

17 October 2025

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Joint Standing Committee on Trade and Investment Growth
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Submitted via https://www.aph.gov.au/Parliamentary_Business/Committees/OnlineSubmission/Submit

Submission to the Inquiry into Creating Sustainable Economic Growth in Rural and Regional Australia

The Australian Airports Association (AAA) appreciates the opportunity to provide input to the Committee's inquiry into creating sustainable economic growth in rural and regional Australia.

The AAA is the national voice for airports and represents the interests of more than 340 airports and aerodromes across Australia, together with over 150 corporate members supplying essential goods and services to the sector. Our members include the largest international gateways and extend to small council owned airports that keep remote communities connected. Airports are essential national infrastructure that sustain regional and rural economies, connect people to opportunity and support the movement of goods and services that underpin Australia's prosperity.

Australia's economic potential and global standing depend on efficient, modern and well-connected airports. Collectively, airports contribute at least \$105 billion to the national economy each year, equivalent to five per cent of GDP.¹ They support tourism, trade, international education, business travel and freight, and are especially critical for regional and remote communities where air services often provide the only reliable connection to health care, education and markets. With air travel projected to grow from 159 million passengers in 2024 to 210 million by 2030, regional and rural airports will play an increasingly important role in sustaining growth, jobs and live ability across Australia.²

Rural and regional airports play an important role in helping local industries reach domestic and international markets. They support agricultural exporters by providing the infrastructure and connectivity needed to move perishable goods efficiently and safely. Airports also enable airfreight, cold-

¹ Deloitte Access Economics, <u>Taking Flight: The economic and social contribution of Australia's airports</u> – Australian Airports Association, November 2023, p.2, retrieved on 7 October 2025.

² Bureau of Infrastructure and Transport Research Economics (BITRE), Research Report 157 <u>Australian aviation forecasts - 2024 to 2050.</u> p.119, retrieved on 7 October 2025.

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chain logistics and biosecurity processes that protect the integrity of Australian products in international markets. Maintaining and upgrading regional airport infrastructure strengthens local supply chains, reduces transport times and costs, and contributes directly to national productivity.

General aviation airports also make a vital contribution to Australia's productivity and workforce pipeline. These airports host most of the nation's pilot and engineer training, provide platforms for firefighting, search and rescue, law enforcement, and medical operations, and support key sectors such as agriculture, mining, tourism, and freight. Metro GA airports like Moorabbin, Archerfield, Bankstown, Parafield and Jandakot are critical to the supply of pilots and maintenance engineers, as well as innovation in next-generation aircraft. Moorabbin alone supports over 250 aviation and service businesses, trains more than 1,300 pilots each year, and sustains 6,500 local jobs across Melbourne's south-east. Recognising GA airports as essential national infrastructure would help secure Australia's aviation skills pipeline, strengthen emergency response capability, and enhance the competitiveness of regional industries that depend on air services.

Australia's reputation as a producer of clean, green and trusted products is supported by the professionalism and reliability of its aviation gateways. Airports are the first and last impression international visitors and buyers have of the nation. Investments that help regional airports meet sustainability standards, improve facilities and showcase local identity strengthen the story of Australian quality and integrity. Many airports are already advancing renewable energy use, electrifying equipment and reducing waste. Marketing initiatives that integrate airports into national "Brand Australia" campaigns would further amplify this message through both physical and digital channels at key points of arrival and departure.

Airports are also key platforms for promoting regional identity. Partnerships between airports, local producers and tourism bodies create unique opportunities to showcase regional goods and experiences to travellers. At Launceston Airport, displays of Tasmanian food and beverage producers introduce visitors to local exports before they reach the farm gate. Cairns Airport supports Far North Queensland producers through retail collaborations that highlight regional flavours and Indigenous craftsmanship. Encouraging branding, certification and co-marketing initiatives within airport retail and hospitality spaces can raise the profile of regional products and stimulate demand both domestically and overseas. For example, airport retail programs that prioritise local producers under shared certification or provenance labels can boost recognition and create scalable models for export promotion. The AAA encourages government to work with airports to expand such partnerships and align them with broader trade and tourism strategies.

Tourism and agriculture are deeply connected in regional and rural Australia. Airports are the gateways to food and wine regions, nature experiences and events that attract visitors and support local jobs. Canberra Airport's direct route development work with the ACT Government has helped open visitor pathways to nearby wine and truffle regions. In Western Australia, Busselton Margaret River Airport is a model of agritourism alignment, connecting gourmet producers and wine tourism with interstate visitors. Investment that enhances regional air access helps diversify visitor flows and distributes economic benefits more evenly across the country. Coordinated planning across aviation, tourism and agribusiness policy will ensure that route development, marketing and infrastructure programs work

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together to promote sustainable regional growth. Aligning food and agritourism experiences with export promotion also ensures that visitors become ambassadors for Australian produce in global markets.

Long-term funding certainty for regional and remote airports is essential. Many of these airports operate on narrow margins and rely on local government ownership. Targeted and consistent investment in airport maintenance, safety and resilience ensures that communities remain connected during disasters and that supply chains remain open. Experience from recent floods and bushfires shows that airports are critical to emergency response and recovery, providing staging grounds for defence, freight and humanitarian operations. Supporting airport resilience therefore supports regional resilience. Regional airports also play a critical role in supporting domestic and international aviation during diversion scenarios when major city airports are unavailable due to weather, emergencies, congestion or other disruptions. They form part of a distributed national network that enhances aviation resilience. In addition, several regional airports are used for defence training and contingency operations, further underlining their strategic importance to national security and emergency response planning.

Finally, the transition to low carbon fuels and technologies presents one of the most significant economic and industrial opportunities for rural and regional Australia. Australia is well placed to develop a domestic Sustainable Aviation Fuel (SAF) industry, drawing on regional feedstocks such as agricultural residues, canola, tallow and waste oils. Establishing local production would strengthen fuel security, create thousands of regional jobs across feedstock supply chains and refining, and reduce reliance on imported liquid fuels. Without coordinated policy support, Australia risks continuing to export valuable feedstocks only to import refined fuels, missing an opportunity for regional value creation.

The establishment of a national SAF production and distribution industry would generate broad cobenefits for regional economies. Airports, agricultural producers, and local energy precincts could form integrated clusters that advance renewable energy, biofuel production and carbon offset projects. SAF production can reduce lifecycle emissions by up to 80 per cent compared with conventional jet fuel, providing an immediate pathway to decarbonise aviation using existing aircraft and airport infrastructure. With global demand for SAF rapidly increasing and international mandates emerging, Australia must act swiftly to ensure regional communities share in the economic and employment benefits of this transition.

Policy alignment between energy, industry and transport portfolios will be critical to position regional Australia at the centre of a clean energy and export transformation. The AAA supports the development of a national SAF accounting framework and coordinated government incentives that ensure both supply-and demand-side policies enable domestic production at scale.

The Australian Airports Association thanks the Committee for considering this submission. For further information or to discuss this submission please contact Sybilla Grady, Senior Manager Policy and Research, at

Kind regards



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