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Ean Higgins
Senior Reporter
The Australian
Via email

Dear Mr Higgins

I am writing in regard to questions we have received from you and your recent articles published in the Australian newspaper relating to the OneSKY Australia Program which draw on recently released material provided under *Freedom of Information legislation* to Senator Rex Patrick.

In regards to today's article, '*Regional airlines to subsidise Defence bill*', 9 May 2018, you have incorrectly quoted me from correspondence I sent to Air Marshal Davies (letter dated 29 September 2017, FOI Document No. 2):

*"We would intend to recover these costs (of hosting military controllers in **Brisbane**) by extending our existing charging regime at Darwin and Townsville for civilian aircraft".*

I note you added additional information in parenthesis which I have highlighted above. This additional information, which was **not** in the letter I wrote to Air Marshal Davies, is potentially misleading and unacknowledged in the article as having been added by you. I have attached the original letter (Attachment A) for reference to highlight what I consider to be an unethical mischaracterisation of the original quote.

As we have pointed out to you on a number of occasions in responses to your questions, my letter to Chief of Air Force (FOI Document No. 26) dated 30 November 2017 (Attachment B), which you have in your possession, is clear about the provision of OneSKY infrastructure in Brisbane. I have quoted the relevant paragraph verbatim:

"The majority of Darwin and Townsville air traffic movements are civil (see table below) and the management of air traffic at these locations has a significant impact on the domestic network. With civil operations able to be managed safely, and significantly more efficiently, from a consolidated location, Airservices is able to justify accepting the cost of the required infrastructure into Brisbane and recover this from existing charges. Feedback from major airlines is that they see a significant benefit in closer alignment with civil operations and are supportive of any reasonable fee increase to achieve this outcome."

Further, the letter also articulates how the consolidation of Darwin and Townsville approach services to Brisbane saves the Australian taxpayer while not impacting on Defence service provision and capability. In fact, this option aligns Darwin and Townsville approach service provision with Airservices and Defence broader practice of remotely providing approach services. Again, for clarity, the relevant paragraph explaining this is extracted below:

“I would like to reassure you that Airservices only continues to pursue this option because we are confident that it can be implemented without any impact on Defence service provision and capability. In Airservices experience, the provision of approach services is not location critical and can be safely and effectively provided from any secure facility. There are many examples of this being implemented successfully including: Airservices recent consolidation of its Cairns and Adelaide approach services to Brisbane and Melbourne respectively; Airservices provision of Edinburgh approach services for Defence from our Melbourne facility; and Defence’s provision of Pearce approach services from Airservices Perth facility. We also capably manage military exercises using both civil and military controllers from Airservices facilities (for example Exercise Talisman Sabre).”

As per our previous responses to you, my correspondence of 30 November 2017 addresses the majority of your questions and explains our charging under the regulation and scrutiny of the Australian Competition and Consumer Commission.

In regard to the actual cost to the airlines, I have also attached a letter (Attachment C) I sent to airlines on 1 March 2018, confirming that there will be no increase in charges to our customers to deliver OneSKY. While this information has been easily accessible to you on the public record (including Hansard from 26 February 2018 Additional Budget Estimate hearings), I provide the relevant paragraph below:

“Through the efficiency gains achieved via our Accelerate program we have positioned Airservices to deliver OneSKY with no increase in charges to airlines, in effect delivering the benefits to you, our customers, while also delivering a reduction in prices (in real terms) over the roll out period”.

I am also very concerned by the tenor of your emails to Airservices media officers. In the past, we have provided a lot of information to you in response to questions, little of which seems to have been included in the articles you write. The aggressive tone and threatening nature of your approach to Airservices employees that are trying to assist you is unprofessional and, in my view, unethical.

In order to ensure complete transparency, I will be publishing this correspondence on our website along with the relevant pieces of correspondence mentioned above. I will also be forwarding it to Senator Rex Patrick for his information.

Yours sincerely

Jason Harfield
Chief Executive Officer
9 May 2018

Attachments:

Attachment A: Airservices correspondence to Defence, 29 September 2017
Attachment B: Airservices correspondence to Defence, 30 November 2017
Attachment C: Airservices correspondence to airlines, 1 March 2018