

1 October 2024

25 Constitution Ave Canberra ACT 2601  
GPO Box 367 Canberra ACT 2601

Mr Matthew Schroder  
General Manager, Infrastructure and Transport – Access and Pricing  
Australian Competition & Consumer Commission  
Level 17, 2 Lonsdale St, Melbourne VIC 3000  
Email: [matthew.schroder@acc.gov.au](mailto:matthew.schroder@acc.gov.au)

t 02 6268 4850  
f 02 6268 5538

[www.airservicesaustralia.com](http://www.airservicesaustralia.com)

ABN 59 698 720 886

Dear Mr Schroder

## 2024 Formal price notification for Enroute, Terminal Navigation and Aviation Rescue & Fire Fighting Services

I am writing to notify the Australian Competition and Consumer Commission (ACCC), in accordance with Part VIIA of the Competition and Consumer Act, 2010 of final prices for Airservices Enroute, Terminal Navigation and Aviation Rescue & Fire Fighting (ARFF) services.

The prices that are the subject of this formal price notification are an outcome of consultation with industry and the ACCC's price notification review process. Noting that in its Preliminary View the ACCC considered "The ACCC's preliminary view is to not object to Airservices' proposed weighted average 6% price increase for its notified services."<sup>1</sup>, the prices in this formal price notification are consistent with the prices proposed in Airservices amended draft price notification. Following the ACCC's final decision on Airservices formal price notification, the prices will replace the current prices which have not increased since 1 July 2015. Airservices intends for the new regulated prices to be implemented on 1 December 2024.

The new locality notice for the services listed below is set out in **Attachment 1**. A full schedule of prices proposed in this notification for Enroute, Terminal Navigation and ARFF services, is contained in **Attachment 2**. Other proposed charges including interim prices, out of hours and recall charges are also contained in **Attachment 2**. A response to the recommendations set out in the Preliminary View are considered in **Attachment 3** and a response to the industry submissions is provided in **Attachment 4**. A draft version of the Statutory Charging Determination is contained as confidential in **Attachment 5**.

Yours sincerely



Paul Logan  
Chief Financial & Performance Officer  
1 October 2024

---

<sup>1</sup> ACCC, *ACCC preliminary view on Airservices Australia's Draft Price Notification*, August 2024, page 4. Available at: <https://www.accc.gov.au/by-industry/travel-and-airports/airport-and-aviation-price-notification/airservices-australia-2023/preliminary-view>

### **Notification and Details of Prices Proposed by Airservices Australia for Enroute, Terminal Navigation and Aviation Rescue & Fire Fighting Services**

Notification of prices pursuant to section 95Z of the Competition and Consumer Act, 2010.

Name of the Declared Person:        Airservices Australia  
   25 Constitution Avenue  
   CANBERRA ACT, 2600

Hereby gives notice that it proposes to supply the goods or services below at the prices detailed, effective from 1 December 2024.

The services, which are the subject of this notification, provide enroute air navigation services in Australia's flight information region, terminal navigation at 29 airport air traffic control towers and aviation rescue fire fighting at 27 airports across Australia.

Airservices Australia considers that the proposed price changes do not result in excess revenues based on efficient costs and a reasonable rate of return and are consistent with the requirements of section 95G(7) of the Competition and Consumer Act, 2010.

**New Prices for Services****Table 1 – Enroute Services charging rates (including GST)**

Current	Service	New
\$3.87	20 tonnes or more	\$4.04
\$0.86	Up to 20 tonnes	\$0.90

**Charging formula for Enroute services:**

For IFR aircraft with an MTOW of 20 tonnes or more:  $price \times \frac{distance}{100} \times \sqrt{MTOW}$

For IFR aircraft with an MTOW up to 20 tonnes:  $price \times \frac{distance}{100} \times MTOW$

