

# Media release

31/2015 – 11 August 2015

## Airservices seeks feedback from industry on pricing proposal

Airservices is seeking feedback from the aviation industry on a proposal that will set prices for its services over the next five years.

The proposal is to increase prices at an average of 3.3 per cent per annum to fund new services that have been introduced in recent years, deliver safety and flight efficiency improvements and jointly procure a replacement air traffic management system with the Department of Defence to meet future aviation traffic growth.

The pricing proposal released today for further consultation sets out funding for the provision of safe air navigation and rescue fire fighting services across the country through to 2021.

Airservices Acting Chief Financial Officer, Paul Logan said the proposal equated to a total real increase of less than 3.0 per cent over the five years of the agreement and would ensure Australian skies remained safe well into the future.

For example, an Airbus A380 travelling from Singapore to Sydney will be charged an additional \$589 by 2021, equivalent to \$1.74 per passenger increase over five years. A Boeing 737-800 from Brisbane to Melbourne will be charged an additional \$74 by 2021, equivalent to 63 cents per passenger increase over five years.

“This follows real price reductions of 20 per cent since the commencement of the first long term pricing agreement in 2005. Importantly for our customers, the proposal will provide them with price certainty in a dynamic environment through to 2021,” Mr Logan said.

Over the past few years Airservices has introduced a number of new services required by safety regulations that have been driven by increased air traffic. These include new aviation rescue fire fighting services in Port Hedland, Newman, Gladstone, Ballina and Coffs Harbour, as well as the introduction of an Aerodrome Flight Information Service in Port Hedland.

Over the next five years a new air traffic management system will progressively replace the current system, which was introduced in the 1990s. The new system will provide a secure platform to safely manage the growing capacity and congestion challenges across the network, including new runways at Brisbane, Melbourne and Perth airports, and a second airport in Sydney.

“As we prepare for our future air traffic management system, we need to continue to deliver to our customers and the industry tangible benefits; that of enhanced safety, improved operational efficiencies, reduced fuel costs and improved gate-to-gate performance,” Mr Logan said.

The pricing proposal is the second phase of a 12-month consultation and review process that includes Airservices, airlines, aircraft operators, aviation stakeholders and the Australian Competition and Consumer Commission (ACCC). The proposal takes into consideration industry feedback from a pricing discussion paper released by Airservices in early 2015.

Industry members are encouraged to provide written feedback to Airservices on the proposal, which will be taken into consideration before a draft price notification is lodged with the ACCC for its review.

This will be followed by additional consultation by the ACCC before a formal price notification is lodged, to take effect from 1 July 2016.

“This established process demonstrates the robust forward planning and scrutiny of our pricing and investment decisions by both the ACCC and industry,” Mr Logan said.

“We recognise the importance of delivering cost efficient services to industry through containment of price increases and delivering savings to airline operations, particularly the delivery of aircraft fuel savings.”

The pricing proposal is available at [www.airservicesaustralia.com/services/charges-and-costing/pricing-proposal](http://www.airservicesaustralia.com/services/charges-and-costing/pricing-proposal)

**For media inquiries contact Airservices Media on (02) 6257 2828 or by emailing [media@airservicesaustralia.com](mailto:media@airservicesaustralia.com)**