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To whom it may concern

**Response to the Australian Competition and Consumer Commission's Issues Paper on  
Airservices Australia draft price notification 2024-2026**

Canberra Airport welcomes the opportunity to make a submission on the Australian Competition and Consumer Commission's (ACCC) *Issues Paper* regarding Airservices Australia's draft price notification between 2024 and 2026 to increase charges for terminal navigation, enroute navigation and aviation rescue and fire-fighting (ARFF) services.

Of particular interest to Canberra Airport is how Airservices proposes to increase charges and the impact it will have on passenger fares. As the aviation sector emerges from the effects of the COVID-19 pandemic, it is imperative that all industry participants work collaboratively to ensure a sector which offers more choice and lower fares for consumers. In essence, this is the overarching sentiment of Canberra Airport's submission.

Canberra Airport notes the current Statement of Expectations issued to Airservices by the Minister for Infrastructure, Transport, Regional Development and Local Government is primarily focused on returning to profitability.

The proposed cumulative 19 per cent increase in prices condensed over a period of less than two years is substantial. Canberra Airport was significantly impacted by the COVID-19 pandemic and appreciates the financial implications experienced by Airservices during the same period.

The near 20 per cent increase in prices may assist Airservices to achieve profitability but there must be careful consideration of the impact it will have on fares and passenger numbers and therefore Canberra Airport's ability to continue to invest in the aerodrome precinct.

## **Length of draft price notification**

Canberra Airport concurs with the assessment made by the ACCC that it is unlikely Airservices will be able to achieve the first proposed price increase in April 2024 given the additional regulatory processes that will need to be achieved prior.

The ACCC contends in the *Issues Paper* that if approved, Airservices' first price increase will not be implemented until late July 2024. This reduces the proposed period to less than 18 months. Airservices have not clearly stipulated how they will manage to deliver the 19 per cent price increase with the expected changes to the timeframe.

An even shorter timeframe than the condensed period initially proposed could impact Canberra Airport considerably due to the increased potential for Airservices to be unable to achieve the objectives planned during the life of the pricing scheme, particularly in respect to recruitment and staffing.

Comparable to many regional and metro aerodromes across Australia, the air traffic control (ATC) tower at Canberra Airport has recently experienced periods of short staffing, resulting in a reduction in operating hours. This contradicts the hours of operation that have consistently been published in the *Enroute Supplement Australia* (ERSA).

Canberra Airport is a vital part of the national transport infrastructure with domestic and international airlines regularly nominating the aerodrome as a diversion port if weather conditions, infrastructure issues or medical emergencies prevent landing at Sydney Airport or Melbourne Airport. Despite Canberra Airport's capability to accommodate these diversions and provide the necessary backstop when issues arise at other airports, the reduced operational hours of the ATC tower limit the level of support Canberra Airport can provide to diverted airlines, particularly late at night.

Additionally, the reduced operating hours of the ATC tower places greater pressure on Canberra Airport staff in order to maintain the operational integrity of the airport.

It is feared a reduced pricing schedule will not immediately rectify this issue as the recruitment of new staff, funded by revenue collected, will not be anticipated to enter the workforce until well beyond January 2026. As a 24-hour non-curfew aerodrome, and with capacity anticipated to grow, there is a requirement for the ATC tower at Canberra Airport to be operational as demand requires. A longer pricing scheme would provide more certainty that staffing issues, such as those experienced at Canberra Airport, would be redressed by Airservices.

Clarification needs to be provided by Airservices as to whether the four separate increases will be maintained or there will be an implementation of higher prices on fewer occasions over the reduced timeframe. This will provide passengers, Canberra Airport, airlines and other aviation stakeholders with a level of certainty and prepare for the possibility of greater

fare increases than would have been anticipated following the release of the draft price notification.

### **Enroute service price increases**

The proposed enroute navigation pricing increase between April 2024 and January 2026 is not considerable and is comparable to the fees charged in October 2011. Canberra Airport does not object to this pricing proposal.

### **Terminal navigation price increases**

Similarly, the proposed terminal navigation pricing for Canberra Airport between April 2024 and January 2026 may not be deemed a considerable increase in monetary terms – increasing from \$11.68 to \$15.24 – however, the \$3.56 markup equates to a 30.5 per cent increase. When considered in its entirety, this increase will have greater financial implications for many passengers who must also contend with contemporary cost-of-living pressures.

Despite this, Canberra Airport recognises the price increases will be required to ensure the delivery of terminal navigation services and seeks a guarantee from Airservices that all location specific revenue is invested at the airports where it was collected. Canberra Airport welcomes ongoing investment into terminal navigation systems which improve the travelling experience of passengers, airline staff and those working across the airport.

### **Aviation rescue and fire-fighting price increases**

The ARFF price increases proposed by Airservices will have a significant impact on passengers, Canberra Airport and airlines.

Since the 2011 price notification implemented by Airservices, Canberra Airport has been classified as a Category 7 facility for the allocation of ARFF resources. The draft price notification reveals Airservices decision to upgrade the classification to a Category 8 facility.

As Canberra Airport continues to increase capacity for international flights, the allocation of additional ARFF resources is necessary to respond to aviation emergencies. Classification as a Category 8 facility is crucial to maintaining the safety of passengers, airline staff and broader airport users, particularly in the event of an aviation-related incident. The ARFF capabilities at a Category 8 level include appliances having the capacity to carry 18,200 litres of water, with a discharge rate of 7,200 litres per minute and a fleet of six advanced firefighting vehicles.

