



Submission No 81

Inquiry into Australia's Relationship with Timor-Leste

Name: Department of Infrastructure and Transport

Joint Standing Committee on Foreign Affairs, Defence and Trade
Foreign Affairs Sub-Committee



Australian Government

Department of Infrastructure and Transport

File Reference: 13/1093

Dr John Carter
Inquiry Secretary
Joint Standing Committee on Foreign Affairs, Defence and Trade
Parliament House
CANBERRA ACT 2600

Dear Dr Carter

Subject: Supplementary submission – Inquiry into Australia’s relationship with Timor-Leste

Thank you for your email of 3 June 2013, attaching follow-up questions regarding the Department’s appearance before the Inquiry by the Joint Standing Committee on Foreign Affairs, Defence and Trade into Australia’s relationship with Timor-Leste.

I am pleased to provide answers to the follow-up questions and the questions taken on notice at Attachment A.

Please let me know if I can assist the Committee further in any way.

Yours sincerely

Stephen Borthwick
A/g Executive Director
Aviation and Airports

2 July 2013

Air service agreement

1. Page 1 of the submission raises the negotiation for an air service agreement with Timor-Leste.
 - There is reference to discussions on draft commercial entitlements for airlines—would you provide more information?

The reference to draft commercial entitlements in the Department's submissions pertains to the quantum of service that will be able to be offered by the designated airlines of both Australia and Timor-Leste under the terms of the draft Air Services Agreement (the Agreement). The commercial entitlements refer to such matters as passenger and freight capacity that can be operated by airlines of both countries, and the right to exercise traffic rights at third countries.

The draft commercial entitlements will come into effect upon the date of the entry into force of the Agreement. From this date, airlines of both sides will be allowed to operate up to 21 passenger services each way each week between any point in Australia and any point in Timor-Leste, and unrestricted freight services. Airlines of both countries can also operate services between Australia and Timor-Leste both via and beyond to any points in any third country with full traffic rights, with the exception of points in the United States of America.

Air passenger numbers

2. On page 49 of the Transcript, Mr Borthwick advises that passenger numbers between Dili and Australia have grown by an average of nearly 10 per cent per over the last five years. On page 50, he adds that there is an assumption that the level of growth will continue.
 - To check whether the UN and Australian withdrawal from Timor-Leste has had an impact, would you provide figures for the first six months of 2013?
 - Has Airnorth maintained its nine services a week to Dili?
 - Would you comment about any emerging trends?

18,692 people travelled between Australia and Timor-Leste during the six months to April 2013, a 0.8 per cent increase over the corresponding period in the previous year. Figures for the six months to June 2013 are not available at this time.

Airnorth currently operates nine return services per week between Darwin and Dili.

In terms of emerging trends, the commercial entitlements coming into effect will add regulatory certainty for airlines, and will provide an opportunity to enhance the marketing of services between the two countries. Experience with other markets has shown that the settling of more expansive commercial arrangements can lead to increased services by existing participants in the market, and to new competitors entering the market.

Answers to questions on notice

1. Air traffic over Timor-Leste (page 52)

Question

Senator STEPHENS: What is the air traffic like over Timor-Leste? Is it busy? Are there a significant number of flight paths over Dili?

Answer

There are nine commercial flights each way each week between Australia and Timor-Leste, all between Darwin and Dili. There are also helicopters servicing the oil rigs in the region.

There are no commercial flights that overfly the township of Dili. The major routes are to the North and South through the Indonesian Flight Information Region (FIR) Unjung Pandang. Indonesia is responsible for high level airspace management over Dili. These flights operate above the Timor-Leste FIR, which has a ceiling of 24 000 feet, so the flights transit between the Australian and Indonesian FIR's. The services and airspace classification in Timor-Leste airspace are different to those provided in Australian airspace.

2. Air safety systems (page 52)

Question

Senator STEPHENS: Would our air safety systems pick up a plane that went off a flight path as far north as Dili?

Answer

Airservices does not have any air traffic surveillance systems that extend as far north as Dili.