

Mr Jeremy Conway
Chief Executive
Infrastructure SA
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Via email: infrastructure@sa.gov.au

31 July 2019

20-Year State Infrastructure Strategy Discussion Paper

Dear Mr Conway

I am writing to you in relation to your recent invitation to the Australian Airports Association (AAA) to provide a submission to Infrastructure SA in connection with the recent publication of its *20-Year State Infrastructure Strategy Discussion Paper*. The AAA welcomes the opportunity to provide input into that process, particularly given our airport members represent significant pieces of infrastructure that facilitate a broad range of economic activity in areas including tourism, trade and other community and social benefits.

By way of background, the AAA is the national industry voice for airports in Australia. The AAA represents the interests of more than 340 airports and aerodromes Australia wide – from local country community landing strips to major international gateway airports. The AAA's South Australian members include Adelaide, Parafield, Olympic Dam, Kangaroo Island, Ceduna, Whyalla and Port Augusta airports. There are a further 160 corporate members who provide goods and services to airports. The Charter of the AAA is to facilitate co-operation among all member airports and their many and varied partners in Australian aviation, while maintaining an air transport system that is safe, secure, environmentally responsible and efficient for the benefit of all Australians.

The AAA has long enjoyed a cooperative and productive relationship with the South Australian (SA) Government and, in particular, with the aviation area of the SA Department of Planning, Transport and Infrastructure (DPTI). Those relationships have proven to be particularly beneficial through cooperative initiatives that resulted in the development of airport Master Plans for many regional airports across South Australia. Those long-term plans have assisted in securing both

state and federal government funding assistance for essential airport infrastructure that helps boost regional economies.

The AAA welcomes the Discussion Paper's identification of emerging pathways to growth in areas such as tourism, a growing demand for premium food and agri-business products and in the resources sector. These are all areas in which the aviation sector and regional airports are actively engaged.

Unfortunately, the AAA was disappointed that in the most recent SA Budget the funding assistance for regional and remote airstrips has been significantly reduced, with only \$1 million of funding allocated over the next two years, with no further funding available beyond that. This reduction of regional airport funding has been captured as a Departmental efficiency measure in the SA Budget, which is concerning for industry as it indicates a decreased focus on the importance of regional aviation and infrastructure.

You may be aware of the Morrison Government's announcement of a new \$100 million Regional Airports Program funding initiative as part of the Federal Budget earlier this year. This is an initiative the AAA advocated for over three years, in recognition of the fact that regional airports provide vital links for communities to access services, job opportunities and domestic and international markets.

This new fund is designed to assist with essential aeronautical infrastructure works and maintenance to ensure the safe ongoing operation of aviation services, which are essential to regional communities. The fund will be designed around a co-contribution funding model in partnership with state and local governments. It is therefore disappointing that both this Discussion Paper, as well as the recent SA Government Budget, have failed to recognise the important contribution aviation and airport infrastructure makes to regional communities from an economic, essential services, and social connectivity perspective.

Infrastructure SA would also be aware of Australia's development of its next long-term tourism strategy to 2030. There is no question that airports play a pivotal role in supporting Australia's tourism industry by facilitating the travel of almost all our international visitors.

The AAA notes that the May 2019 Report to Government of the Beyond Tourism 2020 Steering Committee expressed as a goal the need to, "... encourage dispersal outside capital areas". With one of the actions nominated to drive demand including "... Governments working with airports to expand aviation growth into non-capital airports". The AAA supports this goal and strongly believes that regional airports – including those in South Australia – have an important role to play in that goal.

While Infrastructure SA has identified 'infrastructure' as, "... the physical assets and structures that enable the services necessary to sustain or enhance the economy and liveability of South Australia', it is disappointing to the AAA that airports have received little consideration within the Discussion Paper, save for some references to Adelaide Airport.

While Adelaide Airport is clearly a major economic hub for the State, directly and indirectly employing almost 18,000 FTE jobs and contributing around 2.1% to the Gross State Product, there must be greater consideration of the benefits provided by regional airports. The AAA believes there are several opportunities for growth in regional airports in SA, particularly in areas such as tourism, a growing demand for premium food and agri-business products, as well as the resources sector.

The AAA is committed to ensuring that airports are appropriately recognised as critical infrastructure assets at both a national and state level. As an industry, airports across the country deliver \$34.6 billion to the economy (2 per cent of GDP) and create more than 206,000 jobs. Given the essential role airports play in facilitating both tourism and trade, it is essential they be appropriately recognised in infrastructure strategies at a state and national level.

The AAA recommends that Infrastructure SA consider more appropriately reflecting the important role of airports in its 20-year State Infrastructure Strategy. It is important to ensure that the role of critical airport infrastructure is taken into account in the government's long-term planning and investment decisions.

I would welcome the opportunity to discuss any of these issues with you further and, should you have any questions, please do not hesitate to contact me via Simon Bourke (Policy Director, AAA) on [DELETED] or [DELETED].

Yours sincerely,

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Caroline Wilkie

Chief Executive Officer