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Regional Airports Programme 2020-2024

SUBMISSION PAPER FOR CONSIDERATION BY THE
DEPARTMENT FOR TRANSPORT, TOURISM AND SPORT
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Category of Stakeholder

Kerry Airport PLC is a Regional Airport situated close to the town of Farranfore and equidistant from the major population centres of Tralee and Killarney.

Introduction

Kerry Airport has been a major transport hub and contributor to the economy of Kerry and the region from its establishment in August 1969. This year the airport celebrates its 50th year of operation which is a testament to the many people who contributed to its foundation and continued success over the decades. The ability of Kerry Airport to remain adherent to ever more complex and costly aviation associated legislation including in the areas of Safety and Security, and to remain expeditiously interlined to the capital, is undoubtedly due to the support of numerous governments over the years who recognised the importance of regional airports to the economy and connectivity of rural communities such as ours here in Kerry. Most recently Minister for Transport, Tourism and Sport Mr Shane Ross TD and Mr Brendan Griffin TD, the Minister of State with responsibility for Sport and Tourism, have continued to support the Regional Airports Programme and demonstrated great understanding of the difficulties affecting rural communities, for this we at Kerry Airport are very grateful.

Effectiveness of current Regional Airports Programme

It is vital to never understate the effectiveness of the Regional Airports Programme to the sustainability of Kerry Airport in terms of maintaining and upgrading aviation essential infrastructures and systems. Alone this year capital support for the European legislated changes to hold luggage scanning costing this airport over €1million would have been unachievable without the programmes support. Just one example of many where financial support was paramount to the airports sustainability.

It is also important that the wider economic value is considered when measuring the effectiveness of the current Regional Airports Programme. In 2018 over 365,000 people travelled through Kerry Airport, most from overseas on vacation or business trips, many from Germany and the United Kingdom and from the United States having connected to Kerry on the PSO route after their initial arrival in Dublin. It is estimated that each individual German visitor alone to Kerry spends on average €507 in the region's economy. Our recently acquired Berlin route would represent an estimated €6 million contribution to the tourism industry in Kerry in its first year of operation and together with Frankfurt-Hahn service – the German market would bring in approx. €20 million in spend to the region.

Some highlights of the Regional Airports Programme indirect benefits

- Because of the Regional Airport Programmes support Kerry Airport is able to maintain international levels of Safety & Security and its connectivity to Dublin, thus enabling us to:
 - Provide a transport hub for over 365,00 passengers
 - Provide a 'close to home' access point for Kerry's' many diaspora
 - Connect over 40,000 passengers (Jan-Aug 2019) to and from Dublin
 - Provide directly, employment to almost 70 local Kerry families
 - Employment indirectly for franchise operators Car-hire, Restaurant, Taxi's etc.
 - Provides over €4.4m annually in earnings to be spent locally in towns and villages throughout the county.
 - Major contributor to the recognition Internationally of Kerry as a destination.
 - Support the tourism industry in Kerry which employs 1 in 5 local people
 - Support tourism as a significant contributor to the national exchequer
 - Continue to support the attractiveness of Kerry as a place to do business

Possible changes to future Regional Airports Programme

The Regional Airports Programme is an essential part of the national infrastructure to support rural connectivity in Ireland and at Kerry Airport we strongly support its continuation into the future. The cost of maintaining and upgrading air traffic navigation systems, maintaining a full fire service operation as well as adhering to international standards of aviation security is beyond regional airports direct financial capability. However when seen in broader terms this state programme benefits through contributions to the wider economy in terms of direct revenue in tourism related taxes and improved employment in these rural airport regions.

Blue Sky Development at Kerry Airport

In line with Project 2040 and recognising recent negotiations with Waterford Airport which have influenced future support and which are welcomed here, we would like to introduce our intention to ask for financial consideration of future development here in Kerry.

At the essence of our development plan is the determination to follow on from the founding fathers, the ancestors of Kerry Airport, the great entrepreneurs who could imagine and then realise the future of air transport and the pivotal role that an airport would play in the success that County Kerry has become both in terms of tourism and industry.

When we look back through the years, right back to 1969 when the first sod of turf was turned there have been many milestones in the airports history from the original aerodrome construction to the building of the new runway and the first commercial flights. In 2019, the Airports' 50th year, we believe that the time has come to make the next leap forward both to honour the past accomplishments and to ensure the airports' future success and contribution to the community of Kerry and the wider region. This next phase would involve some of the most visionary developments

in recent history and will, we believe, ensure not just the airports future, but its expansion towards even higher passenger numbers and contribution to prosperity in the local community.

