

Aviation Rescue and Fire Fighting Services

A Discussion Paper UFU commentary

The discussion paper canvases a vast array of issues however it is the UFU's position that a funding model should be determined in the first instance so a considered and informed approach can then be applied to the other matters raised in this paper. This will hopefully establish the necessary framework for the ARFF to move forward with contestability issues and also address the absence of ARFF at GA and regional airports along with the harmonisation of crewing levels to those international standards contained in NFPA 403

To date a funding model hasn't been required given that ASA has been the National provider of ARFF services in Australia however contestability issues will now require a funding model to be established.

Irrespective of who becomes legally responsible for provision of the ARFF, funding will need to be available for the establishment of new ARFF services and the expansion of existing stations including the need to; upgrading of buildings and equipment, implementation of services for mega capacity aircraft A380, development of training facilities, order and purchase of new vehicles, continuation of research and development, and increase in crew size due to the removal of the remission factors and harmonisation with NFPA 403.

Regardless of what assets or facilities that may transfer to an individual provider or airport operator they would not have the resources to grow the ARFF without the necessary funding. It must be appreciated that Fire Stations, Specialist vehicles, equipment and staff will not just appear when an airport reaches a predetermined benchmark.

The Airport owner and Industry should not have to carry the burden of ARFF and ATC provision it should, as with world's best practice, be cost recovery through user pays, the majority user in this case is the passenger.

The US FAA139 provides funding for ARFF services by having a Passenger Facilitation charge that does not go to the airport owner but goes into a fund managed by government which provides funding for ALL airports for the provision ARFF

This still allows government oversight of ensuring facilities are available and appropriate to ICAO and domestic standards, it allows competition/contestability through tender if required.

Australia's CASR 139 Regulations are modelled/harmonised on the US FAA139 regulations and should mirror the US funding regime.

To date Government has shirked at this option for fear of a voter backlash, that it would be perceived as another tax, well now is the time that both sides of parliament should recognise that

this has to be done if we are to ensure the travelling public get the best level of protection at not just benchmarked airports but also at smaller regional and general aviation airports.

What can't be lost in the discussions is the fundamental necessity to maintain standards and safety and to ensure that government does not abrogate its legislated responsibilities to both ICAO and the safety of the travelling public.

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1. EXECUTIVE SUMMARY

The Australian Federal Government ('the Government') considers it timely to review the policy and regulatory framework relating to the provision of aviation rescue and fire fighting services (ARFFS) at Australian airports, in consultation with stakeholders. The review is warranted by several deficiencies in the current regulations, the Government's ongoing commitment to introducing contestability in ARFFS, and significant changes in the aviation landscape such as:

- the advent of low cost carrier operations;
- an increase in non-aeronautical developments on airport sites, such as business parks and direct factory retail outlets, which have significantly increased the number of people on-site at those airports; and
- the proposed introduction of new large aircraft such as the Airbus A380.

The Australian Department of Transport and Regional Services ('the Department') has been tasked with undertaking the review in consultation with Airservices Australia (Airservices), the primary ARFFS provider, the Civil Aviation Safety Authority (CASA) and stakeholders.

This Discussion Paper is aimed at addressing several key issues:

- Who should be legally responsible for ensuring that ARFFS are provided at an airport?
- What should be the criterion for requiring ARFFS at domestic airports?
- When the criterion is met, what is the appropriate timeframe for a fully compliant ARFFS to be established?
- Should the Government regulate for the provision of non-aviation specific fire fighting and rescue arrangements?
- Should a non-aviation specific fire fighting capability be provided at non-aviation related developments such as direct factory retail outlets and business parks on airport sites?
- What is the most appropriate model for introducing contestability?

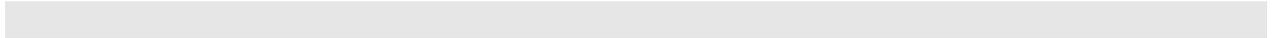
A range of options addressing these issues are presented in this Paper and the Department would welcome the views of interested parties on those options, and any other options.

