the region in providing a facility that can support firefighting efforts and save lives, however the airport's capacity to maintain and expand its facilities is significantly impacted by insufficient resources for capital upgrades and rising regulatory and operating costs.

Airport Uses

Pilot Training		50%
Passenger		5%
Emergency Management		10%
Health Services		5%
Freight		5%
Other		25%

Flight Statistics

Number of carriers		2
Number of flights/week		40
Number of passengers/week		150

Challenges

• Airport is currently operating at a loss with regulation costs accounting for approximately 50% of expenses;

• Difficult to obtain funding for capital works projects for airport upgrades; and

• Higher regulatory and operating costs, particularly due to aging infrastructure, is deferring resources away from pursuing new opportunities or upgrades.

Opportunities

• Commence scheduled airline passenger services to other major population centres to increase productivity and drive economic growth for the region.

• Encourage domestic and international tourism to the region with direct interstate passenger flights;

• Increase training capacity for pilots and aircraft maintenance engineers; and

• Develop the airport's capacity to host aviation businesses and additional emergency services.

Case study: Broken Hill Regional Airport

About the city

Broken Hill is located in the far west of New South Wales with an economy that is heavily reliant on the mining industry however the city also acts as an important service centre to a vast outlying area of western New South Wales, a regional tourist hub and in recent times a popular film location. The city of Broken Hill has a population of nearly 20,000 people, in addition to a significant FIFO population. Broken Hill is a remote location being 840 km from Melbourne and 1,140km to Sydney however the closest capital city is Adelaide which is more than 500km to the south west.

Airport overview

Broken Hill Airport is owned and operated by the Broken Hill City Council. The airport is a major western base for the Royal Flying Doctor Service, supporting medivac flights, clinic and outpatient services to remote outlying areas. It is also the engineering and maintenance base for the Royal Flying Doctor Service, where repairs are conducted for the western fleet of aircraft.

The airport is heavily utilised by local health services including both government and private practice that rely on the airport for transfer of visiting doctors, locums and specialists.

Financial implications

- Regulation costs (including security) contribute significantly to the general operating costs of the airport as well as capital upgrades required to meet safety and regulatory standards;

- There are insufficient resources in the foreseeable future to undertake significant but essential upgrades to the facilities and infrastructure at the airport.

Problem statement

Broken Hill is one the longest continual mining towns in the world and it remains a major player in the Nation's crucial minerals map in addition to new opportunities to develop as a renewable energy hub. Given the remote location and lack of rail services to the area, the airport plays a strategic and irreplaceable role servicing the health, mining (FIFO) and emergency services sectors and connecting the community and business sector to important specialist services.

Airport Uses

	Passenger	50%
	Health Services	30%
	Other	20%

Flight Statistics

	Number of carriers	2
	Number of flights/week	30
	Number of passengers/week	1100

Passengers

	Tourism	30%
	Fly In Fly Out	10%
	General passenger	60%

Challenges

- Limited resources to undertake costly infrastructure upgrades, including essential compliance works for security and regulatory requirements; and

- Skills shortages and housing availability for essential airport workers remains a persistent barrier.

Opportunities

- The airport is used extensively by the mining and energy industry, and expansion of the airport to accommodate larger aircraft is essential for the growth of the region.

About the city

Broome is the largest city in Western Australia's remote Kimberley region, and a major hub for the tourism, LNG, aquaculture, fishing and pearling industries. Broome has a population of nearly 15,000 people however during tourist season it swells to more than 45,000. Broome is a remote location being 2,200km from Perth and 1,900km from Darwin.

The Kimberley Region's is a key contributor to our nation' wealth with an estimated gross regional product is estimated at $4 billion the city of Broome's contribution to this is almost 40% or $1.6 billion.

Airport overview

Broome International Airport is privately run and is the major hub for north western Australia, supporting both tourism and industry across the region, including the offshore LNG sector.

Broome Airport is the second largest Royal Flying Doctor Service base in Western Australia, used for patient transport, CareFlight and clinic services for the vast Kimberley and Pilbara region.

Surveillance Australia perform Coastwatch services out of the airport, with Broome the only northwestern base. Australian Borderforce is also present in Broome to attend the airport in the event of emergency arrivals.

Airservices Australia is based at the airport to provide aviation rescue firefighting services, in addition to a dedicated search and rescue helicopter principally to support the offshore oil and gas industry but also assisting with medivac and search and rescue operations.

