

Mr Matthew Schroder  
General Manager  
Transport and General Prices Oversight Branch  
Australian Competition and Consumer Commission  
GPO Box 520  
MELBOURNE VIC 3001

Dear Mr Schroder *Matthew*

## Draft Notification of price changes for Airservices' Enroute, Terminal Navigation and Aviation Rescue & Fire Fighting Services: effective 1 July 2015

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 price changes for Airservices Enroute, Terminal Navigation and Aviation Rescue & Fire Fighting (ARFF) services effective 1 July 2015.

The draft locality notice for these services is set out in Attachment 1.

The price changes are consistent with those annual price changes considered by the ACCC as part of the detailed assessment of the five year price path (2011-2016 Long Term Pricing Agreement) as set out in the September 2011 locality notice. They include new ARFF services, priced at the category 6 network charge of \$2.32, for four services introduced during the year at Ballina, Coffs Harbour, Gladstone and Newman.

On a weighted average basis, the net proposed nominal price increase is 0.4%. This includes increases to re-balance recoveries for ARFF and regional terminal navigation services in line with service costs.


A full schedule of prices supporting this notification for Enroute, Terminal Navigation and ARFF services, effective 1 July 2015, is contained in Attachment 1. A copy of the September 2011 locality notice is contained at Attachment 2.

As advised last year, Airservices will defer the introduction of new ARFF Category prices for services upgrades. It will also defer the introduction of new Category 6 charges for the additional three ARFF services that were not priced into the Category 6 network charge. The introduction of new prices required to recover additional services costs will be addressed as part of the next LTPA.

Supporting this notification I also wish to provide an update on our progress against the commitments made in relation to internal drivers of efficiency and management of the capital expenditure program. These are detailed in Attachments 3 to 14, including

detailed examples of the reports and business cases that are now being provided to the industry.

No	Attachments
3	Information on Airservices progress against LTPA commitments



Should you have any questions in relation to the above, or any other matter, please do not hesitate to contact me on 02 6268 4850.

Yours sincerely



Andrew Clark  
Chief Financial Officer

29 April 2015



## New Prices for Services: 1 July 2015

Service Price (inc GST)	1 Jul 2015
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### Enroute

20 tonnes or more	\$4.03
Up to 20 tonnes	\$0.90

Service Price (inc GST)	1 Jul 2015
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### Terminal Navigation

Adelaide	\$11.89
Brisbane	\$6.18
Cairns	\$12.20
Canberra	\$11.68
Gold Coast	\$8.50
Melbourne	\$5.52
Perth	\$7.56
Sydney	\$5.62
Albury	\$15.22
Alice springs	\$15.22
Avalon	\$5.39
Broome	\$15.22
Coffs Harbour	\$15.22
Hamilton Island	\$11.03
Hobart	\$9.68
Karratha	\$14.71
Launceston	\$14.65
Mackay	\$11.95
Rockhampton	\$13.47
Sunshine Coast	\$14.21
Tamworth	\$15.22
Archerfield	\$15.22
Bankstown	\$15.22
Camden	\$15.22
Essendon	\$15.22
Jandakot	\$15.22
Moorabbin	\$15.22
Parafield	\$15.22
Darwin	\$1.75
Townsville	\$2.27

Service Price (inc GST)	1 Jul 2015
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### Aviation Rescue & Fire Fighting

#### Category 6 Aircraft & below

Brisbane	\$2.32
Melbourne	\$2.32
Sydney	\$2.32
Perth	\$2.32
Adelaide	\$2.32
Cairns	\$2.32
Darwin	\$2.32
Gold Coast	\$2.32
Canberra	\$2.32
Hobart	\$2.32
Karratha	\$2.32
Townsville	\$2.32
Alice Springs	\$2.32
Avalon	\$2.32
Ayers Rock	\$2.32
Ballina	\$2.32
Broome	\$2.32
Coffs Harbour	\$2.32
Gladstone	\$2.32
Hamilton Island	\$2.32
Launceston	\$2.32
Mackay	\$2.32
Newman	\$2.32
Port Hedland	\$2.32
Rockhampton	\$2.32
Sunshine Coast	\$2.32

