

21 December 2020

Mr. Gerry McNally
Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100 Parliament House
CANBERRA ACT 2600

Dear Mr McNally

Submission to the inquiry into the future of Australia's aviation sector in the context of COVID-19 and conditions post-pandemic

Thank you for the opportunity to make a submission to the Committee's inquiry into the future of Australia's aviation sector in the context of COVID-19 and conditions post-pandemic (the Inquiry). The Australian Local Government Association (ALGA) is the national voice for 537 councils across Australia and a significant number of those councils in regional areas own airports.

There are in excess of 200 local council regional, rural and remote airports that have been providing aviation services to their communities as well as their local businesses and services, such as agriculture and aeromedical. For Local Government, efficient infrastructure, including airports, is vital to ensure the sustainability of our regional and rural communities, which enables them to maintain their significant contribution to the Australian economy.

More than 120 councils are members of the Australian Airports Association (AAA) and the ALGA is aware that AAA has made a submission to the Senate Committee which addresses a number of issues of concern to councils which own regional airports.

On that basis, ALGA is happy to note its support for key issues raised by the AAA. ALGA agrees with the AAA that the cost to many regional councils of providing an essential transport service during the pandemic has been significant. This reflects the high fixed costs involved in keeping the lights on and runways open, regardless of aviation activity levels, particularly in providing security and other government-mandated services.

ALGA notes the estimates provided by the AAA of the very substantial collective losses borne by Australia's airports as a result of reduced revenue and supports the call by the AAA for financial relief from Government-mandated charges.

ALGA agrees that the Federal Government's support to the aviation industry during the pandemic has not adequately assisted airports. ALGA also notes that the exclusion of local governments from JobKeeper has disproportionately affected council-operated airports and the communities they serve in regional and remote Australia.

While ALGA is grateful for the Regional Airport Program announced by the Federal Government in the 2019-2020 Budget (\$100 million over 4 years), neither this program nor the Regional Airlines Funding Assistance Program (\$100 million) addresses the loss of vital operational income experienced by most councils. For these councils, the impact of the COVID-19 pandemic on the revenue they draw from their airports has been severe and, in some cases, has put their ongoing operation at risk. This is in the context of many of Australia's regional airports already operating at a loss ahead of the pandemic. These airports are required for everything from passenger transport to major roles in tourism, postal services, air ambulances, emergency services operations, crop dusting, surveying and flight training.

ALGA would support an injection of Federal funding into the council-owned airports and aerodromes to ensure their ongoing viability in a similar fashion to its support for commercial airlines.

ALGA also notes that there are many aviation-related businesses that have been badly impacted by the COVID-19 crisis in regional and rural areas. These include local catering services for passenger flights, fueling services, technical airline work crews, maintenance crews and works, as well as airport kiosks, car hire, taxi service as well as advertising agencies that use billboards at local airports.

These same businesses often pay fees to regional and rural airports, again further eroding the various financial bases that the airports rely on to remain financially viable. One of the hardest hit aviation-related sectors are the regional tourism operators.

ALGA therefore also supports a review by the Australian Government of the impact that the COVID-19 pandemic has had on regional aviation-related businesses operating in and out of regional airports and consideration of support for these aviation-related businesses.

ALGA appreciates the opportunity to provide this brief submission.

Yours sincerely

Adrian Beresford-Wylie
Chief Executive