This only strengthens Canberra Airport's position as a leader in aviation safety, however, the draft price notification reveals that there will be substantial ARFF charges imposed on passengers and airlines utilising Canberra Airport due to the Category 8 classification.

It is noted that the November 2023 publication of the *ERSA* allocates Canberra Airport as a Category 8 facility in relation to ARFF capabilities. In contrast the most recent Notification to Air Men (NOTAM) allocates Canberra Airport as a Category 7 facility between the hours of 5:45am and 11:30pm (Sunday to Friday) and 5:45am and 10:15pm (Saturday). A NOTAM takes precedence over an *ERSA*; however, a NOTAM can be rescinded at any time.

In the draft price notification, Airservices details the ARFF charging rates per passenger for Category 7 at Canberra Airport as:

Current	Apr 24	Sep 24	Jul 25	Jan 26
\$9.08	\$7.72	\$6.95	\$6.25	\$5.63

Airservices has attributed a 38 per cent decrease in the Category 7 ARFF charging rates between April 2024 and January 2026. This would be of considerable benefit to passengers by potentially contributing to a reduction in fares. However, Airservices has the discretion to withdraw a NOTAM at any point, without broad consultation.

Over the proposed period, the price notification details the ARFF charging rates per passenger for Category 8 at Canberra Airport as:

Current	Apr 24	Sep 24	Jul 25	Jan 26
-	\$23.06	\$24.67	\$25.90	\$27.20

Airservices has attributed an 18 per cent increase in the ARFF charging rates between April 2024 and January 2026.

The price variation between Category 7 and Category 8 over the period proposed is:

	Apr 24	Sep 24	Jul 25	Jan 26
Cat 7	\$7.72	\$6.95	\$6.25	\$5.63
Cat 8	\$23.06	\$24.67	\$25.90	\$27.20
<b>Variation</b>	<b>\$15.34</b>	<b>\$17.72</b>	<b>\$19.65</b>	<b>\$21.57</b>

Canberra Airport notes the significant benefits for passengers, the airport and, more broadly, the aviation sector of a Category 8 classification. The investment in additional ARFF resources provides Canberra Airport with greater leverage to increase capacity, attract additional routes and offer more choice to the residents of Canberra and south-east NSW.

It is noted the sharp increase in proposed ARFF charges from Category 7 to Category 8 may, however, be a disincentive for some passengers. As the aviation sector continues the recovery from the COVID-19 pandemic, it is vital that fares remain affordable for all passengers.

Further justification is sought from Airservices as to the rationale for determining such higher ARFF prices for Category 8 at Canberra Airport and whether there is recourse for Airservices

to reduce the charges while still achieving the expectations set out by the Minister for Infrastructure, Transport, Regional Development and Local Government.

### **PFAS remediation**

Per-and-polyfluoroalkyl substances (PFAS) are a class of manufactured chemicals used in aqueous film forming foams which have been used for fire-fighting and other purposes across Australia and the world, particularly at airports.

On Canberra Airport, the only known user of PFAS-containing fire-fighting foam has been the Commonwealth Government in the provision of airport firefighting services prior to 2010.

It is believed that the release of PFAS into the environment can have considerable impacts on animals, and more broadly, the eco-system in which they exist. When ingested by human beings, either through contaminated food or water sources, there is a likely risk of health effects.

Canberra Airport takes pride in delivering and operating a safe and secure airport and since 2015 has conducted widespread testing for PFAS in response to growing concerns about the health and environmental consequences of contamination. Testing for PFAS in soil, stormwater and groundwater across the airport site has occurred regularly.

The results of testing have revealed only two main areas of PFAS contamination on the airport site, being the ARFF Station and the Fire Training Ground. Both sites have been leased by the Commonwealth Government and Airservices to ensure the delivery of their fire-fighting capabilities.

Over the past six years, Canberra Airport has continually requested the Commonwealth Government and Airservices implement a comprehensive remediation program that ensures PFAS contaminated soil and water is removed. This would guarantee a safe environment for airport users and those working and living in neighbouring precincts.

If increased ARFF charges are to be imposed on passengers and airlines utilising Canberra Airport, it would be expected that Airservices invest additional funds into soil and water remediation across the sites that have been impacted by PFAS contamination.

Without the publication of a more detailed facilities and environment budget in the draft price notification, it is difficult to ascertain what projects Airservices will invest the proposed additional revenue in. It is expected that airports, airlines and passengers be afforded greater transparency on projects if service charges are to be increased.

## **Stakeholder consultation process**

Canberra Airport acknowledges that Airservices has undertaken considerable consultation with key industry stakeholders on the draft pricing notification. Engaging airports, airlines and other sector participants is important in order to ensure the charges proposed by Airservices meets the expectations of industry participants.

Given the potential for ARFF charges at Canberra Airport to increase exponentially, it is disappointing that the Airport was not consulted directly or indirectly prior to the release of the draft price notification.

Airservices is encouraged to consider broader consultation with airports during future draft price notifications, noting the Australian Airports Association, Brisbane Airport, Melbourne Airport and Sydney Airport were only included in this consultation period.

## **Conclusion**

Canberra Airport appreciates the opportunity afforded by the ACCC to provide comment on Airservices proposed pricing increase. Airservices is urged to consider the issues and recommendations that have been canvassed in this submission.

Canberra Airport would welcome the opportunity to further discuss the specific proposals identified in the draft price notification with the ACCC.

For further information, please contact our Government Relations and Policy Advisor, Jordan Fallon, by emailing [REDACTED] or phoning [REDACTED].

Yours sincerely

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