

Question on notice no. 257

Portfolio question number: SQ23-005366

2023-24 Supplementary Budget estimates

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

Senator Bridget McKenzie: asked the Department of Infrastructure, Transport, Regional Development, Communications and the Arts on 2 November 2023—

- (1. Can you confirm what airlines have a contract with the Commonwealth to provide commercial air services to the Indian Ocean Territories?
2. How many flights went to the IOTs this year?
 - a. How does that compare to other years?
 - b. If less, what are the reasons we saw less flights?
3. What is the cost to the commonwealth to service commercial flights to the IOTs?
4. When do you expect contracts to be renegotiated?

Answer —

Please find answer attached

Rural and Regional Affairs and Transport

QUESTION ON NOTICE

Supplementary Budget Estimates 2023 - 2024

Infrastructure, Transport, Regional Development, Communications and the Arts

Committee Question Number: 257

Departmental Question Number: SQ23-005366

Division/Agency Name: DIV - Territories

Hansard Reference: Written (02 November 2023)

Topic: Indian Ocean Territories - Commercial air services

Senator Bridget McKenzie asked:

1. Can you confirm what airlines have a contract with the Commonwealth to provide commercial air services to the Indian Ocean Territories?
2. How many flights went to the IOTs this year?
 - a. How does that compare to other years?
 - b. If less, what are the reasons we saw less flights?
3. What is the cost to the commonwealth to service commercial flights to the IOT?
4. When do you expect contracts to be renegotiated?

Answer:

1. Virgin Australia Airlines Pty Ltd (Virgin) is contracted by the Australian Government, through the Department of Infrastructure, Transport, Regional Development, Communication and the Arts, to provide commercial passenger services to the Indian Ocean Territories (IOTs).

Under the Services Agreement with Virgin, Toll provides a fortnightly air freight (freighter) service to the IOTs.

2. In 2022-23 the number of flights were as follows:
 - Passenger – 113 (includes 107 routine and 6 additional flights)
 - Freighter – 32 (includes 26 routine and 6 additional freighters)
 - a. In comparison, in 2021-22 there were:
 - Passenger – 117 (includes 105 routine and 12 additional flights); and
 - Freighter – 39 (includes 25 routine and 14 additional freighters).For 2020-21 there were:
 - Passenger – 114 (includes 105 routine and 9 additional flights); and
 - Freighter – 34 (includes 23 routine and 11 additional freighters).
 - b. Variations in the number of passenger and freighter flights can be as a result of:
 - The number of flight days in a year - routine passenger services fly on Tuesdays and Fridays, freighters fly on Fridays;
 - Additional flights being scheduled to meet increased passenger demand or freight demand, subject to the availability of planes, crew and funding; and
 - Flights being impacted by adverse weather.

3. The department is in the process of re-tendering for the provision of air passenger and freighter services to the IOT. As contract costs are considered commercial-in-confidence, and may provide a price-signal to the market ahead of the upcoming open tender, it is not appropriate to disclose contract costs at this time.
4. Current service arrangements expire on 30 October 2025. An open tender for the provision of airline services to the IOTs is expected to commence in early 2024, with new contracts anticipated to be negotiated during 2024-25.