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# NEW REGIONAL AIRPORTS PROGRAMME 2020- 2024

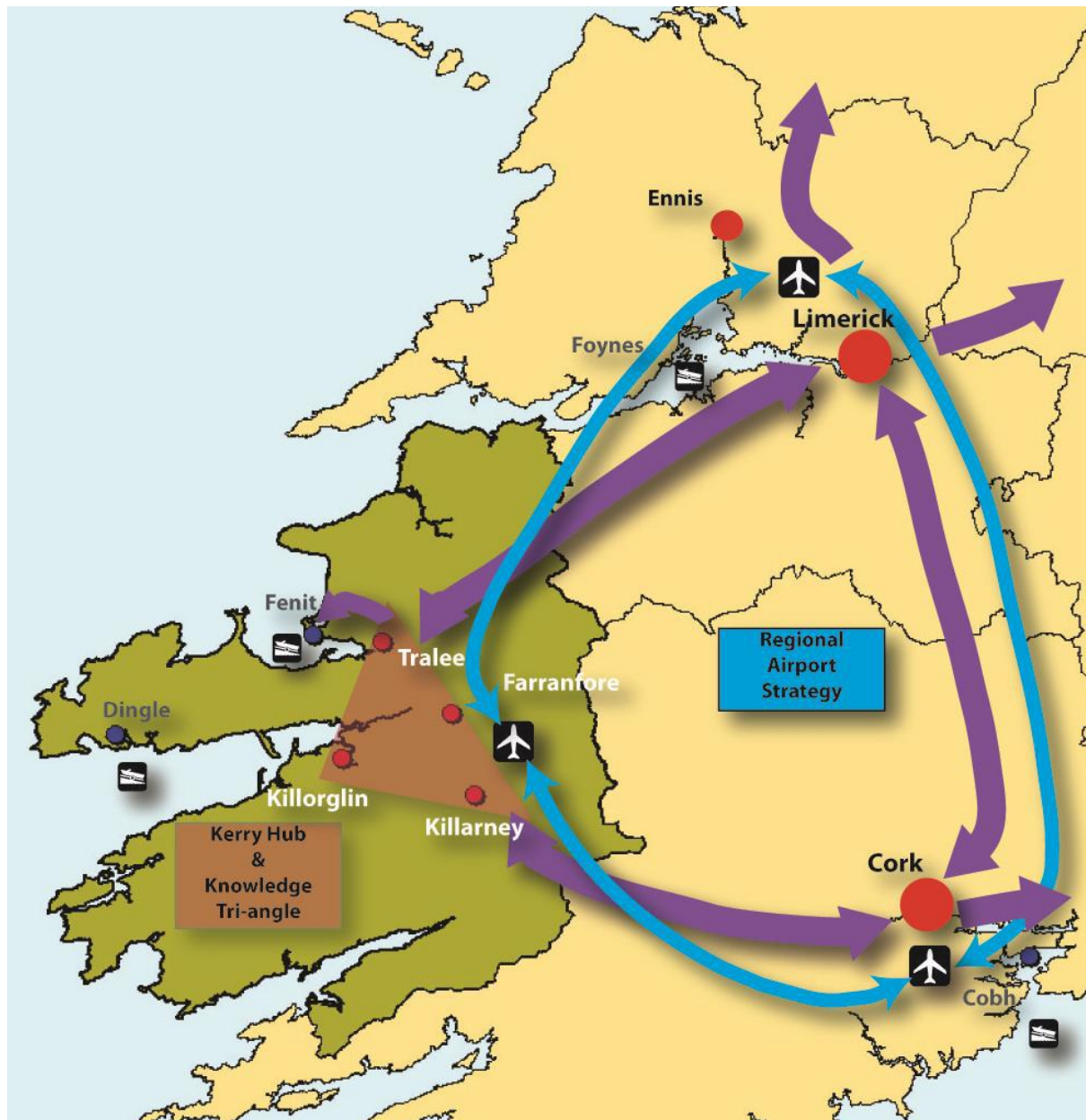
SUBMISSION PAPER FOR CONSIDERATION BY THE DEPARTMENT FOR  
TRANSPORT, TOURISM AND SPORT

Kerry County Council, County Buildings, Rathass, Tralee, Co Kerry

30<sup>th</sup> September 2019

## QUESTION 1: WHAT CATEGORY OF STAKEHOLDER DO YOU REPRESENT?

Kerry County Council Local Authority



Kerry County Council welcomes the opportunity to make a submission to the Regional Airports Programme 2020-2024 and to highlight the importance of investment in Kerry Airport and the Regional Airport Strategy to ensure a sustainable future for these areas and to increase the influence of the Regional Airports as a catalyst for development of the economy for the entire Country.