## New Prices for Services: 1 July 2015 (continued)

Service Price (inc GST)	1 Jul 2015
<b>Category 7 Aircraft</b>	
Brisbane	\$2.57
Melbourne	\$2.52
Sydney	\$2.48
Perth	\$2.81
Adelaide	\$3.26
Cairns	\$3.69
Darwin	\$5.46
Gold Coast	\$3.79
Canberra	\$9.08
Hobart	\$10.00
Karratha	\$8.37
Townsville	\$13.64

Service Price (inc GST)	1 Jul 2015
<b>Category 8 Aircraft</b>	
Brisbane	\$3.41
Melbourne	\$3.01
Sydney	\$2.64
Perth	\$4.85
Adelaide	\$5.27
Cairns	\$7.67
Darwin	\$21.75
Gold Coast	\$6.46
<b>Category 9 &amp; 10 Aircraft</b>	
Brisbane	\$6.09
Melbourne	\$4.99
Sydney	\$3.67
Perth	\$8.37

## New Prices for Out of Hours Services: 1 July 2015

### Terminal Navigation Services

The terminal navigation charge applicable outside normal hours of operation is calculated as the sum of the terminal navigation charge per the rates detailed above, plus the following additional amounts:

Before or after normal hours (inc GST)	1 July 2015
Up to 15 minutes	n/a
Over 15 up to 60 minutes	\$214
Each additional hour or part hour	\$214

### Aviation Rescue & Fire Fighting Services

The aviation rescue and fire fighting charge applicable outside normal hours of operation is calculated as the sum of the aviation rescue and fire fighting charge per the rates detailed above, plus the following additional amounts:

Aircraft Category (inc GST)	If only 15 minutes	If more, every 15 mins. thereafter (or part thereof)	Recall of staff (flat rate) <sup>3</sup>
6 (and below) <sup>1</sup>	-	\$96	\$1,147
7	-	\$116	\$1,397
8 (and above) <sup>2</sup>	-	\$153	\$1,835

1. Out of Hours services provided to aircraft operations less than Category 6 will be charged at the Category 6 rate
2. Out of Hours services provided to aircraft operations greater than Category 8 will be charged at the Category 8 rate.
3. Recall of Staff Charges apply only where the timing of the out of hours service requires staff to be called in from home to work.



## New Prices for Services: 1 Oct 2011 to 30 Jun 2016

Current	Service Price (inc GST)	1 Oct 2011	1 Jul 2012	1 Jul 2013	1 Jul 2014	1 Jul 2015
<b>Enroute</b>						
\$4.18	20 tonnes or more	\$4.10	\$4.07	\$4.04	\$4.03	\$4.03
\$0.93	Up to 20 tonnes	\$0.92	\$0.91	\$0.90	\$0.90	\$0.90

