



Consultation on

New Regional Airports Programme 2020-2024

To the Department of Transport, Tourism and Sport

Submission from the

Western Development Commission

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Public Consultation Questionnaire

New Regional Airports Programme 2020-2024

Question 1: What category of stakeholder do you represent?

The Western Development Commission (WDC) is a statutory body under the aegis of the Department of Rural and Community Development with a remit 'to promote the economic and social progress of the Western Region' (Donegal, Sligo, Leitrim, Mayo, Roscommon & Clare).

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?

Introduction

Having regard to the actions on regional airports in the National Aviation Policy (NAP), the WDC believes amendments are required so as to fully support the objectives of the NAP. These include the following objectives.

The Department will encourage airports to attract new business, to achieve excellence in the delivery of service and value for passengers and airlines, and to make a sustainable contribution to their respective local economies and communities. (NAP, p.39)

Ireland recognises the important role that regional airports play in their areas and in regional development (NAP, p.41)

The WDC believes that changes are required to more effectively support the growth of the airports in the Western Region, namely, Donegal, Ireland West Airport Knock (IWAK) and Shannon, to enable them to deliver on NAP and the regional targets contained in the more recently published Project Ireland 2040. The rationale is set out below.

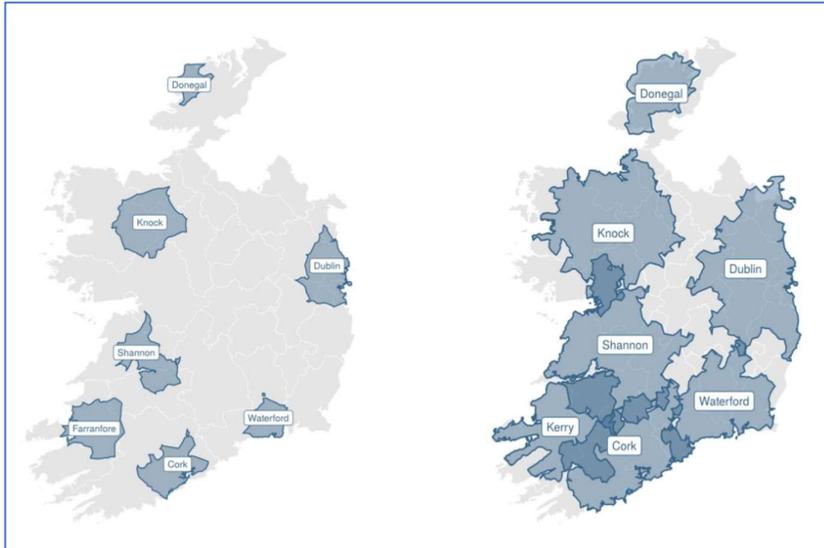
Aviation Trends & Implications

The latest CSO Aviation statistics, Quarter 4 and year 2018, see [here](#), highlight the trend of the increasing concentration of air passengers travelling through Dublin airport compared to other airports. For example, in 2014, Dublin accounted for 81.9% of all passengers (total = 26.5 million), compared to 85.6% in 2018 (Total = 36.6 million). This represents an increase of 9.6 million passengers in 4 years, a 44.2% increase, with Dublin Airport accounting for 95.2% of total passenger growth in that period. So along with a significant increase in total air passenger numbers, there is an ever-increasing share travelling through Dublin airport.

The WDC considers that with Dublin Airport now operating at or near capacity, and capacity available at other airports such as IWAK and Shannon, cost-efficient and accessible alternatives to Dublin should be utilised and promoted. Shannon, IWAK and Donegal are

important airports serving the Mid-west, West and North west of the country as the maps reproduced below illustrate.

Maps 1 & 2: 30-min and 60-min catchment areas for Ireland's airports



Source: Spending Review 2019, A Review of the Regional Airports Programme, DTTaS, IGEEES

As the maps above show IWAK serves a very large catchment relative to some of the other airports. The planned road improvements for the North West will help support greater traffic through Ireland West Airport, which in turn will allow the airport better serve the catchment to its north including Sligo – a designated regional centre under Project Ireland 2040. The planned road improvements must be prioritised.

