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Mr Matthew Schroder
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Dear Mr Schroder

2024 Draft Price Notification – Enroute, Terminal Navigation and Aviation Rescue & Fire Fighting Services

As we discussed during our meeting on Thursday 9 November, Airservices has continued to consult with our customers and key stakeholders in relation to our proposed 2024 Draft Price Notification, which was published on the ACCC website on 12 October 2023.

Based on this feedback, we propose to exclude FY2027 from the currently proposed 2024 Draft Price Notification. This decision to exclude FY2027 and to seek a two-year pricing proposal will enable Airservices to propose and consult on a future 2027 price notification proposal that will holistically include major aspects of our transformation program including OneSKY and new services at Western Sydney International Airport and expanded services at Perth and Melbourne airports with the operation of their new runways.

This will enable us to consult on an expedited timeline that is necessary for the current pricing notification which must set prices from FY2024 (or Airservices will continue to absorb unreasonably high levels of losses).

As an addendum to this letter, we attached a revised 2024 Draft Price Notification.

As the future 2027 price notification proposal will be need not just to deal with the expected ongoing under-recovery of building block costs but, critically, pricing structure issues created by the operation OneSKY and these new services, we propose that the original 2024 Draft Price Notification, which was published on the ACCC website, be retained as an artefact to provide transparency to industry of the longer-term pricing path.

Airservices looks forward to the Commission's consideration of this matter and should you have any questions in relation to the above please do not hesitate to contact me on 02 – 6268 4850.

Yours sincerely

Paul Logan

Chief Financial & Performance Officer

13 November 2023