



## **MEDIA RELEASE**

### **THE RAAA WELCOMES GOVERNMENT RELIEF FOR AVIATION CHARGES BUT WARNS OF TERRIBLE TIMES AHEAD**

**18 March 2020**

The RAAA today welcomed the announcement from the Hon Michael McCormack, Deputy Prime Minister, that relief will be provided by the Government to the aviation industry for a period of 8 months by way of waiving or refunding Airservices Australia charges, the CASA fuel excise and regional aviation security charges.

Commenting on the announcement the RAAA Chairman, Jim Davis, said “the initiatives announced by the Deputy Prime Minister last night are greatly appreciated and will assist in helping the industry to withstand the crisis caused by the COVID-19 virus”.

Whilst acknowledging the positive steps taken by the Government to provide relief the RAAA points out that more needs to be done if regional aviation and flying schools are to survive the current pandemic. Many small regional airlines are faced with rapidly diminishing passenger numbers while charter operators are seeing their contracts cancelled and solid business demand just vanishing. In addition flights to remote indigenous communities are being cancelled, many tourist and joy flight operators have already grounded their fleets and flying schools are seeing their students evaporate. Inquiries from prospective students regarding flying training have all but ceased.

Mr Davis added “The sad fact is that we have never seen anything like this current catastrophe in the history of aviation and the relief measures from the Government, as welcomed and as necessary as they are, will not assist an operator who has a grounded fleet and is not incurring these charges in any case”.

He went on to say “the industry is already in a desperate survival mode and it is absolutely vital that we prevent regional operators and flying schools from collapsing because once they are gone most will not be replaced as the barriers of entry into our industry are just too high and the margins too low”.

The RAAA calls on the Government to consider other measures that will assist the industry to survive such as a moratorium on loan repayments until the crisis has passed, introducing a US Chapter 11 style arrangement to allow businesses to keep operating where possible without the fear of being closed down by creditors and a sovereign loan guarantee for new loans to allow businesses to access extra cash during the COVID-19 emergency period.

Mr Davis went on to say “small regional operators and privately owned flying schools do not have deep pockets and the effects of the current loss of business have already been devastating. Many have only days or weeks left before they will collapse, so assistance is needed urgently to keep them afloat and preserve

*Serving regional aviation, and through it, the people and businesses of regional Australia*

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the jobs of their staff. We need to retain these businesses so that we can rebuild our industry once the pandemic has passed”

The RAAA represents aviation across Australia. It has around 100 members and its Air Operator Certificate (AOC) holding members directly employ over 2,500 Australians, many in regional areas. On an annual basis, the RAAA’s AOC members jointly turnover more than \$1.5b, carry well in excess of 2 million passengers and move over 23 million kilograms of freight.

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