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Budget neglects regional airport funding requirements

The Federal Budget has failed to deliver a much-needed increase in funding for Australia's regional airports.

There are around 300 airports in regional Australia that are registered for regular passenger transport (RPT) services. Most of these airports are owned and operated by local government.

'Despite compelling evidence about the need for more funding, we are very disappointed the Turnbull Government has not addressed this requirement in the Budget,' AAA CEO Caroline Wilkie said.

A study commissioned by the AAA and presented to the Minister for Infrastructure and Regional Development last year found that 61 per cent of regional airports had budget deficits in 2014-15, with costs exceeding revenues by an average of 45 per cent for airports without RPT services.

Nearly 40 per cent of regional airports anticipate persistent budget deficits over the next decade, and the cost of operating a regional airport is forecast to rise by almost 40 per cent during that time.

'The remaining funding available in the Remote Airstrip Upgrade (RAU) programme simply isn't adequate to address the \$170 million shortfall in essential aeronautical infrastructure investment in regional Australia,' Ms Wilkie said.

'While some airports have been fortunate enough to access other funding such as the Building Better Regions Fund, the fact remains that there are a large number of small regional aerodromes that simply can't compete on a level playing field for these broader infrastructure funds'.

Regional airports play vital roles in the health and well-being of regional communities, enabling access to specialist and emergency medical facilities. Recent information from the Bureau of Infrastructure, Transport and Regional Economics confirmed that air ambulance hours have doubled since 2000 and continue to rise exponentially, highlighting the importance of maintaining safe airports.

'Regional airports are essential transport infrastructure assets for regional, rural and remote communities across Australia and it is imperative that the Commonwealth Government provide dedicated funding assistance for these critical community assets ' Ms Wilkie said.

'We will continue to advocate the needs of our regional airports and seek a better funding outcome for facilities which help to keep people in regional and rural Australia connected to the rest of the country,' Ms Wilkie said.