

GPO Box 367
Canberra ACT 2601
t **02 6248 2801**
f 02 6248 2816
ABN 59 698 720 886

Margaret Arblaster
General Manager
Transport & Prices Oversight Branch
Australian Competition and Consumer Commission
GPO Box 520J
MELBOURNE VIC 3001

Dear Ms Arblaster

Final Price Notification - Aviation Rescue and Fire Fighting

I am writing in relation to Airservices Australia's Final Price Notification for Aviation Rescue and Fire Fighting for the period 1 January 2006 to 30 June 2009.

Pursuant to Part VIIA of the Trade Practices Act, this notification seeks the endorsement of the Australian Competition and Consumer Commission (ACCC) for prices for Aviation Rescue and Fire Fighting (ARFF) services as outlined in Attachment 1.

These prices incorporate the revised revenue pool adjustments required per the ACCC's preliminary view and also confirmation of the ARFF station categories, two of which we have changed from the draft price notification. In confirming the airport categories, we changed the categories of Darwin and Coolangatta which has accordingly altered the prices essentially for category 8 and above aircraft at those locations.

Without in anyway wanting to pre-empt the ACCC's decision, due to the timing of the current price notification process, we on this occasion were required to provide public notice of the proposed price changes in advance of the ACCC's final decision which was done on the 29 November 2005.

The main features of the proposed charging methodology are as follows:

- ☐ Aircraft above 15.1 tonnes will pay a price per tonne based on the category of aircraft. At category 6 airports this price will be the same for all category of aircraft;
- ☐ Aircraft between 15.1 – 5.7 tonnes will only pay a price per tonne based on the category 6 price if they carry fare-paying passengers. ASA will write to aircraft operators in this tonnage range to establish whether they carry fare-paying passengers and charge accordingly;

- ☐ Aircraft between 15.1 – 5.7 tonnes that don't carry fare-paying passengers will not be charged;
- ☐ Aircraft below 5.7 tonnes are excluded from charges; and
- ☐ The price per tonne applies only at those airports that have an ARFF service.

Airservices has conducted extensive stakeholder consultation on ARFF pricing initiatives for over twelve months now. This has occurred in three main stages: a long term pricing consultation in November 2004; consultation on interim pricing arrangements in May 2005 which resulted in a temporary pricing regime operating from 1 July 2005 to 31 December 2005; and consultation on the Draft Price Notification which it submitted to the ACCC at the end of September 2005.

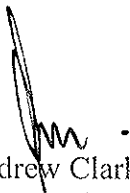
As part of this most recent consultation process we developed a comprehensive charging methodology "Options Paper" which was provided to the ACCC, customers and stakeholders on which we received submissions that assisted in the development of our Draft Price Notification.

After consulting widely and reviewing all submissions made, Airservices is still strongly of the opinion that this model is likely to promote allocative efficiency better than any other charging methodology on which we consulted and that it addresses the objections previously raised by the ACCC.

As indicated at the time of submitting the Draft Price Notification should the Commission not support this recommended model then it should propose an alternative prior to providing a final decision in order to ensure that new prices can still be applied from 1 January 2006.

Should you have any queries in relation to the above or wish to discuss this matter further please do not hesitate to contact me.

Yours sincerely



Andrew Clark
A/General Manager
14 December 2005

ATTACHMENT 1

Final Price Notification

Airservices Australia proposes the following prices for the period 1 January 2006 to 30 June 2009. Prices only apply to aircraft that have a *Maximum Take Off Weight* of 15.1 tonnes or greater and to aircraft that have been classified as 'target aircraft'. All prices include GST.

'Target Aircraft' are those aircraft which have an MTOW between 5.7 tonnes and 15.1 tonnes that are deemed to be Regular Passenger Transport (RPT) aircraft.

RPT aircraft are aircraft that may carry passengers for hire (including charter), payment of a fee or purchase of ticket to travel on an aircraft, for the purpose of travelling between different locations or in and out of the same location. 'Passengers' do not include crew, crew under instruction or non-paying passengers.

AIREC Location	From 1 January 2006 – 30 June 2006			
	Price per tonne for Aircraft Category:			
	9	8	7	6 (and below)
ADELAIDE	\$ 9.18	\$ 9.18	\$ 2.23	\$ 1.68
ALICE SPRINGS	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
AVALON	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
AYERS ROCK	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
BRISBANE	\$ 3.49	\$ 2.57	\$ 1.81	\$ 1.68
CAIRNS	\$ 4.68	\$ 4.68	\$ 2.18	\$ 1.68
CANBERRA	\$ 7.85	\$ 7.85	\$ 7.85	\$ 1.68
COOLANGATTA	\$ 3.69	\$ 3.69	\$ 3.69	\$ 1.68
DARWIN	\$ 14.72	\$ 14.72	\$ 3.17	\$ 1.68
HAMILTON ISLAND	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
HOBART	\$ 5.86	\$ 5.86	\$ 5.86	\$ 1.68
LAUNCESTON	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
MACKAY	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
MAROOCHYDORE	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
MELBOURNE	\$ 2.76	\$ 2.17	\$ 1.76	\$ 1.68
PERTH	\$ 4.82	\$ 3.03	\$ 1.90	\$ 1.68
ROCKHAMPTON	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
SYDNEY	\$ 2.27	\$ 1.96	\$ 1.73	\$ 1.68
TOWNSVILLE	\$ 8.16	\$ 8.16	\$ 8.16	\$ 1.68