**Table 2 – Terminal Navigation charging rates (including GST)**

Current	Service	New
\$11.89	Adelaide	\$12.78
\$15.22	Albury	\$16.36
\$15.22	Alice Springs	\$16.36
\$15.22	Archerfield	\$16.36
\$5.39	Avalon	\$5.79
\$15.22	Bankstown	\$16.36
\$6.18	Brisbane	\$6.64
\$15.22	Broome	\$16.36
\$12.20	Cairns	\$13.12
\$15.22	Camden	\$16.36
\$11.68	Canberra	\$12.56
\$15.22	Coffs Harbour	\$16.36
\$1.75	Darwin	\$1.86
\$15.22	Essendon	\$16.36
\$8.50	Gold Coast	\$9.14
\$11.03	Hamilton Island	\$10.37
\$9.68	Hobart	\$9.10
\$15.22	Jandakot	\$16.36
\$14.71	Karratha	\$14.71
\$14.65	Launceston	\$13.77
\$11.95	Mackay	\$12.85
\$5.52	Melbourne	\$5.85
\$15.22	Moorabbin	\$16.36
\$15.22	Parafield	\$16.36
\$7.56	Perth	\$8.13
\$0.00	Port Hedland	\$6.85
\$13.47	Rockhampton	\$14.48
\$14.21	Sunshine Coast	\$13.36
\$5.62	Sydney	\$6.04
\$15.22	Tamworth	\$16.36
\$2.27	Townsville	\$2.41

**Charging formula for Terminal Navigation services:**

For all aircraft:  $price_{Location} \times MTOW$

**Table 3: Aviation Rescue & Fire Fighting (ARFF) Services charging rates (including GST)**

Current	Service	New
<b>Category 6 Aircraft and below</b>		
\$2.32	All locations	\$2.46
<b>Category 7 Aircraft</b>		
\$3.26	Adelaide	\$3.46
\$2.57	Brisbane	\$2.72
\$3.69	Cairns	\$3.91
\$9.08	Canberra	\$7.72
\$5.46	Darwin	\$5.79
\$3.79	Gold Coast	\$4.02
n/a	Hamilton Island	\$13.64
\$10.00	Hobart	\$8.50
n/a	Launceston	\$13.64
n/a	Mackay	\$13.64
\$2.52	Melbourne	\$2.67
\$2.81	Perth	\$2.98
n/a	Sunshine Coast	\$7.48
\$2.48	Sydney	\$2.63
\$13.64	Townsville	\$13.64
<b>Category 8 Aircraft</b>		
\$5.27	Adelaide	\$5.59
\$3.41	Brisbane	\$3.61
\$7.67	Cairns	\$8.13
n/a	Canberra	\$23.06
\$21.75	Darwin	\$23.06
\$6.46	Gold Coast	\$6.85
\$3.01	Melbourne	\$3.19
\$4.85	Perth	\$5.14
\$2.64	Sydney	\$2.80
<b>Category 9 and 10 Aircraft</b>		
n/a	Adelaide	\$8.87
\$6.09	Brisbane	\$6.46
\$4.99	Melbourne	\$5.09
\$8.37	Perth	\$8.87
\$3.67	Sydney	\$3.89

**Charging formula for Aviation Rescue & Fire Fighting services:**

For all aircraft >15.1 tonnes and target aircraft between 5.7 and 15.1 tonnes  
 $price_{Category\ Location} \times MTOW$

**Table 4: Interim prices for ARFF services upgrades (including GST)**

Service	New
Category 7 Aircraft	\$13.64
Category 8 and above Aircraft	\$23.06

These charges shall apply on an interim basis at the effected aerodrome, until such time a new pricing agreement is established which fully considers the ongoing cost and traffic impact of these higher aircraft category operations.

**Table 5: Terminal Navigation out of hours charging rates (including GST)**

Before or After Normal Hours	Charge	
	2024/25	2025/26
Up to 15 minute	n/a	n/a
Over 15 up to 60 minutes	\$254	\$261
Each additional hour or part hour	\$254	\$261

**Table 6: Terminal Navigation recall of service charging rates<sup>1</sup> (including GST)**

Per call out	Recall of staff (flat rate)	
	2024/25	2025/26
	\$761	\$784

1. Recall of service charges apply only where the timing of the out of hours service requires staff to be called in from home to work.

**Table 7: ARFF out of hours charging rates recall of service (greater than 15 minutes)<sup>1</sup> (including GST)**

Aircraft category	Charges	
	2024/25	2025/26
Category 6 and below <sup>2</sup>	\$122	\$126
Category 7	\$149	\$153
Category 8 and above <sup>3</sup>	\$195	\$201

1. If more than 15 minutes, charges apply every 15 minutes thereafter, or part thereof

2. Out of Hours services provided to aircraft operations less than Category 6 will be charged at the Category 6 rate

3. Out of Hours services provided to aircraft operations greater than Category 8 will be charged at the Category 8 rate.

**Table 8: ARFF recall of service charging rates<sup>1</sup> (including GST)**

Aircraft category	Recall of staff (flat rate)	
	2024/25	2025/26
Category 6 and below	\$1,463	\$1,507
Category 7	\$1,788	\$1,841
Category 8 and above	\$2,345	\$2,415

1. Recall of service charges apply only where the timing of the out of hours service requires staff to be called in from home to work.

