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Air Marshal Gavin Davies, AO, CSC
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Dear Air Marshal Davies 

OneSKY – potential Defence cost reductions

I am writing in relation to our discussion on 15 September 2017 regarding opportunities for Defence to reduce the cost of its elements of the OneSKY program (**Attachment 1**) to ensure overall program affordability with no impact on Defence air traffic control capability.

I understand there are emerging concerns within Defence that although these options may be achievable, there might be some unforeseen costs to Defence.

To assist your consideration of the options, I would like to reassure you that Airservices will provide, at no cost to Defence, the facility and equipment necessary in Brisbane and Melbourne Centres to accommodate the consolidation of Darwin, Townsville and Nowra approach services. We would intend to recover these costs by extending our existing charging regime at Darwin and Townsville for civilian aircraft.

In relation to Nowra, Edinburgh, Richmond and Oakey towers, where Airservices has suggested that OneSKY technology is not required, Airservices would install a Tower Situational Awareness Display (TSAD) unit with a duplicated line to provide sufficient system reliability for it to be used for separation purposes (as we have currently in operation at Essendon airport). This is estimated to cost approximately \$1.6m in total for the four towers. Importantly this action will lead to both a reduction in Defence unique costs and a significant recalibration of common costs towards the civilian system.

In regard to Defence consideration of training options to remove the need for a mobile training facility, Airservices currently has at least 15 air traffic control employees who are also active reservists. We would be happy to release these controllers to Defence as required to backfill while Defence JBACs undergo training during the transition period.

As Airservices moves forward toward signing a contract by the end of the year, these matters need to be resolved very quickly. I hope this further information goes some way to assure you that Airservices is willing to look at all options to assist Defence to work through its current challenges and that there are no insurmountable issues if we both remain committed to working together toward the best outcome for Australia.

Yours sincerely


Jason Harfield
Chief Executive Officer

29 September 2017