Similarly, Donegal serves a large catchment within a 60-minute radius and given the geography of Donegal, the relatively poor surface accessibility and the likely impacts of Brexit, it is important that support for Donegal continues.

Shannon Airport is the second largest airport in Ireland (in terms of capacity of the airport campus) and is a critical element in the transport infrastructure of the mid-west region, serving the significant industrial cluster of Shannon and the wider catchment as illustrated in the maps. It is therefore important that it operates optimally to help deliver the objectives of Project Ireland 2040, *to enable the cities of Limerick and Galway on the Western seaboard, to each grow by at least 50% to 2040 and to enhance their significant potential to also become cities of scale*¹.

The ever-increasing concentration of traffic through Dublin Airport is of concern to exporters. For example, the Irish Exporters Association (IEA) advocate for support for better air connectivity from the West of Ireland such as direct access to a European hub airport.

¹ <https://www.gov.ie/pdf/?file=https://assets.gov.ie/166/310818095340-Project-Ireland-2040-NPF.pdf#page=1> p.22.

The IEA submission² to the Draft National Planning Framework noted that of those IEA members surveyed who use airports to export, 81% use Dublin airport predominantly as their primary route to transit goods out of Ireland. 15% said that this was not the closest airport geographically. Members surveyed said that they would use a different Irish airport as their primary route to move goods from Ireland if:

- There were more frequent flights from another airport – 36%
- Road networks between primary distribution centre and another airport were improved – 23%
- Another airport was upgraded – 14%

The WDC believes that without more active intervention, further concentration of air traffic is likely. There needs to be consideration of how the airports of Shannon, IWAK and Donegal can be more effectively supported through policy changes to deliver on the targets of the NPF and effectively on the role in supporting the economic growth of their respective regions (planned under Ireland 2040).

Policy and funding alignment

The Issues Paper notes the Policy Context and refers to the National Aviation Policy (p.12), but only acknowledges Project Ireland 2040, the National Planning Framework and the National development Plan on pages 14 & 15. There is no reference to the regional population and employment targets set out and the role international air access will play in achieving these targets.

Given the recent Government commitment to Ireland 2040, sectoral policies need to be updated in order to effectively support the overarching objectives of Ireland 2040. If not, then Ireland 2040 is likely to fail. The NAP (2015) predates the publication and consideration of Ireland 2040 but can be seen to unduly reinforce the dominance of the larger airports (Dublin in particular). Now that the NPF is Government Policy, the NAP should be reviewed and updated in light of the overarching objectives of the NPF. In the absence of reassessment and updating it is difficult to see how development can move away from a ‘business as usual’ approach and how the NPF can achieve its targets. It is sectoral planning and policy that are the real drivers of spatial and regional development.

Question 3: What, if any, changes would you like to see reflected in the new Programme and why?

Policy Alignment

The WDC welcomes the recent Department of Transport Submission to the European Commission on proposed revisions of the TEN-T network which advocates for the inclusion of the Atlantic seaboard region of Ireland on the TEN-T Core Network. In doing so, Minister Ross notes the overarching policy objectives of Project Ireland 2040.

² IEA Submission https://irishexporters.ie/wp-content/uploads/2019/03/IEA-Submission_Draft-of-the-National-Planning-Framework.-Nov-17.pdf

We need to manage more balanced growth ... because at the moment Dublin, and to a lesser extent the wider Eastern and Midland area, has witnessed an overconcentration of population, homes and jobs. We cannot let this continue unchecked and so our aim is to see a roughly 50:50 distribution of growth between the Eastern and Midland region, and the Southern and Northern and Western regions, with 75% of the growth to be outside of Dublin and its suburbs³.

The Minister also notes the adverse impacts of Brexit to the Border region in particular. One of the key objectives of the NPF is to move away from 'business as usual' and to redirect growth to other areas.