Current	Service Price (inc GST)	1 Oct 2011	1 Jul 2012	1 Jul 2013	1 Jul 2014	1 Jul 2015
<b>Terminal Navigation</b>						
\$11.43	Adelaide	\$11.66	\$11.72	\$11.78	\$11.83	\$11.89
\$5.83	Brisbane	\$6.09	\$6.15	\$6.18	\$6.18	\$6.18
\$10.95	Cairns	\$11.44	\$11.84	\$12.20	\$12.20	\$12.20
\$12.66	Canberra	\$12.28	\$12.03	\$11.91	\$11.80	\$11.68
\$10.82	Gold Coast	\$10.28	\$9.77	\$9.28	\$8.81	\$8.50
\$5.06	Melbourne	\$5.29	\$5.47	\$5.49	\$5.50	\$5.52
\$8.63	Perth	\$8.20	\$8.03	\$7.87	\$7.72	\$7.56
\$5.57	Sydney	\$5.58	\$5.59	\$5.60	\$5.61	\$5.62
\$12.69	Albury	\$13.26	\$13.73	\$14.21	\$14.70	\$15.22
\$12.69	Alice springs	\$13.26	\$13.73	\$14.21	\$14.70	\$15.22
\$4.70	Avalon	\$4.70	\$4.86	\$5.03	\$5.21	\$5.39
\$5.06	Broome	\$13.26	\$13.73	\$14.21	\$14.70	\$15.22
\$12.69	Coffs Harbour	\$13.26	\$13.73	\$14.21	\$14.70	\$15.22
\$9.20	Hamilton Island	\$9.61	\$9.95	\$10.30	\$10.66	\$11.03
\$9.54	Hobart	\$9.64	\$9.68	\$9.68	\$9.68	\$9.68
\$5.06	Karratha	\$13.26	\$13.73	\$14.21	\$14.66	\$14.71
\$12.22	Launceston	\$12.77	\$13.22	\$13.68	\$14.16	\$14.65
\$12.69	Mackay	\$12.44	\$12.31	\$12.19	\$12.07	\$11.95
\$12.69	Rockhampton	\$12.94	\$13.20	\$13.33	\$13.47	\$13.47
\$12.69	Sunshine Coast	\$13.26	\$13.73	\$14.07	\$14.21	\$14.21
\$12.69	Tamworth	\$13.26	\$13.73	\$14.21	\$14.70	\$15.22
\$12.69	Archerfield	\$13.26	\$13.73	\$14.21	\$14.70	\$15.22
\$12.69	Bankstown	\$13.26	\$13.73	\$14.21	\$14.70	\$15.22
\$12.69	Camden	\$13.26	\$13.73	\$14.21	\$14.70	\$15.22
\$12.69	Essendon	\$13.26	\$13.73	\$14.21	\$14.70	\$15.22
\$12.69	Jandakot	\$13.26	\$13.73	\$14.21	\$14.70	\$15.22
\$12.69	Moorabbin	\$13.26	\$13.73	\$14.21	\$14.70	\$15.22
\$12.69	Parafield	\$13.26	\$13.73	\$14.21	\$14.70	\$15.22
\$2.26	Darwin	\$2.15	\$2.04	\$1.94	\$1.84	\$1.75
\$2.94	Townsville	\$2.79	\$2.65	\$2.52	\$2.39	\$2.27



Current	Service Price (inc GST)	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Aviation Rescue &amp; Fire Fighting</b>						
<b>Category 6 Aircraft &amp; below</b>						
\$1.81	Brisbane	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Melbourne	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Sydney	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Perth	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Adelaide	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Cairns	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Darwin	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Gold Coast	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Canberra	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Hobart	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Karratha	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Townsville	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Alice Springs	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Avalon	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Ayers Rock	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Broome	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Hamilton Island	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Launceston	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Mackay	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Rockhampton	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32
\$1.81	Sunshine Coast	\$1.99	\$2.14	\$2.25	\$2.29	\$2.32

Current	Service Price (inc GST)	2012	2013	2014	2015	2016
<b>Category 7 Aircraft</b>						
\$1.93	Brisbane	\$2.12	\$2.34	\$2.45	\$2.57	\$2.57
\$1.89	Melbourne	\$2.08	\$2.29	\$2.40	\$2.52	\$2.52
\$1.86	Sydney	\$2.05	\$2.25	\$2.36	\$2.48	\$2.48
\$2.01	Perth	\$2.21	\$2.43	\$2.61	\$2.75	\$2.81
\$2.33	Adelaide	\$2.66	\$2.82	\$2.96	\$3.11	\$3.26
\$2.29	Cairns	\$2.52	\$2.77	\$3.05	\$3.35	\$3.69
\$3.39	Darwin	\$3.73	\$4.10	\$4.51	\$4.96	\$5.46
\$4.01	Gold Coast	\$3.97	\$3.93	\$3.89	\$3.85	\$3.79
\$7.91	Canberra	\$8.31	\$8.51	\$8.73	\$8.94	\$9.08
\$8.73	Hobart	\$7.40	\$8.14	\$8.96	\$9.85	\$10.00
\$7.40	Karratha	\$7.77	\$7.96	\$8.16	\$8.37	\$8.37
\$8.47	Townsville	\$9.32	\$10.25	\$11.27	\$12.40	\$13.64