In summary our vision involves:

- Major upgrade of the terminal building
- Construction of a new Air Traffic Control Tower
- Substantial increase in capacity for Hangarage of aircraft
- And the development of supporting infrastructures,

with the ultimate goals of both increasing commercial traffic and broadening the spectrum of specialist services to aircraft including the possibility of enabling maintenance engineering for large aircraft operators.

Transition to a low carbon economy

Kerry Airport unfortunately has an aging airport terminal which would benefit from major redevelopment if it is to attract further routes in the future and manage these passenger numbers both safely and securely. It is the airports intention to ask the state to support a major improvement project for the airport, similar to those supported in Knock and Waterford. This project will involve significant structural changes that will meet legislation on airport design and layout. If support is achieved for these works it is the airports intention to take this opportunity to develop, as close to as possible, a carbon neutral terminal. We believe this is achievable because we have an abundance of land which allows for, amongst many sources of renewable energy, extensive photo voltaic infrastructures to generate the normal energy requirements of an aerodrome and supports seasonal increases in activity. Kerry Airport would also be keen to become a major hub for the use of Electric Vehicles (EV) charging points not only for our own travelling passengers but for the 5 x Car Hire Operators operating on site. We would also provide points of access for the General Public passing the airport to/from South Kerry as a midway point to /from the next charging point. Governments' present policy to supports such initiatives will be a driver in the successful implementation of such initiatives which would support the National plan for the reduction in greenhouse emissions. Other smaller projects being looked at are wildflower planting throughout our land, establishing our own bee hives and associated sale of honey for charity, harvesting rainwater for use in our firefighting training as well as greater disposal of our passenger waste (plastics/etc.) and finally looking at how best to utilise our sewage waste generated on site.

The Public Services Obligation Scheme

The Public Services Obligation scheme provides a vital link to our capital and without it tens of thousands of journeys every year would not be possible by air between Kerry and Dublin. The attractiveness of Kerry as a destination both in terms of tourism and business is greatly enhanced by our publically supported route to and from Dublin. In a period of progressive centralisation of industry to major population centres and the resultant negative impact on rural employment, migration away from rural industry, overcrowding in cities, lack of affordable housing and rural isolation it is essential that we maintain a fast, convenient and affordable connection to Dublin.

In summary the major reasons we support the PSO scheme are as follows;

- It supports Kerry as a destination for overseas visitors who can connect via Dublin
- It enables Kerry to Dublin and vice versa journeys of just 45 minutes in comparison to in excess of 3 hours by rail and 4 hours by road, longer if you start in southwest Kerry
- An airport with connectivity to Dublin is essential for attracting business
- Journeys for families and children to the major care centres in Dublin including the new National Children's hospital will be less arduous and possible in a day
- Access for the regional to the Capital for social & Leisure purposes
- Access for the local business community to the Banking, Legal & Government departments that are based in the Capital.

Additional Comments and Conclusions

- Should Stobart / Aer Lingus Regional be successful in bidding for another PSO term – it would be an added benefit to all travellers not just those to the United States to make it a stipulation that they interline to the UK and Europe and remove the delay and inconvenience of having to exit the airside facilities to check in again for their onward journey and vice versa.
- The people of Kerry believe it is essential to consider a 3rd daily flight. The service is not complete due to the fact that Dublin users of services must overnight in Kerry or else get the train home. This Dublin originating traffic is essential to commercial development in our region. Even if the third daily flight was considered on Monday and Friday only this would go a long way to improving the attractiveness of Kerry as a place to establish and do business.
- We be happy to see 3 x 50 seater aircraft on the route as opposed to the present 2 x 70 seater.
- Consideration should be given to extending the PSO Contract to 5yrs to allow an airline invest heavily in the early years and then have 2-3 years to see it grow.
- Inclusion of FastTrack at Dublin Airport part of the Service would also support the route as would a dedicated Passport Lane for Domestic arrivals into Dublin in the mornings.
- Suggestions of putting onus on airports to provide analysis of passenger profile, countries of origin, spending patterns etc. as suggest in the programme document will put extra costs on airports in terms of manpower and will not be productive if collected at time of arrival/departure as samples will be limited due to limited timeframes available.
- Brexit could have a major effect on airports like Kerry and IWAK who have flights to/from the UK. There may be a need for major Advertising & Marketing in the UK to stimulate demand and there should be a recognition that a Marketing Fund for the UK may need to be made available in association with Tourism Ireland.

Finally and again, Kerry Airport would like to thank our government and its ministers for your continued support to funding maintenance of safety and security at our aerodrome and our continued vital connection to Dublin, our Capital.