The WDC believes there needs to be a corresponding updating of the NAP to support the objectives of Ireland 2040. Likely amendments should include:

1. Aviation policy should recognise that an ever-increasing share of passenger traffic through Dublin Airport is not in the State's best interest (from a safety and security perspective) as well as counterproductive in delivering on targets within Ireland 2040. With Dublin Airport operating at or near capacity, cost-efficient and accessible alternatives to Dublin, such as Shannon and IWAK need to be supported.
2. Airports that are eligible for support (Capital Expenditure) under the EU guidelines – all airports under 3 million passengers (Donegal, IWAK and Shannon in the Western Region) – should be eligible to apply and receive such support. The EU guidelines recognise the implications of economies of scale for airport operations and accordingly allow supports for smaller airports.
3. All regional airports are not equal. As the consultation document notes, though passenger numbers at all four regional airports are less than 1 million annually, just one airport – IWAK – has more than 400,000. IWAK has had annual passenger numbers in excess of 700,000 for the last three years and is forecast to have passenger numbers exceeding 800,000 in 2019. This is because Ireland West Airport Knock essentially serves the same purpose for its region (the North West) as the State airports perform in the Mid-West, South-West and East respectively, illustrated by the maps above. This needs to be recognised in an updated NAP.
4. IWAK provides direct international air services to a region much of which is not in the catchment of the State airports, Dublin, Cork and Shannon. IWAK is particularly exposed to Brexit and the UK market. Consideration should be given to supporting hub connectivity from the west of Ireland directly into Heathrow or another European hub airport (example Schiphol or Frankfurt) which would significantly enhance business and tourism connectivity.
5. Proposed changes to the Regional Airport's Programme. In addition to No.2 above, (airports with passengers under 3 million), the WDC propose the following changes for those airports with passenger numbers under 1 million, impacting on IWAK and Donegal in the WDC region.

³ Project Ireland 2040, NPF, 2018, p.11

- I. Lift the 10-year limit to the operating aid for airports with under 1 million annual passengers. It is very difficult for smaller airports to generate sufficient profits. For example, 80% of airports in the world have fewer than a million passengers per annum and 94% of these airports are loss-making⁴.
 - II. Aid should be provided at the maximum intensity levels under both the nationally defined schemes and the Capex and Opex thresholds which apply to economic activities, subject to EU guidelines.
 - III. Funding should be prioritised to those airports with a track record serving their airport catchment.
 - IV. Subject to the spending limits, funding should be provided on a multi-annual basis to provide flexibility in financing schemes.
6. Airport contribution
- The proposals above are likely to require additional funding. Given the ever-increasing dominance of Dublin Airport and the need to deliver on the regional targets in Project Ireland 2040, one solution is that Dublin Airport could contribute to this funding. Passenger throughput at Dublin Airport is in part drawn from the catchments of Shannon and IWAK as these airports cannot provide service levels similar to Dublin. Consequently, revenues at Dublin Airport are in part generated from passengers originating in the catchment of airports such as Knock and Shannon. This militates against these airports delivering optimally for the Mid-west and North west regions.
- While acknowledging that dividends have been paid by Dublin Airport in recent years, these are not ring fenced for use by the Department. One option could be the introduction of a levy or contributory charge on Dublin Airport (or passengers travelling through it, as an example, a €0.16 charge per passenger would raise €5m p.a.) and this could be used to help fund the continued development of services at regional airports.

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?

As the issues paper notes, any investment in airport infrastructure should have regard for sectoral adaptation plans under Ireland's National Adaptation Framework as well as the Climate Action Plan. Specific measures the WDC would like to see include:

1. Greater levels of bus transport services serving each of the three airports, Donegal, IWAK and Shannon.
2. Introduce options for car sharing to coincide with flight arrival/departure times.

⁴ ACI Report <https://aci.aero/news/2019/03/28/aci-economics-report-affirms-the-importance-of-non-aeronautical-revenues-for-airports-financial-sustainability/>

3. Introduce a requirement to have a certain proportion of electric vehicles for hire.
4. There will need to be support for regional airports to help them prepare for changes likely to occur when policies are introduced to reduce aviation emissions. These are likely to have a significant impact on air travel and will impact on the operation of regional airports.

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?

Given Donegal's location, poor surface transport infrastructure and the impacts of Brexit it will be important to continue the PSO scheme there.

Brexit highlights the need to improve connectivity to mainland Europe. A PSO to support hub connectivity to Europe e.g. Schipol / Frankfurt/ from airports such as IWAK and Shannon will provide greater connectivity and also help achieve the regional targets under the NPF.

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