

[REDACTED]

Dear [REDACTED]

I refer to your request dated 25 April 2020, pursuant to the Official Information Act 1982, seeking information relating to the government's package paying passenger based levies to the CAA and Avsec on behalf of airlines.

The answers to your questions are set out below

1. How much of the \$163M amount will be paid to CAA?

The amount payable to CAA will be

- \$1.60 times the number of passengers carried between March and August covered by the domestic or international passenger levy plus
- \$1.57 times the number of passengers carried between March and August covered by the ANZA passenger levy

The amount payable to Avsec will be the sum of

- \$ 6.23 times the number of domestic passengers carried March – June
- \$ 6.42 times the number of domestic passengers carried July – August
- \$ 11.98 times the number of international passengers carried March – June
- \$ 12.59 times the number of international passengers carried July - August

2. In dollar terms, what portion of the money paid to CAA is allocated to CAA's regulatory functions (as distinct from Aviation Security functions)?

The portion of levies payable to Avsec and to CAA for its broader regulatory functions will depend on the proportion of international and domestic passengers as set out above.

3. Can you please advise how the quantum of the payment for CAA's regulatory functions was calculated?

The quantum of payment for CAA's regulatory functions is calculated based on existing passenger levies.

4. You have advised via a letter of 23 April that the money paid to CAA will be used for the purposes for which it is normally applied. The purposes for which it is normally applied according to the most recent CAA Annual Report are as follows:

- a) Policy work for the government**
- b) Audit of the aviation industry**
- c) Outreach work and education**

Can you confirm whether it will continue to be allocated in the present ratios?

The Authority like all Government entities, is closely monitoring its activities in the current environment, as well as planning activities for the next financial year. However, it has not yet made final decisions and recommendations to the Minister on the quantum of activity it will be undertaking with respect to its regulatory and aviation security service functions for the 2020/21 year and outyears. When those decisions and recommendations have been made and approved, they will be made available to the public in-line with normal practices

5. Is the payment of money to "Regulatory CAA" to ensure the CAA operates as normal, or does it include some provision for payments to enable the downsizing of the organisation to service a substantially smaller aviation industry?

The funding through this package was targeted at encouraging airlines to stay in New Zealand market – not specifically at supporting the CAA.

6 Does the support package only apply to passenger levies imposed for international operations, or does it cover passengers carried on domestic operations as well?

As set out above (response to Q1) the package covers both domestic and international passengers.

7. Given the payment that has been made to “Regulatory CAA” are all operator safety levies normally payable by the aviation community to CAA suspended? If so, when does the suspension of these levy payments take effect and for how long?

General Aviation levies are not covered by this scheme. The scheme is limited to those levies listed in response to Q1 above.

8. If only aviation passenger levy charges are suspended, could you please explain why a difference of approach has been taken given that most general aviation businesses are in precisely the same situation as the airlines?

The levies that are being paid under \$600 million aviation package reflect its purpose which is to help ensure that airlines continue to carry both international and domestic passengers as well as international and domestic freight. General business relief is provided for through the Government’s economic relief programmes such as the wage subsidy.

9. Are all Airways charges on general aviation operators waived during the next six months, or is this just applicable to airlines? If just applicable to airlines, please advise how an airline is defined?

The Airways charges is only applicable to airlines and not general aviation. An airline was defined as a commercial airline that was directly impacted by the border restrictions. Airlines that are subject to passenger based safety and security levies would qualify for relief of Airways fees.

The Ministry publishes our Official Information Act responses and the information contained in our reply to you will be published on the Ministry website. Before publishing we will remove any personal or identifiable information.

Yours sincerely



Tom Forster
Manager, Economic Regulation

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