

Question on notice no. 109

Portfolio question number: 109

2020-21 Additional estimates

**Rural and Regional Affairs and Transport Committee, Infrastructure,
Transport, Regional Development and Communications Portfolio**

Senator Glenn Sterle: asked the Airservices Australia on 23 March 2021—

Is it the case that given the current low levels of patronage on international flights, the revenue per passenger collected by Airservices Australia for flights to and from the Middle East have increased six fold? What impact is this having on the cost of airfares faced by Australians stranded overseas who want to come home? What relief is being provided to international airlines bring freight and stranded Australians home from aviation charges levied by the government included but not limited to those levied by Airservices Australia? What representations have you and the government received from international airlines, their representative organisations and others? Can you explain what is the policy rationale for this approach, and in particular not providing relief?

Answer —

Answer attached.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2020 - 2021
Infrastructure, Transport, Regional Development and Communications

Committee Question Number: 109
Departmental Question Number: SQ21-000005

Program: n/a
Division/Agency: Airservices Australia
Topic: Revenue from international flights
Proof Hansard Page: Written (23 March 2021)

Senator Glenn Sterle asked:

1. Is it the case that given the current low levels of patronage on international flights, the revenue per passenger collected by Airservices Australia for flights to and from the Middle East have increased six fold?
2. What impact is this having on the cost of airfares faced by Australians stranded overseas who want to come home?
3. What relief is being provided to international airlines bringing freight and stranded Australians home from aviation charges levied by the government included but not limited to those levied by Airservices Australia?
4. What representations have you and the government received from international airlines, their representative organisations and others?
Can you explain what is the policy rationale for this approach, and in particular not providing relief?

Answer:

1. Airservices does not collect “revenue per passenger”. Charges are based on the chargeable weight of the aircraft (related to the maximum take off weight of the aircraft) and the distance flown. This weight value does not vary according to actual aircraft loaded weights, or passengers and freight carried on board. This charging approach is similar to charging arrangements employed by other air navigation services providers around the world. This is a fixed charge based on the flight and is not related to the number of passengers on board. As such, Airservices does not collect information on passenger loadings, nor does Airservices collect information on the proportion of travellers that are returning Australians.
2. See response at 1. Airservices does not set airfares.
3. Airservices does not provide fee waivers to any international airline services. Airservices is conscious of the impact of its costs on airlines and, ultimately, the travelling passenger. Airservices has been approached by a number of international airline operators and associations for general support over the duration of the COVID-19 pandemic. To assist, Airservices has extended customer payment terms, agreed to payment deferral and repayment plans and suspended interest and penalty charges relating to overdue billing receipts.
4. See response at 3. Airservices has been approached by a number of international airline operators and associations.

The Australian Government developed the Australian Aviation Financial Relief Package to support Australia’s domestic aviation industry due to the impacts of COVID-19 by reducing their operational cost pressures to help the Australian airlines maintain services.

Qantas International and a number of foreign airline operators benefit from Australia Government supported repatriation flights and from flights being supported by the International Freight Assistance Mechanism (IFAM), which assists in maintaining supply chains for air-freighted high-value and time sensitive exports.

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In addition, the Department of Foreign Affairs and Trade has a number of programs that support regular and scheduled connectivity with the Pacific and Timor-Leste. Some of these programs include payment of Air Navigation and Landing Fees for selected carriers.