



Monday, 22 January 2024

Mr David Barrett
Director
Airports and Aviation Team
Infrastructure Division
Australian Competition and Consumer Commission
Level 19, 2 Lonsdale Street
Melbourne VIC 3000

By email: david.barrett@acc.gov.au

Dear Mr Barrett,

RE: Airservices Australia (AsA) – Draft Pricing Notification 2024-2026

We refer to the ACCC's November 2023 Issues Paper seeking views on Airservices Australia's draft Pricing Proposal to increase the prices it charges airlines for its enroute navigation, terminal navigation and aviation rescue and fire-fighting (**ARFF**) services. Airports are important stakeholders in the aviation ecosystem and Brisbane Airport Corporation Pty Limited (**BAC**) appreciates the opportunity to consider and make a submission in relation to the Pricing Proposal.

BAC notes that enroute navigation and terminal navigation fees put forward by AsA are payable by airlines/aircraft operators and do not capture commercial or service relationships between airports and AsA. For this reason, BAC does not have specific feedback on the details of the Pricing Proposal. Nevertheless, from an industry perspective, it is imperative that any price increases to key aviation services do not adversely impact the long-term commercial viability of carriers seeking to build capacity across their networks, including services to Brisbane Airport. We believe that any price increases need to be supported by enhanced outcomes for industry, whether in terms of efficiency, safety or operational flexibility. While BAC understands that a proportion of price increases is allocated to support new technologies and address future challenges at AsA, we would encourage better transparency and accountability from AsA in planning, managing and delivering these programs on time, and to allocated budgets.

A similar theme applies to ARFF services at Brisbane Airport, for which BAC has a direct relationship with AsA. As noted in BAC's response to the Aviation Green Paper, arrangements for ARFF services have been in place for nearly three decades, with a complex relationship between legislation, regulations, standards and operating protocols. This complexity has given rise to a patchwork of arrangements between Airservices, airports and state-based fire and rescue services (in BAC's case, Queensland Fire and Emergency Services).

From our understanding, Airservices' ARFF reform program – the Capability Uplift Program (**CUP**) - comprises a review of a range of services currently supplied by AsA, including aviation incidents, non-aviation incidents, first aid, fire alarm monitoring and building approvals, among others.



BAC has liaised with AsA on its latest proposal for the CUP, noting continued confusion from the sector over the long-term strategic objectives for the CUP, the scope of the program, and future pricing arrangements for the sector. BAC has requested specific confirmation from AsA on how it seeks to structure the costs of ARFF activities, including the apportionment of costs between AsA, airlines and airports. If changes to recovery levels are to occur, BAC and AsA will need to agree to the full scope and cost change transparently and be able to communicate this to airline customers to show that there is no net increase, or ideally a net decrease in cost of service provision (noting the possibility of overlaps in cost recovery for the same service). BAC has also conveyed the importance of proposed changes to ARFF services being fully reflected in AsA's Pricing Proposal. In reviewing AsA's current Pricing Proposal, these aspects are not clear, therefore continue to present commercial and operational risks to the sector.

We would encourage the ACCC to consider the above issues in its assessment of AsA's Pricing Proposal, noting that BAC remains committed to working constructively with AsA to ensure its services are delivered in a safe, efficient and cost-effective manner.

If you would like to discuss this matter further, please contact Ms Melissa Hill (General Counsel) on [REDACTED]. Ms Hill will be pleased would be pleased to assist.

Yours sincerely,

Warren Briggs
Chief Financial Officer

CC: Thithi Nguyentran