As you are aware the preparation of the National Planning Framework, National Development Plan and more recently the Regional Spatial and Economic Strategies has given the opportunity for Local Authorities, other agencies and the wider public to make submissions and influence the long-term development of the Country and its regions. Kerry County Council has participated fully in these consultations and has highlighted a number of key themes which are considered relevant for this process, including;

- Importance of Regional Economic Strategies
- Need for investment in regional connectivity
- Targeted specific employment growth for regional centres – potential development of Atlantic Economic Corridor concept
- Active strategy to promote the County
- Linked employment opportunities between region and cities / eg Back office operations
- Capital infrastructure plan for Kerry/physical and digital access to County/ office & manufacturing space development
- Focus on existing regional strengths – manufacturing, financial services etc
- Retain and grow existing client base
- Development of Kerry Technology Park – link to Munster Technological University
- Kerry Strategic Sites – potential development & marketing of sites
- Skills identification and development

The Council believes that national strategies should seek to influence more dispersed regional Air and Port access through influencing national policy in the diversion of some international traffic from Dublin to the airports of the Southern Region, particularly to major international hubs creating direct access into the Region both for business and tourism traffic.

## QUESTION 2: HAVING REGARD TO THE ACTIONS ON REGIONAL AIRPORTS IN THE NATIONAL

Aviation Policy, what are your views on the effectiveness of the current Regional

Airports Programme?

Please give your views on how effective existing grant schemes are in supporting policy objectives on regional airports

Kerry Airport is a regional airport in the South West located at Farranfore, c 13km north of Killarney and 15km south east of Tralee. Services are operated by Stobart Air for Aer Lingus Regional and Ryanair. The airport offers scheduled services directly to Dublin, London-Stansted, London-Luton and Frankfurt-Hahn, Berlin, Alicante and Faro. The airport offers seamless check in and onward connections to the USA and Canada via Dublin. In 2018, the airport handled 365,339 passengers, an increase of 9% from 2017.

Kerry Airport markets itself as Ireland's tourism gateway, providing flight services in close reach of the Wild Atlantic Way corridor. The airport is constantly sourcing new routes that will be sustainable and of social and economic benefit to those living, working and holidaying in the region.

Public transport services to Kerry Airport include rail and bus links. (Farranfore rail station on the Irish Rail network is c.10 minutes walking distance and Bus Eireann provides services to Killarney, Tralee, Cork, Limerick and Galway.)

Kerry Business Leaders Forum which includes companies such as Kerry Group, Liebherr, FEXCO, Dairymaster, Astellas and various SME's support Kerry airport and the Regional Airport strategy. The companies utilise the airport to access national and international markets. The Kerry Business Leaders Forum have strongly emphasised that the airport is a critical piece of infrastructure for the long-term development of their companies which support the economy of the County and surrounding regions.

Currently the eastern region dominates international access into the Country both from air and sea. This is true both for the importation and exportation of freight and also visitors to and from the Country. Dublin airport accounts for 90% of flights into and out of the Country, which has significant impact on its attractiveness as a business location for international companies. An increased regional balance in international air traffic would enhance the economic attractiveness of the regions and lead to more balanced regional development.

In this context a regional air strategy between Cork, Shannon and Kerry airports working in collaboration would be a vehicle to provide this alternative international access. All three airports in the Southern Region have untapped potential for growth and within a structured agreement could provide the necessary international access that would make the Region more attractive for international investment.

In this Regional context Kerry Airport (Farranfore) can play a significant supporting role to the two major regional airports, building on the major tourism influx into the Region and the global leading companies within the County. As part of the Functional Area plan for the Hub a local area plan has been prepared to ensure that Farranfore develops its potential as a transport hub and as a sustainable location for logistics and distribution. Land is zoned for airport related uses, industry, light industry, warehouse/distribution and a commercial business park.

