

Regional Airfare Zone Cap Scheme (RAZC)

Discounts to Support the Scheme

Presented by Manager Airport Services, Amol Virkar

Airport

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The Scheme (RAZC 2.0)

- Commencing 1 July 2026 the following zone cap airfares will apply.
- Airport fees are a pass-through costs incorporated into airfares.
- Deputy Premier has requested a pause on airport fees and charges for RAZC passengers, maintaining FY 2025/26 fee levels.
- Five-year request with initial commitment required for one year.

Qantas	Virgin Australia
Max low demand fare: \$299	Max low demand fare: \$298
Max high demand fare: \$385	Max high demand fare: \$359

Airport Charging Structure

Charge Type	Description	Passenger Impact	Key Notes / Implications
Landing Charge	Aircraft weight-based charge	No	Revenue linked to aircraft size rather than passenger volumes
Security and Screening Charge	Security cost recovery charge	Departing only	Reduced for FY2026/27
Passenger Service Charge (PSC)	Levied on all passengers	Arriving and Departing	Most suitable mechanism for applying discounts

Proposed RAZC Discount

- Discount of \$0.52 per passenger charge in FY26/27.
- Revenue impact for the first year is \$41,161
- 5 Year Assumptions:
 - 79,156 passenger per annum.
 - 3.5% estimated annual increase.

FY	PSC (\$)	Growth	Variance to FY25/26	Rebate
25/26	\$14.86			
26/27	\$15.38	3.50%	\$0.52	\$41,161
27/28	\$15.92	3.50%	\$1.06	\$83,771
28/29	\$16.48	3.50%	\$1.62	\$127,873
29/30	\$17.05	3.50%	\$2.19	\$173,517
30/31	\$17.65	3.50%	\$2.79	\$220,760
Total				\$647,082

Considerations

- Other airports in the region not supporting the request.
- Minister retains the ability to apply airport fee increases to the fares.
- **Airline reporting on RAZC passenger numbers is a key benefit.**
- Recommendation:
 - Support an initial one-year freeze of the Passenger Service Charge.
 - Provide local public notice of the new Passenger Service Charge.

For more information:

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