Specific Issues

The Department seeks views and supporting reasons on the following:

- On which party should the legal obligation fall, and should the obligation be one of ensuring the provision of ARFFS to an appropriate standard? (Section 4.1, page 9 refers)
- What is the most appropriate approach for establishing ARFFS at domestic airports - a regulated benchmark or a risk assessment? If a regulated benchmark, which one? (Section 4.2, page 14 refers).
- What should be the frequency of a risk assessment if a risk-based criterion is adopted? (Section 4.4, page 18 refers).
- Should the Government regulate for some other type of fire fighting and rescue capability, to a less onerous standard than ARFFS, to be provided at GA airports and airfields, and at

domestic airports that do not fall within the establishment criteria (Section 4.5, page 20 refers).

- Should the definition of ARFFS be amended to specify that the primary function of ARFFS is aviation-related fire fighting and rescue capability? (Section 4.6, page 21 refers).
 - What is the most appropriate method for dealing with Airservices' assets when contestability is introduced? (Section 5.2, page 24 refers).
 - What is the most appropriate model for introducing contestability? (Section 5.5, page 28 refers).
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2. GLOSSARY OF ACRONYMS

ACCC	Australian Competition and Consumer Commission
AOI	Airways Operating Instructions
ARFFS	Aviation Rescue and Fire Fighting Services
ATSB	Australian Transport Safety Bureau
BTRE	Bureau of Transport and Regional Economics
CASA	Civil Aviation Safety Authority
CASR	Civil Aviation Safety Regulations 1998
GA	General Aviation
ICAO	International Civil Aviation Organization
LSP	Location-specific pricing
MOS	Manual of Standards
MTOW	Maximum take-off weight
NOTAM	Notice to Airmen
SARPS	Standards and Recommended Practices

3. BACKGROUND

Australia is a signatory (State party) to the *International Convention on Civil Aviation 1944* (Chicago Convention). The International Civil Aviation Organization (ICAO) has developed a number of Standards and Recommended Practices (SARPS) for international civil aviation that operate under the Convention. The SARPS are outlined in various Annexes to the Convention. Annex 14 sets the standards for the provision of ARFFS. Chapter 9 of Annex 14 provides that “...*Rescue and fire fighting equipment and services shall be provided at an aerodrome ...*”. It is up to each State party to the Convention (ie each ICAO member country) how it implements the SARPS.

The Government has implemented the Annex 14 SARPS through Subpart 139.H of the Civil Aviation Safety Regulations 1998 (CASR), *Aerodrome Rescue and Fire Fighting Services*, and the associated Manual of Standards (MOS). Subpart 139.H and the MOS came into effect on 1 May 2003.

3.1 PURPOSE OF ARFFS

The regulations governing the provision of ARFFS are intended to optimise the chances of survival of passengers and crew in the event of an accident. In this regard, Subpart 139.H provides that the functions of an ARFF service are to rescue persons and property from aircraft that have crashed or caught fire during landing and take-off; to control and extinguish fires on the airport site; and to protect persons and property threatened by fire at the airport, whether or not they are in an aircraft. Aside from these functions Airservices also attends to incidents such as clearing runways of debris, fire alarms, first-aid calls and fuel spills.

As the primary ARFFS provider, Airservices currently provides ARFFS at 18 airports - eight at capital city airports and ten at smaller airports¹. A service is currently being established at Hamilton Island. Airservices charges the airlines directly for ARFFS it provides.

ARFFS are also provided at Broome and Norfolk Island airport by the operators of those airports.

¹ Sydney, Canberra, Melbourne, Hobart, Adelaide, Perth, Darwin, Brisbane, Townsville, Cairns, Rockhampton, Mackay, Coolangatta, Maroochydore, Launceston, Alice Springs, Yulara and Avalon airports.

3.2 HISTORY OF THE REGULATORY FRAMEWORK

ARFFS were introduced at Australian airports in 1947 and in recent years have been provided predominantly by Airservices (a statutory authority operating under the *Airservices Act 1995*), and its predecessor.