The PSO Kerry Dublin route is a vital route for the County both from a business and tourism perspective. Kerry County Council believes it is essential that support for the PSO continues into the future.

Gross and operating profit was also up at the airport in Farranfore which has regular connections to Germany's Frankfurt-Hahn, London-Stansted and London-Luton, as well as summer connections to Alicante in Spain and Faro in Portugal. The most recent route acquisition is the Kerry Berlin route. All are operated by Ryanair. The Kerry Hub and Knowledge Tri-angle has justified through this increase in patronage the retention of this service, which is viewed as vital for international investment.

The support of the CAPEX and PPR-O capital programmes has been integral to the development of Kerry airport.

## Economic Benefits of Kerry Airport

There are significant economic benefits to county and wider south-west region from Kerry airport both directly and indirectly. ITIC published average spend in 2018 per arriving passenger to Kerry Airport from the two Main overseas markets is as follows:

<b>ITIC average spend</b>				<b>€</b>
German Visitor	€507 per visit	*	42,500 passengers	21.5m
UK Visitor	€295 per visit	*	95,500 passengers	28.2m
				49.7m

Kerry Airport's direct and indirect employment contribute significantly to the local economy. Details of employment figures are as follows;

<b>Kerry Airport Employment</b>	
Kerry Airport	106 directly employed
Kerry Airport Supply Chain	24 indirectly employed
Total Employees	130
Total Earnings	€4.4million approx

- 26% of all overseas holiday makers overnight in Kerry, this is the 2nd to Dublin at 37% (source Failte Ireland)
- Kerry had 1.3m overnight stays by overseas holiday makers during 2017, this was second only to Dublin City at 2.7m (Galway City 803k, Cork City 464k and Limerick 229k) (source Failte Ireland)
- 1.3 overseas visitors spend €337 million in Kerry in 2017. (source Failte Ireland)
- One in five are employed in tourism-related enterprises (Source: McFeely, CSO, Kerry County Council)
- In 2017 Kerry accounted for 14% of overseas tourists to Ireland. (source Failte Ireland)
- In 2017, 2 out of 3 US visitors to Ireland, visited County Kerry. (Source: ITIC)
- Kerry attracts 7% of overseas tourism spend in Ireland. (source Failte Ireland)
- Kerry accounts for 11% of bed stock national bed stock. (source Failte Ireland)
- GB market - 33% of this market visit the South West region. (source Tourism Ireland)
- French market - 43% of this market visit the South West region. In 2017 32% of all French visitors stayed in Kerry (source Tourism Ireland)
- Italian market - 27% of this market visit the South West region. In 2017, 27% of Italians visited Kerry. (source Tourism Ireland)
- In terms of the contribution to GDP, Kerry Airport contributes €9.5m to the economy each year.
- The activities of Kerry Airport generate €18.8m of output (i.e. revenue) over one year. The majority of this (€14.8m) is associated with the direct output of Kerry Airport or by the support activities onsite (taxi, catering, franchise activities, capital investments and PSO activities). The remainder is associated with the indirect

output, i.e. output in the supply chain generated in the production of goods and services required by Kerry Airport.

### QUESTION 3: WHAT, IF ANY, CHANGES WOULD YOU LIKE TO SEE REFLECTED IN THE NEW PROGRAMME AND WHY?

The Draft Regional Spatial and Economic Strategy (RSES) for the Southern Region highlights the importance of the Regional Airport Strategy. The following points highlight the need for the Regional Airport Strategy:

#### **RPO 143 National Aviation Policy**

- a. In line with EU Guidelines on State Aid, seek investment to sustainably deliver actions under National Aviation Policy for Ireland that strengthen and develop the economic role of the national airports of Cork and Shannon and the regional airports of Kerry and Waterford.
- b. Protect the functions of airports in the region including landside accessibility to ensure the future role of airports through land-use management of land-side areas to focus on the current and future needs of the airports.
- c. To engage with DTTAS to ensure timely delivery of the legislation implementing Regulation (EU) 598/2014 relating to noise.

#### **RPO 144 Regional Airport Strategy**

Develop a RSES Regional Airport Strategy in consultation with the Department of Transport, Tourism and Sports, Local Authorities, Airport Authorities and other relevant stakeholders in the Southern Region.

