LAUNCESTON
AIRPORT

19 August 2026

Economic Strategy Unit
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Dear Strategy Consultation team,

Subject: Draft Economic Diversification and Investment Strategy

Launceston Airport welcomes the opportunity to contribute to the draft Economic Diversification and Investment Strategy. Launceston Airport is privately owned and operated transport infrastructure that connects Northern Tasmania to mainland Australia, supporting the movement of passengers and time-critical freight.

The draft Strategy identifies remoteness, export concentration and the need to strengthen productivity, regional opportunity and private investment as key considerations for Tasmania's long-term economic future. Robust air connectivity is one of the preconditions for achieving each of the Strategy's three economic goals.

To further strengthen the Strategy, Launceston Airport recommends that airports be explicitly recognised as critical economic infrastructure, that air connectivity be acknowledged as a key enabler of Tasmania's economic objectives, and that connectivity be measured as an indicator of economic performance. These changes would ensure the Strategy is aligned with the infrastructure and connectivity requirements needed to support economic growth across the state.

Recommendations

1. The Strategy should explicitly recognise airports as critical economic infrastructure within Priority 6, "Strengthening Infrastructure".
2. The Strategy should recognise air connectivity and freight capacity as essential enablers of Tasmania's regional growth, export industry and trade ambitions.

3. The Strategy should incorporate a connectivity indicator to measure the role of aviation in supporting productivity, regional participation and economic diversification.

Importance of aviation and connectivity to the Tasmanian economy

Economic outcomes in Northern Tasmania are directly and materially dependent on the continued provision of reliable and affordable air services through Launceston Airport. Airports and regional economies share a mutually reinforcing relationship, with connectivity supporting economic activity and investment, while economic growth in turn drives aviation demand.

Air connectivity is not discretionary for Northern Tasmania. The airport serves a primary catchment of approximately 267,000 people across the north-east and north-west of the state, for whom it is the only practical gateway to mainland Australia.

The airport's passenger base is almost equally divided between inbound visitors (50.1 per cent) and outbound Tasmanian residents (49.9 per cent), reflecting its dual role as both a tourism gateway and an essential departure point for residents. In FY25, Launceston Airport handled more than 1.4 million passengers and 14,200 aircraft movements, demonstrating its role as a vital connectivity point for Tasmania.

Northern Tasmania's economy spans healthcare and social assistance, education and training, construction, agriculture, forestry and advanced manufacturing. Major institutions including Launceston General Hospital, the University of Tasmania and the Australian Maritime College generate significant demand for both inbound business travel and outbound travel by Tasmanians accessing services and opportunities elsewhere in Australia.

Research consistently demonstrates that airports function as strategic infrastructure because of their role in connecting regional communities to markets, services and investment opportunities. Independent economic analysis by BDO EconSearch estimates that Launceston Airport contributes $81.7 million to Tasmania's Gross State Product (GSP) and supports 678 jobs. Every $1 million in output generated by the airport and its tenants supports approximately nine jobs across Northern Tasmania through direct and indirect economic activity.

Private investment

As a privately funded operator of critical infrastructure, Launceston Airport is a significant contributor to private investment in Tasmania. The airport expects to

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invest more than $150 million over the next decade to support future growth, expand capability and strengthen the economic resilience of Northern Tasmania.

This investment directly contributes to Goal 1 of the Strategy, "Growing a more resilient economy through private investment." As governments seek to unlock greater levels of private sector investment, airports provide a clear example of privately funded infrastructure delivering broad economic benefits.

Tourism

Tourism facilitated through Launceston Airport generates significant economic activity throughout Northern Tasmania and the state as a whole.

Within Northern Tasmania, tourism facilitated through the airport contributes $321.5 million in direct Gross Regional Product and $596.8 million including flow-on effects, supporting 5,448 jobs. Across Tasmania, this contribution from tourism increases to $657.2 million in direct GSP and $1.308 billion including flow-on effects, supporting 11,807 jobs.

The viability and growth of Tasmania's visitor economy is intrinsically linked to the frequency, connectivity and affordability of air services. Aviation infrastructure therefore plays a critical role in sustaining tourism businesses and associated employment opportunities.

Air freight

Launceston Airport also plays a critical role in Tasmania's freight task. The airport supports agriculture, aquaculture, seafood and forestry industries that depend on reliable, time-sensitive supply chains to access domestic and international markets.

Aviation provides essential access for high-value and time-sensitive products where speed to market is critical. As the airport continues to invest in freight capability and operational capacity, businesses across Tasmania will benefit from improved market access, stronger export opportunities and enhanced supply chain resilience.

The viability of air services through Launceston Airport is therefore a matter of statewide economic significance.

Alignment on Commonwealth advocacy

Launceston Airport welcomes the inclusion of advocacy as a key economic lever within the draft Strategy. The Strategy appropriately recognises that many important economic development and policy levers sit with the Australian

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Government and identifies advocacy as an important implementation mechanism.

Priority 6 specifically acknowledges the need for clear advocacy to the Australian Government where Commonwealth levers are decisive. Aviation connectivity presents a clear and practical opportunity for aligned advocacy between the Tasmanian Government and Tasmania's airports.

Areas of mutual interest include aviation infrastructure funding, border security requirements, environmental management, freight connectivity, aviation policy settings and initiatives that strengthen regional connectivity. Coordinated advocacy in these areas would support the Strategy's objectives while helping ensure Tasmania remains connected to national and international markets.