Initially, ARFFS were provided under Volume 3 of the Airservices' Airway Operations Instructions (AOI) at domestic airports (those with passenger-carrying aircraft operations) when annual passenger numbers exceeded 150,000, and at general aviation (GA) airports (training airfields such as Jandakot, Moorabbin, Bankstown and Archerfield airports) when annual passenger numbers exceeded 175,000. This resulted in ARFFS provision at approximately 50 airports.

However, ARFFS were removed from the smaller domestic airports and GA airports in 1991 at the request of aerodrome operators and the general aviation sector, following extensive industry consultation and the development of a safety case justifying the removal.

The AOI were superseded by a Memorandum of Understanding between Airservices and CASA in 1996 after the split of the Civil Aviation Authority into Airservices and CASA. From that point on, the criterion under which ARFFS were established was to protect 90 per cent of persons on board aircraft.

The current framework in Subpart 139.H and the MOS was established in 2002 to formalise requirements, to meet Australia's obligations under Annex 14 of the Convention and to introduce contestability in ARFF service provision. The regulations set the criteria for establishing and removing ARFFS; they made airport operators responsible for ensuring the provision of ARFFS; and they allowed any entity to be an ARFFS provider subject to being certified by CASA.

The establishment criteria implemented in the regulations were for ARFFS to be provided at international airports, and at domestic airports through which more than 350,000 passengers on air transport flights passed during the previous financial year. The domestic airport criterion was derived from the 90 per cent of persons on board criterion used before the regulations were made. At the time, the 90 per cent cut-off translated to a passenger threshold of 350,000 passengers.

As a result of debate in the Senate after the regulations were made, the following amendments were made to the framework:

- the legal obligation on airport operators to ensure the provision of ARFFS was removed. When the relevant regulations were amended the establishment criteria was inadvertently removed. These amendments meant that there is no longer a legislative basis mandating the establishment and provision of ARFFS. However, Airservices stepped in and negotiated the provision of ARFFS with airport operators even though it was not legally obligated to do so; and
- the regulations require that the Minister must first approve ARFFS providers wishing to enter the market, before they have been certified by CASA as being capable of meeting the Subpart 139.H and MOS requirements. The regulations detail those eligible to seek certification from CASA.

The revised regulations took effect on 1 May 2003.

3.3 WHAT ARE OTHER COUNTRIES DOING

The Department has examined ARFFS frameworks in place in the United Kingdom, Canada, the United States, New Zealand, The Netherlands, Spain and Germany. A brief summary of the models applied in those countries is detailed in [Appendix A](#).

The key features that the research highlighted are that in the international arena airport operators are required to ensure the provision of the service and they recover ARFFS costs through aircraft landing charges. This would suggest that Australia's current situation is quite different in the global context.

4. REGULATORY ISSUES TO BE RESOLVED

4.1 LEGAL OBLIGATION TO PROVIDE AN ARFFS

The original intent of the regulations was that airport operators would be responsible for securing the services of an ARFFS provider, or if they chose to, would provide it themselves.

While the establishment criteria and the legal obligation to provide an ARFFS were removed, it remained government policy that ARFFS should be provided where an airport has international air services, or passenger numbers that exceed 350,000 during the previous financial year. Airports that do not meet these criteria have the discretion to provide an ARFFS to the required standard, or to provide a non-aviation specific fire service at their airports.

Airservices and CASA monitor passenger numbers at airports through figures published by the Bureau of Transport and Regional Economics (BTRE)². Where the passenger numbers exceed 350,000 during the financial year prior to that date, Airservices negotiates the establishment of an ARFFS with the relevant airport operator.

It is considered essential to amend the regulations to mandate the provision of ARFFS when an airport meets the establishment criteria. It is also important in the context of introducing contestability as it will define who is responsible for engaging a provider, therefore making it clear to competitors who they need to negotiate with.

Implementing a legal obligation will require whichever establishment criteria is deemed appropriate after this review to be defined in the regulations as they form the basis of the legal obligation. The following options are proposed.

