

MEDIA RELEASE

15 July 2013

Kangaroo Island Airport – Business Case Document released

At the July Meeting of Council it was resolved that “*A Business Case for the Upgrade of the Kangaroo Island Airport at Kingscote*” be released for public viewing.

This document, collated and prepared by KPMG at the request of the Kangaroo Island Futures Authority (KIFA) working together with Council, examines in depth the challenges and opportunities that our Airport has and looks to identify the implications and value associated with four possible upgrade scenarios.

The report identifies two preferred scenarios and establishes the possible benefits to the Island, State and Federal economies from investing in the infrastructure to facilitate access to the Island, particularly for Interstate and International visitors.

In a recent letter to the Federal Minister for Infrastructure and Transport, the Hon Anthony Albanese MP, Raymond Spencer, Chair of the South Australian Economic Development Board and the Kangaroo Island Futures Authority, states ‘... *The airport upgrade is a key enabler to the Island achieving long-term sustainability.*’ and he goes on to highlight that the upgrade ‘... *has the potential to grow tourism on Kangaroo Island by an additional 50-81,000 visitors each year with increased tourism expenditure of \$51M per annum and further employment of 100 FTE’s.*’

Foundation work that contributed to the report was initiated by Council (funded by KIFA) in 2012. Preliminary assessment of the potential market opportunities for the Island and the implications of different levels of infrastructure provision on visitor numbers justified engineering assessment of the facilities and a review of the technical feasibility of expansion options and costs. KPMG were then retained by KIFA to draw together the facts in the context of likely benefits, not only to the Island Community but also the positive impact on tourism revenues for South Australia and Australia as a whole.

Within his recommendation to Council, Chief Executive Officer, Andrew Boardman stated ‘*The airport is essential infrastructure for the Island Community in terms of maintaining an alternate access option for Islanders..... and is currently considered by the majority of tourist operators to be a barrier to growth of international tourism because of its inability to handle the aircraft used by first level airlines such as Qantas.*’

Along with other Industry representatives on the Island, Pierre Gregor, Chair of Tourism Kangaroo Island, indicated that the TKI Board frequently has access issues front of mind and has actively lobbied for measures to address cost and ease of access. ‘*This applies to both sea and air access and certainly looking to the future, airport capacity is part of the equation*’, he said. ‘*The TKI Board recognises some of the risks associated with the proposal however believes these are outweighed by the potential benefits not only to the tourism industry but Islanders generally. The Board is unanimous in their support of the airport upgrade.*’

The Mayor and CEO met with Minister Albanese’s Aviation Advisor during the recent annual visit to Canberra and provided an overview to the report and its findings. The Mayor had the opportunity to highlight to the Minister personally the positive impact that the Airport upgrade would permit for the Island ‘.....*it is a game-changer for our Community...*’ she said, ‘...*access to additional International visitor numbers and competition will drive the economy and grow investment on the Island providing direct and indirect benefit to many – especially important given the restrictions inherent in our Island economy.*’

For further information on this matter, enquiries should be directed to Mayor Jayne Bates (0427 530080) or CEO, Andrew Boardman (0448 868 088) or by email to kicouncil@kicouncil.sa.gov.au