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Australian Competition and Consumer Commission (ACCC)

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26 September 2024

**RE: ACCC Preliminary View on Airservices Australia’s Draft Price Notification**

Dear David and Adele,

Airlines for Australia and New Zealand (A4ANZ) welcomes the opportunity to respond to the ACCC’s Preliminary View regarding Airservices Australia’s (Amended) Draft Price Notification.

A4ANZ is an industry group representing airlines based in Australia and New Zealand, including international, domestic, regional, full service, and low-cost carriers. A4ANZ’s members include Air New Zealand, Qantas, Virgin Australia, Regional Express (Rex), and Jetstar. A4ANZ member airlines will also be making individual submissions in response to the ACCC’s preliminary view.

While A4ANZ does not have a direct business relationship with Airservices Australia, we recognise their critical role in the aviation ecosystem and have sought to engage constructively on key areas of aviation policy and issues that impact efficient operations.

A4ANZ accepts that the ACCC’s preliminary view is to not object to Airservices’ proposed weighted average 6% price increase for its notified services. However, as noted throughout the preliminary views paper, industry remains concerned about the performance and efficiency of Airservices Australia in its key role within Australia’s aviation sector. Accordingly, in this response A4ANZ wishes to again place on record the industry’s concerns regarding: Airservices’ performance, the continued absence of a link between pricing increases and performance outcomes, and the efficiency and effectiveness of Airservices’ consultation with industry.

While Airservices’ performance has been gradually improving, Airservices’ operational resilience continues to be a challenge, impacting the on-time performance of airlines. For example, the latest data indicate that in July 2024, 16% of all delays at Brisbane were attributable to Airservices.<sup>i</sup>

While we appreciate that improving staffing levels of Air Traffic Controllers is a longer-term project – and that 53 new controllers entered service during FY24, with 33 new controllers forecast to be endorsed before the end of 2024 – ATC unavailability continues to be higher than targeted levels. In July 2024, ATC unavailability was at 16% – more than 50% higher than the targeted level.<sup>ii</sup> To address this, Airservices advised at a recent Aviation Network Performance Roundtable that they would be introducing the concept of “resilient rosters” to have staff on-call to support service outcomes in major areas. While this is a welcome development, the fact that this is only now being implemented after years of suboptimal performance is troubling.

In these circumstances, A4ANZ remains concerned that there has been no consideration by Airservices, of linking increased fees to specific performance outcomes.

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In its preliminary view, the ACCC notes that Airservices has not set out what its response will be if it does not meet its performance targets – with the ACCC also noting that many stakeholders expressed concerns around Airservices’ performance, monitoring, and reporting in submissions to the original consultation on the draft price notification. It is therefore particularly disappointing that Airservices has not proposed any changes to the performance indicators in the amended draft price notification.

A4ANZ agrees with the ACCC’s recommendation that Airservices’ key performance indicators should be measurable and accompanied by a set of clear guidelines that outline Airservices’ response if it does not meet the performance targets. A4ANZ also agrees with the suggestion that Airservices could face financial consequences for not meeting an agreed number of KPIs within a period.<sup>iii</sup>

Throughout the preliminary views paper, the ACCC has also observed that consultation and transparency between Airservices and industry could be improved – noting that Airservices’ has committed to establishing a quarterly customer engagement forum, as well as a six-monthly industry-wide forum to discuss the development of future long-term pricing agreements.

A4ANZ acknowledges Airservices’s efforts to improve engagement with industry through a variety of measures – however, while the Aviation Network Roundtables have been a welcome development, in practice they are not particularly effective nor efficient in facilitating genuine industry consultation and engagement. Additionally, we are aware of instances where airlines and airports continue to raise issues directly with Airservices without a timely or satisfactory response.

As such, we would encourage Airservices to consider how to more effectively and transparently engage with industry – and would suggest that Airservices takes steps to understand from their customers what form of engagement would be most efficient and impactful.

A4ANZ has provided this feedback with the intention that it is considered together with submissions made by our member airlines, and we would welcome the opportunity to further discuss any points in this submission with you.

Sincerely,

**Professor Graeme Samuel AC**  
**Chairman**  
**Airlines for Australia & New Zealand**

**Emma Wilson**  
**Chief Executive Officer**  
**Airlines for Australia & New Zealand**

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<sup>i</sup> Airservices Australia. 2024. Aviation Network Roundtable Presentation. 6 September 2024. Brisbane.

<sup>ii</sup> Ibid.

<sup>iii</sup> ACCC preliminary view on Airservices Australia’s Draft Price Notification. p77.