Current	Service Price (inc GST)	2012	2013	2014	2015	2016
<b>Category 8 Aircraft</b>						
\$2.62	Brisbane	\$2.88	\$3.17	\$3.33	\$3.41	\$3.41
\$2.29	Melbourne	\$2.52	\$2.77	\$2.91	\$2.98	\$3.01
\$2.08	Sydney	\$2.29	\$2.52	\$2.64	\$2.64	\$2.64
\$3.01	Perth	\$3.31	\$3.64	\$4.01	\$4.41	\$4.85
\$9.12	Adelaide	\$8.12	\$7.22	\$6.50	\$5.85	\$5.27
\$4.76	Cairns	\$5.24	\$5.76	\$6.34	\$6.97	\$7.67
\$16.06	Darwin	\$17.67	\$19.43	\$20.40	\$21.42	\$21.75
\$4.01	Gold Coast	\$4.41	\$4.85	\$5.34	\$5.87	\$6.46

Current	Service Price (inc GST)	2012	2013	2014	2015	2016
<b>Category 9 &amp; 10 Aircraft</b>						
\$3.70	Brisbane	\$4.16	\$4.58	\$5.04	\$5.54	\$6.09
\$3.03	Melbourne	\$3.41	\$3.75	\$4.12	\$4.54	\$4.99
\$2.45	Sydney	\$2.76	\$3.03	\$3.34	\$3.67	\$3.67
\$5.06	Perth	\$5.72	\$6.29	\$6.92	\$7.61	\$8.37



## Long Term Pricing Agreement (LTPA) commitments and progress

### Capital Expenditure Consultation

#### Consultation Element: Capital Program Baseline

##### Commitment by Airservices

A more detailed program baseline will be provided to establish major delivery milestones to enable improved program performance monitoring. The baseline will detail planned project benefits, project costs and project milestones as they were incorporated into the draft price notification. It will be the original record against which delivery will be measured and risk sharing triggers monitored.

The investment program, as incorporated in the pricing building blocks for the LTPA, was based on five year capital program developed for 2011-12 to 2015-16. Its size and composition was refined and shaped with the help of feedback received from Industry.

To monitor Airservices investment performance against the commitments incorporated in the pricing agreement, this five year program is used as the benchmark against which performance is measured and risk sharing thresholds are monitored. Depending on the maturity of the project, information on project objectives and milestones were originally provided to the PCC in March 2011 for all major projects across the program.

Each year Airservices has updated its rolling five year capital program to reflect the progress of projects across the year and the impact of the changing operating environment on the investment priorities. From this review, a revised annual plan is developed to establish the resourcing and funding requirements for that year.

As part of this update, revised project milestones for major projects are provided along with a reconciliation of the updated program for that year against the baseline established for that year in the original LTPA. Where there are major variations to original LTPA assumptions commentary and analysis is provided.

Evidence of this information being provided to the Committee is outlined in the table below:

Information provided to the Committee	Documentary Evidence
A reconciliation 2013-14 capital program to the LTPA was provided to the Committee in August.	Attachment 4 – <i>“Reconciliation of Project Expenditure to the LTPA Capital Program”</i>
The 2014-15 capital program update was provided to the Committee in November.	Attachment 5 – <i>“Airservices 2014 Annual Capital Expenditure Program - Annual forecast and reconciliation to LTPA capital program”</i>
Information on Airservices current and projected investment performance against LTPA risk sharing thresholds was presented to the Committee in August 2014.	Attachment 6 – <i>Presentation to the PCC in August 2014.</i>

The table below provides our latest capital expenditure program forecast (as incorporated in our current draft Corporate Plan) in comparison to the agreed LTPA program and risk sharing thresholds. The major projected increase over the remaining year of the LTPA relates to the investment required to transition to Airservices replacement Air Traffic Management system, “oneSky”.

Capital Expenditure \$mil	2012 Actual	2013 Actual	2014 Actual	2015 Forecast	2016 Forecast

## Consultation Element: Major Project Business Case Options

### Commitment by Airservices

Project business case information will be presented to the PCC for all projects greater than \$10m. This information will be provided prior to Airservices Board endorsement to improve transparency over, and industry input to, the determination of a preferred option.