Financial implications

- Regulation costs (including security) contribute significantly to the general operating costs of the airport as well as capital upgrades required to meet safety and regulatory standards;

- There are insufficient resources in the foreseeable future to undertake significant but essential upgrades to the facilities and infrastructure at the airport.

Problem statement

Broome International Airport plays an indispensable role in Australia's security and is a key gateway for tourism, offshore industry and essential emergency services due to its strategic location on the north western coastline. It is also an enabler of border protection activity and due to the city's remote location is an important facility to connect the community and business sector to specialist services. Airport operations and potential expansion is hamstrung by the lack of resources to undertake essential capital upgrades and manage increasing regulatory and operating costs.

Airport Uses

Passenger		75%
Health Services		10%
Emergency Management		10%
Defence		4%
Freight		1%

Flight Statistics

Number of carriers		13
Number of flights/week		1,500
Number of passengers/week		10,000

Passengers

Tourism		60%
Fly In Fly Out		20%
General passenger		10%
Other		10%

Challenges

- Limited resources to undertake costly infrastructure upgrades, including essential compliance works for security and regulatory requirements; and

- Skills shortages and housing availability for essential airport workers remains a persistent barrier.

Opportunities

- Expand airfreight services to export agriculture and aquaculture products from the region; and

- Drive domestic and international tourism to the region with additional direct flights to major metro capitals and international destinations.

About the city

The Fraser Coast region is centred around the cities of Hervey Bay and Maryborough that historically relied on agriculture, fishing and timber and increasingly now tourism.

It is estimated that there were around 1.7 million visitors to the Fraser Coast in the year to March 2023. K'gari (Fraser Island) attracted an estimated 688,000 visitors in the year ending March 2022, despite international border closures for some of that period.

The Fraser Coast region has a population of over 110,000 people and is located 250km from Brisbane.

Airport overview

Hervey Bay Airport offers commercial flights regularly to Brisbane, Sydney and Lady Elliot Island in addition to frequent charter flights to nearby Fraser Island.

Maryborough Airport is primarily used for medical air services, flying training, freight transport and recreational flying.

Financial implications

- Annual expenses of $4.8 million far exceeds the airport's annual income of $3.7 million leading to an unsustainable burden on ratepayers of $1.1 million annually;

- Regulation costs (including security) accounts for 30% of expenses, contributing significantly to the general operating costs of the airport as well as capital upgrades required to meet safety and regulatory standards;

- There are insufficient resources in the foreseeable future to undertake significant but essential upgrades to the facilities and infrastructure at the airport.

- Additionally, Council has endorsed a $9 million capital investment program over the next 10 years to renew and upgrade existing Airport infrastructure however with the current challenges in delivery of capital programs there are ongoing risks to this program.

Problem statement

The Fraser Coast region is one of Australia's premier tourism destinations, and council has recognised the strategic importance of investment in the airport for tourism and regional growth. Fraser Coast also has an ageing population that requires good connections to specialist services based in Brisbane. Unfortunately the airport is a burden on ratepayers due to increasing regulatory and operating costs and funding new infrastructure upgrades remains a challenge.

Airport Uses

Passenger		95%
Health Services		2%
Emergency Management		0.5%
Defence		0.5%
Freight		2%

Flight Statistics

Number of carriers		2+1

(2 regular passenger transport + 1 regular charter to Lady Elliot Island)

Number of flights/week		52
Number of passengers/week		2,635

Passengers

General passenger		100%

FY 22/23 Total 156,050 which includes 18,845 Lady Elliot passengers

Challenges

- Limited resources to undertake costly infrastructure upgrades, including essential compliance works for security and regulatory requirements.

Opportunities

- Expand airfreight services to export agriculture and aquaculture products from the region

- Drive domestic and international tourism to the region with additional direct flights to major metro capitals

- Potential development of aviation industry or aviation support industry on adjacent land owned by council.

About the city

The City of Greater Geraldton is a coastal city in the mid-west region of Western Australia and a major seaport for bulk haulage vessels. Geraldton is an important centre servicing the mining, fishing, wheat, sheep and tourism industries. Geraldton has a population of over 40,000 people and is located 420km from Perth.

Airport overview

In addition to daily flight services to Perth and northbound flights to Karratha, Port Hedland and Broome, Geraldton Airport also caters for general aviation charter flights, Royal Flying Doctor Services, RAAF deployments, and fly in fly out mining services to regional Western Australia.

Financial implications

- Regulation costs (including security) contribute significantly to the general operating costs of the airport as well as capital upgrades required to meet safety and regulatory standards;

- There are insufficient resources in the foreseeable future to undertake significant but essential upgrades to the facilities and infrastructure at the airport.