#### **RPO 145 High Quality International Connectivity – Airports**

To achieve NSO: High Quality International Connectivity, the following airport development actions for the Region are identified subject to required appraisal, planning and environmental assessment processes:

- a. Continued development and improvement of enterprise assets, access infrastructure, airport infrastructure and services at Cork and Shannon Airports by the relevant responsible commercial State-Owned Enterprises as key economic drivers, national tourism and national business gateways consistent with sectoral priorities defined through National Aviation Policy;
- b. Continued exchequer support for smaller regional airports under the Regional Airports Programme for Waterford and Kerry Airports and develop their potential as key tourism and business gateways for their regions as a complement to the services provided by the region's international airport gateways of Cork and Shannon.

Kerry County Council strongly supports the retention of CAPEX and PPR-O capital programmes for Kerry airport and the development of a regional airport strategy. This is crucial to develop the infrastructure and operating capacity to support the long term - development of Kerry Airport and the Regional Airport Strategy. The Business Leaders Forum and Tourism Industry are also extremely supportive of this policy.

In the context of Brexit and it is essential that European flights are supported and expanded in order to take account of new markets.

Extra flights between Kerry and Dublin would also increase national and international connectivity which is an essential component of doing business both within and external to the County, and also attracting International travellers.

#### **QUESTION 4: HOW DO YOU THINK THE NEW PROGRAMME CAN BEST SUPPORT IRELAND'S TRANSITION TO A LOW CARBON ECONOMY, HAVING REGARD TO POLICY ON CLIMATE ACTION AND SUSTAINABILITY?**

Responses should indicate potential actions or measures with justification for their consideration. Evidence for the efficacy of proposed measures or further information, such as the associated costs for implementation, may be provided to support your response.

Action 72 of the Government's Climate Action Plan is to 'Develop the EV charging network necessary to support the growth of EVs to at least 800,000 by 2030 and set a target for the supply of infrastructure to stay sufficiently ahead of demand'.

As key transportation hubs both the Airport and the Railway Station are identified as priority locations for the installation of EV charging infrastructure. The Airport is a car hire hub. The location of EV charge points at the Airport will facilitate the transition to EVs in the car hire fleet.

The regional airport strategy is broadly aligned to the County's long-term sustainability and the Kerry Hub and Knowledge Tri-angle as outlined in the Regional Spatial and Economic Strategy. Kerry airport strengthens the rural economy and enables companies and people to locate in rural areas thus enabling the long-term sustainability and viability of rural regions.

#### **QUESTION 5: WHAT ARE YOUR VIEWS ON THE PSO SCHEME, THE AIR SERVICE ROUTES CURRENTLY BEING SUPPORTED AND THE NEED FOR A CONTINUATION OF THE SCHEME BEYOND 2022?**

The PSO Scheme is critical for Kerry Airport. Both domestic and international travellers use the PSO scheme.

- There has been an 30% increase on the PSO Dublin Kerry flight since 2015.
- Approximately 57,000 passengers used the Kerry Dublin route in 2018 (estimate 10% were from USA or Middle East)



- Kerry is the only County in the Southwest that is not on an interurban motorway to Dublin.

Kerry County Council is strongly supportive of the PSO scheme, that it has delivered for the county and region in the past and should be supported into the future. Extra flights on the Kerry Dublin route would enhance connectivity to the County.

The Kerry Business Leaders Forum believes that an international PSO from Kerry Airport to Amsterdam an International Hub would create even stronger linkages to international markets.

As outlined in the South West Regional Enterprise Plan to 2020 “there is strong support from the South-West Regional Enterprise Plan Steering Committee for continued investment in key infrastructural projects that will assist the region to deliver on its objectives. Given the Region’s location it is important that employment and the economy is protected and that specific resources should be allocated where there is a specific need and where existing infrastructure and capabilities could be further utilised and enhanced. The committee strongly supports all initiatives, including those under Project Ireland 2040, to examine in particular the availability of and support for additional flights from the region, including international PSO options from the regional airports”

It is the view of Kerry County Council that a strong regional airport is essential in sustaining existing businesses and tourism industry in the County and to support further growth within the County and surrounding Region.