Recommendation 1: Recognise aviation infrastructure within Priority 6, "Strengthening Infrastructure"

Launceston Airport supports the intent of Priority 6, "Strengthening Infrastructure", and recommends that Tasmania's airports be explicitly recognised within this priority.

Within the Strategy, airports should sit alongside transport, logistics, digital connectivity and energy as critical infrastructure. For much of Northern Tasmania there are limited practical alternatives to air travel, making the airport a critical gateway for residents, visitors and businesses.

Between FY21 and FY25, Launceston Airport invested $25.98 million in major capital works, including $6 million in security screening infrastructure. Looking ahead, capital investment requirements are expected to exceed $150 million over the next decade, including a major runway overlay program and other infrastructure necessary to maintain safe operations and accommodate future growth

The airport also serves an important healthcare function. Launceston Airport is a critical operational hub for the Royal Flying Doctor Service (RFDS), which delivers aeromedical services throughout Northern Tasmania under a 10-year partnership with the Tasmanian Government. The RFDS is currently undertaking a $22 million purpose-built facility redevelopment at the airport, supported by both state and federal funding. This investment highlights the airport's role as part of the region's broader health infrastructure network.

The Tasmanian Fire Service has recently finalised an agreement for a new dedicated high-risk weather season facility at Launceston Airport, further strengthening the airport's role as critical emergency management infrastructure. The facility, comprising an aircraft hangar, operational offices and

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staff accommodation, will support aerial firefighting operations and enhance emergency response capability across Northern Tasmania during periods of heightened bushfire and severe weather risk.

Given their role in facilitating tourism, trade, workforce mobility and investment attraction, Tasmania's airports should be explicitly recognised as critical enabling infrastructure within the Strategy.

Recommendation 2: Acknowledge air connectivity and freight capacity as key enablers of the Strategy's regional and trade ambitions

The draft Strategy identifies export diversification, trade promotion, regional development and investment attraction as core economic objectives. Air connectivity and freight capacity are foundational enablers of each of these ambitions.

This recommendation aligns directly with Priority 2, "Accelerating Growth and Innovation", Priority 4, "Activating Our Regions", and Priority 6, "Strengthening Infrastructure".

The Strategy recognises strong global demand for Tasmania's goods and services and identifies the need to broaden export opportunities. It also acknowledges that regional growth depends on connecting infrastructure with economic opportunities and that transport and logistics networks shape Tasmania's competitiveness as an exporting island economy.

Air freight is a critical function of Launceston Airport. In FY25, the airport facilitated nearly 2,000 dedicated freight movements, representing a record level of activity. Total freight aircraft maximum take-off weight increased by 22 per cent to 60,643 tonnes, driven primarily by the use of larger aircraft. Freight capability was further enhanced through completion of the Taxiway Foxtrot project in December 2025, increasing capacity for larger freight operations.

These freight services support Tasmania's export-oriented agriculture, aquaculture, seafood and forestry industries, many of which rely on aviation to move high-value, time-sensitive products. In addition to supporting interstate and international trade, air freight provides critical connectivity for Tasmania's Bass Strait islands, enabling the reliable movement of essential goods and supporting local businesses, communities and regional economic activity.

Not dissimilar to ports, which are identified in the strategy, aviation also plays an important role in supporting export growth, tourism, business investment and labour mobility

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Tourism Tasmania's 2030 Visitor Economy Strategy highlights tourism as a major contributor to the Tasmanian economy, supporting approximately one in every six jobs and encompassing more than 6,500 tourism businesses across the state, with almost half located in regional areas.

In many regional and remote communities, tourism provides the economic activity necessary to sustain local businesses, services and infrastructure. Access brings visitors, and the frequency, connectivity and affordability of air services are significant contributors to tourism growth and resilience.

Air services and freight capacity support export diversification, regional activation, tourism growth, skilled migration and investment attraction, all of which are central objectives of the Strategy.

Launceston Airport remains committed to investing in demand-driving infrastructure that supports Tasmania's visitor economy and regional communities.

Recommendation 3: Include a connectivity indicator within the Strategy's performance framework

The Strategy proposes indicators relating to private investment, productivity, regional growth and skilled migration. This presents an opportunity to include a complimentary indicator: connectivity.

Connectivity is an important economic enabler that warrants recognition within the Strategy's performance framework. A connectivity indicator would provide a meaningful measure of Tasmania's accessibility, economic integration and growth potential.

Potential metrics could include passenger movements, air freight throughput, access to domestic and international markets, route diversity and wider indicators of interstate and regional connectivity.

A connectivity indicator complements the existing indicators in supporting the Strategy’s priorities and would help ensure that the role aviation plays in facilitating productivity, regional participation, trade and economic diversification is recognised and measured.

Conclusion

Launceston Airport is undertaking the largest aviation infrastructure investment program in its history, demonstrating confidence in Northern Tasmania's long-term growth and economic potential. Forecast capital investment exceeds $150 million over the next decade and includes critical infrastructure required to maintain safe, secure and efficient operations while accommodating future

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demand. This investment will support greater connectivity, enhanced freight capability, increased visitor access and stronger links between Tasmania and domestic and international markets.

The draft Economic Diversification and Investment Strategy seeks to unlock investment, accelerate innovation, lift productivity, support regional development and strengthen infrastructure. Aviation connectivity is a foundational enabler of each of these objectives.

Launceston Airport welcome the opportunity to provide further insights or to support the Department as the Strategy is finalised. If you have any questions or would like further information, please contact our Corporate Affairs Manager, Rowena Gilbertson at row.gilbertson@lst.com.au.

Yours sincerely,



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