Problem statement

Geraldton is the largest city north of Perth and important international port that relies heavily on the airport for transport of personnel, tourists and emergency services. Unfortunately the lack of funding for capital upgrades has severely limited any potential for growth and development of the airport.

Airport Uses

Passenger		85%
Health Services		2%
Emergency Management		5%
Defence		1%
Pilot Training		2%

Flight Statistics

Number of carriers		1
Number of flights/week		12
Number of passengers/week		1,800

Passengers

Tourism		9%
Fly In Fly Out		7%
General passenger		84%

Challenges

- Limited resources to undertake costly infrastructure upgrades, including essential compliance works for security and regulatory requirements.

Opportunities

- Develop landside facilities to encourage airfreight expansion, provide a narrow-body jet aircraft maintenance hangar, RFDS base, Rescue Helicopter base, 24/7 Aircraft Refuelling facilities, optimise terminal space to improve passenger movements and ensure future security obligations can be met.

- Drive domestic and international tourism to the region with additional direct flights to Perth and alternative inter-regional services.

About the city

Griffith is the regional hub for the Murrumbidgee irrigation area, one of Australia's richest and most productive agricultural regions. Griffith has a diverse population of over 27,000 people with a large proportion of residents having Italian ancestry. Griffith is located 550km west of Sydney and 450km north of Melbourne.

Airport overview

Griffith Regional Airport is owned and operated by Griffith City Council. The airport is a base for the NSW Air Ambulance, Royal Flying Doctor Service and NSW Rural Fire Service. It can accommodate multiple (15+) light, medium and heavy helicopters used for disaster relief and rescue support. The airport is also a National Parks and Wildlife Service helicopter and aircrew training facility, supporting six Squirrel helicopters and 30 plus support personnel.

The airport is also a freight hub which sees $7million in exports each year and passenger commuter airport which supports daily passenger services for the business sector and local community.

Financial implications

- Annual expenses far exceed the airports annual income leading to an unsustainable burden on ratepayers;

- Regulation costs (including security) contribute significantly to the general operating costs of the airport as well as capital upgrades required to meet safety and regulatory standards;

- There are insufficient resources in the foreseeable future to undertake significant but essential upgrades to the facilities and infrastructure at the airport.

Problem statement

Griffith Regional Airport plays a critical role in the future security of Australia, both as a major logistics hub for agriculture and an essential base for emergency services and disaster relief.

As Griffith is a significant driving distance to the major capitals of Sydney and Melbourne the airport also serves as an important connectivity enabler for the business and community sector especially in being able access specialist services that are not located in the Riverina.

However, rising regulatory, security and operating costs means that the airport is an unstainable burden on ratepayers despite the critical role it plays in the broader region.

Airport Uses

	Passenger	45%
	Pilot Training	15%
	Health Services	10%
	Freight	8%
	Emergency Management	5%
	Defence	2%

Flight Statistics

	Number of carriers	2
	Number of flights/week	60
	Number of passengers/week	1300

Passengers

	Tourism	35%
	FIFO	5%
	General passenger	15%
	Other	45%

Challenges

- Airport is currently operating at a loss with regulation costs accounting for a significant proportion of expenses.

- Higher regulatory, security and operating costs is diverting limited resources away from providing the additional investment required to support airport upgrades, including those required for aerial agricultural operations

- Skills shortages and housing availability for essential airport workers remains a persistent barrier

Opportunities

- Griffith airport is the gateway to the vast Murrumbidgee Irrigation Area, and there is significant scope to expand aerial agricultural operations to support the entire Murrumbidgee food bowl

- Upgrades to the airport would support developing tourism and commercial industries in the Griffith region as well as enhance agriculture airfreight opportunities for export

About the city

The City of Latrobe is a major city in the Gippsland region in eastern Victoria, and while it has traditionally been recognised as the centre of Victoria's energy production, the city is in transition and is now a major service centre particularly in health, aged care and education. Latrobe has a population of over 77,000 people and is located 160km to Melbourne and 860km to Sydney.

Airport overview

Latrobe Regional Airport is home to the Latrobe Aerospace Technology Precinct and a base for Mahindra Aerospace, including a specialist aviation workforce. It is also a research centre to co-design and pioneer new technologies in advanced air mobility in partnership with Swinburne University of Technology.

The airport also offers a range of commercial charter, tourist and light aircraft operations in addition to RAAF cadets, helicopter emergency medical services and the Department of Environment, Land, Water and Planning aerial services.