The following prices will become effective on 1 July 2006:

From 1 July 2006 – 30 June 2007				
ARFF Location	Price per tonne for Aircraft Category:			
	9	8	7	6 (and below)
ADELAIDE	\$ 9.27	\$ 9.27	\$ 2.28	\$ 1.73
ALICE SPRINGS	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
AVALON	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
AYERS ROCK	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
BRISBANE	\$ 3.58	\$ 2.60	\$ 1.86	\$ 1.73
CAIRNS	\$ 4.74	\$ 4.74	\$ 2.23	\$ 1.73
CANBERRA	\$ 7.95	\$ 7.95	\$ 7.95	\$ 1.73
COOLANGATTA	\$ 3.74	\$ 3.74	\$ 3.74	\$ 1.73
DARWIN	\$ 14.98	\$ 14.98	\$ 3.22	\$ 1.73
HAMILTON ISLAND	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
HOBART	\$ 5.97	\$ 5.97	\$ 5.97	\$ 1.73
LAUNCESTON	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
MACKAY	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
MAROOCHYDORE	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
MELBOURNE	\$ 2.87	\$ 2.22	\$ 1.81	\$ 1.73
PERTH	\$ 4.97	\$ 3.04	\$ 1.95	\$ 1.73
ROCKHAMPTON	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
SYDNEY	\$ 2.36	\$ 2.02	\$ 1.78	\$ 1.73
TOWNSVILLE	\$ 8.15	\$ 8.15	\$ 8.15	\$ 1.73

The following prices will become effective on 1 July 2007:

From 1 July 2007 – 30 June 2008				
ARFF Location	Price per tonne for Aircraft Category:			
	9	8	7	6 (and below)
ADELAIDE	\$ 9.00	\$ 9.00	\$ 2.44	\$ 1.78
ALICE SPRINGS	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
AVALON	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
AYERS ROCK	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
BRISBANE	\$ 3.64	\$ 2.60	\$ 1.93	\$ 1.78
CAIRNS	\$ 4.74	\$ 4.74	\$ 2.38	\$ 1.78
CANBERRA	\$ 7.98	\$ 7.98	\$ 7.98	\$ 1.78
COOLANGATTA	\$ 3.97	\$ 3.97	\$ 3.97	\$ 1.78
DARWIN	\$ 14.90	\$ 14.90	\$ 3.62	\$ 1.78
HAMILTON ISLAND	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
HOBART	\$ 6.56	\$ 6.56	\$ 6.56	\$ 1.78
LAUNCESTON	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
MACKAY	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
MAROOCHYDORE	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
MELBOURNE	\$ 2.99	\$ 2.27	\$ 1.88	\$ 1.78
PERTH	\$ 5.08	\$ 3.03	\$ 2.03	\$ 1.78
ROCKHAMPTON	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
SYDNEY	\$ 2.41	\$ 2.05	\$ 1.84	\$ 1.78
TOWNSVILLE	\$ 8.29	\$ 8.29	\$ 8.29	\$ 1.78

The following prices will become effective on 1 July 2008:

From 1 July 2008 – 30 June 2009				
ARFF Location	Price per tonne for Aircraft Category:			
	9	8	7	6 (and below)
ADELAIDE	\$ 9.12	\$ 9.12	\$ 2.33	\$ 1.81
ALICE SPRINGS	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
AVALON	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
AYERS ROCK	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
BRISBANE	\$ 3.70	\$ 2.62	\$ 1.93	\$ 1.81
CAIRNS	\$ 4.76	\$ 4.76	\$ 2.29	\$ 1.81
CANBERRA	\$ 7.91	\$ 7.91	\$ 7.91	\$ 1.81
COOLANGATTA	\$ 4.01	\$ 4.01	\$ 4.01	\$ 1.81
DARWIN	\$ 16.06	\$ 16.06	\$ 3.39	\$ 1.81
HAMILTON ISLAND	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
HOBART	\$ 6.73	\$ 6.73	\$ 6.73	\$ 1.81
LAUNCESTON	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
MACKAY	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
MAROOCHYDORE	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
MELBOURNE	\$ 3.03	\$ 2.29	\$ 1.89	\$ 1.81
PERTH	\$ 5.08	\$ 3.01	\$ 2.01	\$ 1.81
ROCKHAMPTON	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
SYDNEY	\$ 2.45	\$ 2.08	\$ 1.86	\$ 1.81
TOWNSVILLE	\$ 8.47	\$ 8.47	\$ 8.47	\$ 1.81