### Airservices Response to the ACCC's Preliminary View recommendations

The ACCC released its Preliminary View on Airservices' amended draft Price Notification on 29 August 2024. Airservices notes that the ACCC's Preliminary View is to "not object" to the proposal set out in the amended draft Price Notification. Airservices also notes the ACCC's recommendation for future price notifications which are considered below.

First, the ACCC recommends that Airservices undertake "more robust stakeholder engagement"<sup>2</sup>. To address this recommendation, Airservices is planning a rigorous stakeholder engagement program for the upcoming five-year long term price agreement (2026/27 – 2030/31). This program includes the re-establishment of a Pricing Consultative Committee, as well as quarterly and bi-annual customer engagement, as outlined in the amended draft price notification. Airservices intends to engage broadly and deeply with stakeholders as it considers key issues for the upcoming five-year regulatory pricing period.

Second, the ACCC recommends "more robust and transparent key performance indicators"<sup>3</sup>. Airservices intends to continue publishing its performance metrics via its annual report, monthly network performance report and the Air Traffic Network Management Performance Dashboard on its website, as per our Statement of Intent.<sup>4</sup>

Airservices is committed to clear and transparent reporting on its financial and service delivery performance. To achieve this, Airservices has set performance targets against a baseline year of 2023/24. 2023/24 is currently the most relevant year to use as a baseline because its recent and includes all the performance metrics. As time progresses, the baseline year will be reviewed to ensure it remains appropriate.

---

<sup>2</sup> ACCC, *ACCC preliminary view on Airservices Australia's Draft Price Notification*, August 2024, page 83. Available at: <https://www.accc.gov.au/by-industry/travel-and-airports/airport-and-aviation-price-notification/airservices-australia-2023/preliminary-view>

<sup>3</sup> Ibid

<sup>4</sup> Airservices Australia, *2024-25 Corporate Plan*, page 43. Available at: [Airservices-Corporate-Plan-2024-25.pdf](#) ([airservicesaustralia.com](https://airservicesaustralia.com))

### The ACCC's Preliminary View industry consultation

Airservices acknowledges the feedback received via submissions to the ACCC's Preliminary View industry consultation. The submissions generally support the ACCC's decision to not object to the proposed 6% weighted average price increase during this period. The submissions also reinforced the concerns that were raised as recommendations in the ACCC's Preliminary View.

The submissions emphasise that industry is keen to engage with Airservices in a more robust stakeholder consultation process. Several submissions indicated a willingness to be part of a renewed Pricing Consultative Committee (PCC). As discussed in Attachment 3, Airservices is committed to re-establishing a PCC in 2025 to discuss long-term pricing arrangements. The submissions provide useful information about the topics on which industry is keen to engage. These include major capital programs, KPIs, and the Weighted Average Cost of Capital (WACC). This feedback will be taken into account as Airservices develops its stakeholder engagement program for the upcoming long term pricing arrangement.

The industry submissions also raised concerns about Airservices' service performance. The importance of consistent and high-level service performance was highlighted. Airservices recognises that we contribute to the overall performance of the industry as we are a critical service provider in the aviation value chain. As stated in Airservices' 2024-25 Corporate Plan<sup>5</sup>, we are committed to continuing to build service resilience and sustainability to meet customer needs.

Another theme of the submission was concern about some financial variables. Airservices intends to engage with industry on the financial parameters of future long term pricing arrangements. This will include information sharing about the pricing principles that underpin future proposals, and the inputs to the regulatory asset base and WACC.

Airservices is keen to engage with industry as the next long-term pricing arrangement is developed. Consultation on this arrangement will commence in early 2025.

---

<sup>5</sup> Airservices Australia, 2024-25 Corporate Plan. Available at: [Airservices-Corporate-Plan-2024-25.pdf](https://www.airservicesaustralia.com/~/media/AirservicesAustralia/2024-25-Corporate-Plan-2024-25.pdf) ([airservicesaustralia.com](https://www.airservicesaustralia.com))