Financial implications

- Regulation costs (including security) accounts for 20% of expenses, contributing significantly to the general operating costs of the airport as well as capital upgrades required to meet safety and regulatory standards;

- There are insufficient resources in the foreseeable future to undertake significant but essential upgrades to the facilities and infrastructure at the airport.

Problem statement

Latrobe City is experiencing a significant transition from traditional energy generation and the airport presents a viable commercial opportunity through advanced air mobility and associated manufacturing, as well as future pilot training to provide new jobs. The airport needs to be upgraded to be an attractive and viable proposition for potential new users, however council is hamstrung by insufficient resources to upgrade the facilities and infrastructure at the airport.

Airport Uses

Passenger		10%
Health Services		20%
Emergency Management		10%
Pilot Training		10%
Other		50%

Flight Statistics

Number of carriers		1
Number of flights/week		2
Number of passengers/week		20

Passengers

Fly In Fly Out		100%

Challenges

- Limited resources to undertake costly infrastructure upgrades, including essential compliance works for security and regulatory requirements

- Significant capital upgrades are required to upgrade the existing runway length and width

- Skills shortages and housing availability for essential airport workers remains a persistent barrier

Opportunities

- Developing the aviation industry (Advanced Air Mobility) in Latrobe is a viable long term economic alternative for a region looking to transition away from its traditional reliance on the coal and timber industries;

- Increasing commercial flights to service the fly in – fly out workforce is a significant growth opportunity for the airport.

About the city

Wagga Wagga is the commercial heart of the Riverina region of New South Wales and one of the state's largest regional cities. Wagga Wagga is a hub for industry, healthcare and education with a strong and diverse economy driving growth and investment. The city is a major defence hub with both a RAAF base and an army recruit training facility. Wagga Wagga has an estimated population of nearly 70,000 people and is located halfway between Sydney and Melbourne. As the hub for health services in the region, the city is home to the largest number of medical specialists in any single regional Australian location.

Airport overview

Wagga Wagga Airport is one of the most significant regional gateways in New South Wales, servicing 220,000 passengers per annum with daily connections to Sydney and Melbourne as well regular services to Brisbane.

The Airport is owned by the Department of Defence with a section leased to Wagga Wagga City Council for civilian operations. The airport is an essential service centre to the adjoining RAAF Base and training facility, facilitating the movement of both aircraft and personnel.

The Australian Airline Pilot Academy operates a state of the art training facility from the airport, complying with both Australian and European aviation training standards. Regional Express also operates a large maintenance base from the airport.

The Airport is a key strategic asset for the region's community facilitating patient transfer services, medical evacuations, specialist health and education access. The Rural Fire Service also has a strategic base at the airport.

Financial implications

- The airport operates at a loss and due to the annual lease costs to the Commonwealth Government, Council is unable to build up financial reserves to support routine maintenance and upgrades.
- The airport is heavily dependent on subsidisation by Council which has many other competing demands on limited resources.
- This arrangement is unsustainable, restricting growth, capital investment and development.

Problem statement

The twin effects of the restrictive nature of the current lease terms, and Council's ability to fund upgrades are impacting the region's connectivity, workforce attraction, access to specialist health services and business prospects. The CEO of Bonza, Australia's newest entrant to regional aviation specifically called out the state of the airport as a key factor for not providing services to the city "Having to collect your bag from a baggage cart outside reminded me a little bit of being in the Phillipines 15 years ago…"

Airport Uses

	Passenger	12%
	General Aviation	18%
	Emergency Management	3%
	Defence	0.04%
	Freight	1%
	Pilot Training	66%

Flight Statistics

	Number of carriers	2
	Number of flights/week	122
	Number of passengers/week	3,725

Passengers

	Tourism	15%
	Fly In Fly Out	30%
	General passenger	55%

Challenges

- The lack of certainty over the future lease and lease terms is inhibiting investment into the Airport facility which is no longer fit for purpose with the potential to negatively impact on the region's economy, reputation and resident access to specialist health services;
- The new screening equipment required under the Aviation Transport Security Amendment Regulations 2019 does not fit inside the current terminal building and Council does not have the funds to expand the terminal to accommodate this infrastructure.

Opportunities

- Upgrades to the Airport would support population growth, business attraction, health access, tourism and enhance the city's role as the regional hub for the greater Riverina region;
- Develop the Airport's terminal capacity to meet regulatory screening and accessibility requirements;
- Develop the Airport's airside facilities to attract larger bodied aircraft as well as facilitating all-weather medical evacuations and emergency services.