At this time, the business case information will be more mature, with refined information on project objectives, scope, benefits, costs and schedules.

The final format of this business case information was agreed at the PCC meeting on 16 August 2011 and the formal reporting will commence from the PCC meeting scheduled for 16 November 2011.

As agreed by the PCC in May 2011, to improve consultation on capital expenditure Airservices agreed to provide business case information to industry for projects exceeding \$10 million in value, showing information on benefits, costs and timing.

This process aligns with Airservices project governance processes where investment proposals and business cases are developed and approved in the initiating and planning phases of the project business cases are provided at project initiation.

Discussions with the Committee on project business cases continue to be productive and continue to evolve and mature. In the last 12 months the committee has:

- Sought more information on Airservices longer term asset plan, or technology roadmap to ensure that Airservices capital program is in step with Industry’s investment plans;
- Identified opportunities to group related project business cases which can then be presented as a parcel of information so that they can be reviewed in a wider context;
- Sought more information on how Airservices estimates project risk and contingency

Evidence of project business case information and responses to some of issues raised by the Committee is outlined in the table below:

Information provided to the Committee	Documentary Evidence
<p>In the last 12 months Airservices has presented and discussed 7 business cases and investment proposals.</p> <p>The projects presented have been brought to the PCC based on their high monetary value, or due to their importance to the industry.</p>	<p>Attachment 7 – Project Business Cases.</p> <p>Attachment 8 – Response to Virgin Australia on the “Gold Coast ILS Business Case”</p> <p>Attachment 9 – Response to Qantas on the “Surveillance Arrangements For Regional Airports (SAFRA) Program”</p>
<p>To provide an overview of the drivers for investment and an understanding of the key investment dependencies Airservices has also presented the Committee information on Airservices Technology Road Map and oneSky dependent investment activities.</p>	<p>Attachment 10 – “Integrated Technology Roadmap” presentation and “Key Dependencies – OneSky Australia”</p>

## Consultation Element: Project Baseline

### Commitment by Airservices

Following the approval of the preferred option, a final project baseline will be provided to the PCC. This baseline will include a final scope, cost/benefit analysis and schedule that will form the basis against which project delivery performance will be measured. Formal reporting will commence at the PCC meeting scheduled for 16 November 2011.

To monitor performance against project baselines major project performance reports are provided to the PCC as part of the quarterly projects reporting pack. These reports provide information on projects which have an approved business case and baseline and provide commentary on the health of the project and forecasts spend and schedule comparisons to the project budget/baseline. As new project business cases are approved baseline project budget and schedule information are added to the report.

In improving reporting in this area Airservices has separately identified projects that are important to industry in terms of the benefit they will derive, as distinct from asset renewal programs and upgrades as part of a normal replacement cycle. This has helped focus discussions on key areas of interest and helped validate which investments are most important to industry. This was an important perspective given the diversity of Airservices customer base.

Evidence of project performance reporting provided to the Committee is outlined in the table below:

Information provided to the Committee	Documentary Evidence
<p>Major projects performance reports were provided to the PCC as part of the quarterly projects reporting pack.</p>	<p>Attachment 11 – Projects Performance Reports.</p>

## Consultation Element: Quarterly Reporting

### Commitment by Airservices

As part of the quarterly service charter performance reports to the broader industry, high level capital program performance will continue to be reported. These reports will provide indicators on program health against annual targets.

More detailed information will be provided to the PCC including a financial analysis and delivery schedule management, as well as information on deviations from the LTPA program baseline.

This reporting commenced at the PCC meeting on 27 May 2011, with enhanced reporting scheduled to commence at the PCC meeting on 16 November 2011 following agreement to the elements above.

Airservices continues to provide a detailed project report pack to the Pricing Consultative Committee on a quarterly basis. The content of the report has been regarded well by the Committee and continues to evolve as reporting discussions mature and new performance data is captured.

Reflecting this, revisions to some of the structure and content of the report have been incorporated in the 2014/15 – 2015/16 Service Charter based on feedback received from the Committee.

