

Increasing the Air Travellers Security Charge

Published on May 9, 2023



The Air Travellers Security Charge (ATSC) is a flat fee levied on air travellers at the time of ticket purchase and funds airport security screening by the Canadian Air Transport Security Authority (CATSA).

Budget 2023 proposes to increase the ATSC by 32.85 percent, effective May 1, 2024. The charges would increase as follows: \$9.94 for a one-way domestic flight (from \$7.48), \$19.87 for a round trip domestic flight (from \$14.96), \$16.89 for a transborder flight (from \$12.71), and \$34.42 for an international flight (from \$25.91).

5-Year Incremental Cost

\$ millions	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Total cost	-	-264	-302	-317	-332	-1,216

Notes

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- A positive number implies a deterioration in the budgetary balance (lower revenues or higher spending). A negative number implies an improvement in the budgetary balance (higher revenues or lower spending).

Estimation and Projection Method

Historical ATSC revenues were taken from the Public Accounts. Revenues were grown in line with projected recovery of air passenger numbers until assumed recovery in 2023-24. From there, revenues were projected to grow at the average annual growth rate in ATSC revenues from 2011-12 to 2018-19. PBO applied the effective GST rate to ATSC revenues.

Sources of Uncertainty

The main source of uncertainty relates to the recovery of air passenger demand following the pandemic. The PBO does not expect a material behavioural response.

Prepared by

Jill Giswold <Jill.Giswold@parl.gc.ca>

Data Sources

Variable	Source
Historical ATSC revenues	Public Accounts
Projected air passenger numbers	International Air Transportation Association
Effective GST rate	PBO’s March 2023 EFO

© Office of the Parliamentary Budget Officer, Ottawa, Canada, 2023 • LEG-2324-003-S_e