

AIRSERVICES AUSTRALIA DRAFT PRICE NOTIFICATION

RESPONSE TO OPTIONS PAPER

Singapore Flying College operates a facility at the Sunshine Coast Airport providing Jet transition training for cadet pilots employed by Singapore Airlines. As the colleges activities will be significantly affected by the proposed pricing proposal, the college seeks to comment on the amended proposals;

- **The basis of charging**

Whilst the College accepts that Take Off weight is a simple and readily monitored basis for levying charges, the relationship between weight and passenger capacity is variable for weights below 15 Tonnes. The previous proposals to use 2.5 or 5.7 tonnes as the lower limit for charges would inevitably include a number of non-RPT and indeed, non-passenger carrying aircraft. As the ARFF is required specifically on the basis of the number of passenger movements through an airport, this appeared to be undesirable and unfair.

The proposed use of 15.1 tonnes as the lower limit would effectively limit the charges to those RPT aircraft for which the service was created. In addition, the relationship between weight and passenger capacity, while still not entirely linear, is much more accurate for aircraft above this weight. That is, MTOW is a much more accurate indication of capacity above 15 tonnes. In addition, ASA figures suggest that some 95% of all paying passengers travel in aircraft above 15.1 tonnes, so the adoption of this limit would result in only a small loss of revenue whilst achieving a significantly more equitable distribution of costs.

The College therefore supports the adoption of 15.1 tonnes as the lower limit for the application of ARFF charges.

- **Location Specific Charges**

The use of location specific charges has the effect of rendering smaller low volume airports more expensive as the costs are spread over a smaller number of flights. Therefore where an operator has a choice, there will be a tendency to move operations to the busier and hence cheaper airports. This is not necessarily desirable and has significant costs in environmental effects, increased traffic delays, pressure on air traffic control and facilities. Major operators however may prefer this system, as it significantly reduces their cost of operations.

- **Category Specific Charges**

Whilst category specific charges may appear to distribute the cost more effectively to the aircraft that drive the level of service provided, they may also have the effect of encouraging more frequent flights with smaller aircraft to avoid the higher costs for the higher categories.

The challenge for ASA and the ACCC will be to strike the correct balance between economic, environmental and infrastructure costs. As the College is not involved in operations at this level, we do not feel qualified to endorse any particular choice in this area.

The College appreciates the opportunity to comment on the proposals, and may seek to make further submissions as the matter nears a final decision.

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