Evidence of Services Charter performance reporting provided to the Committee is outlined in the table below:

Information provided to the Committee	Documentary Evidence
Service Charter performance reports were provided to the PCC as part of the quarterly reporting pack.	Attachment 12 – Quarterly Services Charter Reports and Airservices 2014/15 to 2015/16 Services Charter.
For the period 2014/15 to 2015/16 Airservices established a new Services Charter based on revisions to the performance measures as proposed by the Committee in 2014.	

## Consultation Element: Benefits Realisation

### Commitment by Airservices

Airservices will report on the benefits realised from capital works projects. The benefits identified will be reported annually and measured against original project baseline benefits realisation plans. Measurement of the benefits will be monitored on an ongoing basis to provide a cumulative picture of the benefits yielded.

Airservices continues to engage with the Committee in discussions on the benefits realised through capital program investment.

From these discussions Airservices and the Committee are still contending with the challenge of quantifying and measuring benefits in a meaningful way. For investment which target service improvement outcomes around flight delays and flight times the primary quantitative benefits realisation measure is fuel burn. This continues to be a challenge to measure accurately and objectively.

With this, reporting on project outcomes to the Committee has focused on qualitative statements around the realisation of benefits. This includes information provided to

the Committee in February on project outcomes for completed projects, as well as information provided to the Committee through Services Charter reporting and presentations.

This year Airservices commissioned a report to assess the benefits yielded from Airservices Metron Traffic Flow system, including information on fuel savings. Whilst the report was received positively, feedback was provided by the Committee suggesting the methodology for the quantification benefit needed to be reviewed. Airservices is now working with the Committee to help address the issues raised.

Evidence of reporting on benefits and project outcomes provided to the Committee is outlined in the table below:

Information provided to the Committee	Documentary Evidence
Information on completed project outcomes over the life of the current LTPA was provided to the Committee in February.	Attachment 13 – Project Closure Report
Information on other ongoing projects outcomes is provided to the Committee as part of the quarterly Services Charter presentation.	

## Internal Drivers of Efficiency

### Consultation Element: Development of efficiency measures

#### Commitment by Airservices

Airservices proposed to develop, in consultation with the PCC, a set of measures of unit cost efficiency.

In consultation with the Pricing Consultative Committee, Airservices has formulated efficiency measures for Air Traffic Management and ARFF services. These measures have been incorporated in Airservices Services Charter.

To expand the measurement of cost efficiency Airservices has also commenced reporting notional average services prices in the Services Charter. Benchmarked against the prices originally agreed under the LTPA, the notional prices provide a comparative measure of cost efficiency, using current services costs and air traffic activity levels to calculate notional prices.

Evidence of efficiency measurement reporting to the Committee is outlined in the table below:

Information provided to the Committee	Documentary Evidence
Information on cost efficiency is provided to the PCC each quarter as part of the Service Charter performance reports.	Attachment 12 – Quarterly Services Charter report.

## Consultation Element: Longer Term Performance Incentives

### Commitment by Airservices

Airservices stated its intention to explore with industry the possibilities for a more sophisticated form of cost benchmarking in the longer term, including how specific financial rewards and penalties for performance against a suite of KPIs might be implemented.

Airservices also stated its intention to refine efficiency targets based on analysis of the historical trends, forecast outcomes and international benchmarking over the course of the next 12 months.

As noted above, the focus of this exploration has been a refinement of existing KPIs and the identification of new KPIs with the Committee noting that:

- Safety is the primary priority
- Measures need to accurately detect where variations in performance exist.
- In some instances generic performance targets could be met, whilst underlying localised performance existed.
- There is a need to identify critical locations/peaks/events and how these can be measured objectively.
- Improvements in a single performance area can sometimes lead to poor performance results in other services areas and therefore what weighting should be given to each indicator.
- There is a need to balance the interaction of different/opposing performance indicators to incentivise a balanced outcome.

This highlights the complexity in arriving at a suitable set of measures which support a system of rewards and penalties as Airservices continues to explore the suitability of a performance incentives as part of next 5 year long term pricing agreement development process.