4.1.1 *Legal obligation on CASA to ensure ARFFS are provided*

Under this option, CASA would be legally responsible for engaging a service provider to provide ARFFS at airports that fall within the criteria. This option has merit in that CASA monitors passenger movements and audits activities at airports and is therefore well placed to identify when a need for an ARFFS arises. However, as CASA is the safety regulator there would be a conflict of interest for a regulator to be required to engage a service provider.

4.1.2 *Legal obligation on Airservices to ensure ARFFS are provided*

Under this option, Airservices would be legally responsible for providing ARFFS at airports that fall within the criteria. This option has merit if Airservices continues to be the primary ARFFS provider. However, this situation would be incompatible with the proposed introduction of contestability in ARFF service provision where Airservices would be competing with alternative providers.

² The relevant publication is *Airport Traffic Data*.

4.1.3 *Legal obligation on airport operator via Subpart 139.H*

In jurisdictions such as The Netherlands, Spain and Germany, ARFFS are considered to be an integral part of the aeronautical infrastructure of the airport, as with runways, runway lighting and maintenance etc. Also, the availability of ARFFS is considered to be the responsibility of the airport operator who has a duty of care to airport users.

Under this option, it is proposed that a set of provisions would be inserted in Subpart 139.H to require the operators of airports that fall within the criteria to ensure that ARFFS are established at their airports.

4.1.4 *Legal obligation on airport operator through the operator's aerodrome licence*

This option would place a legal obligation on the airport operator, for the same reasons mentioned in Section 4.1.3, but through a condition in the aerodrome licence issued under Part 139 of the CASR. This approach is consistent with international practices in countries such as The Netherlands, Spain and Germany.

Arrangements for monitoring an airport's compliance would need to be implemented. It is envisaged that this could be done by CASA through the aerodrome licensing process or by some other means.

The Department seeks industry comment and supporting reasons on the following issues raised in Section 4.1:

- On which party should the legal obligation to ensure ARFFS are provided fall, viz:

- CASA

We agree that CASA should be focussed on its role as a safety regulator and should have legislated powers to ensure regulations are enforced, currently this is not the case. CASA should play an important role in determining the suitability of a provider to supply ARFF services prior to any tendering process or approval by the Minister. (reasons in support) Profit takers, asset strippers, no long term commitment to ARFF to invest in new equipment and technologies.

- Airservices

Advantages of existing networks for ARFF services over 350,000 PAX ability to share common resources no duplication, legislated role to provide ARFF and ATC services which meet Australia's obligations to Chicago convention.

- Airport operator via subpart 139.H

Currently no legislated responsibility, previously disallowed in Senate by agreement

- Airport operator via the operator's aerodrome licence in Part 139.

As above

- Are there any other options industry wishes to put forward?

Currently the legislative requirements detailed in the Airservices Act prescribe ASA as the primary provider of ARFF services. CASA are also bound by the CASA Act to ensure Australia's ICAO obligations are met. The question is not just who should be legally obliged to provide an ARFF's but can or should ASA and CASA be able to abrogate the legislative accountabilities?

If as a result of competitive neutrality compliance the government removes the legislated responsibility of ASA to provide ARFF services at airports over the 350,000 PAX benchmark and considers CASA or ASA would have a conflict of interest in engaging an ARFFS provider then DOTARS could be a suitable alternative to oversee this function.

Dotars already provides the following services

- airport curfew dispensation approvals (Sydney, Adelaide)
- approval for non-Chapter 3 aircraft to operate in Australia
- approval of airline and airport security programs
- approval for certain activities and developments on airports subject to the Airports Act 1996
- international aviation timetable and charter flight approvals
- permits and licences relating to international air services.

The oversight of ARFF provision could be an additional DOTARS portfolio. The UFU believes there must be Government/Commonwealth accountability to meet Australia's signatory responsibilities to the Chicago Convention. It must also be understood that expensive ARFFS infrastructure is unlikely to be supported by a private provider unless it is given to them on a plate and then who provides the infrastructure for those new airports that meet the PAX benchmark criteria after that? These are the public interest fundamentals that Government must address before contestability begins in earnest. In addition to keeping government oversight of ARFFS provision it is already proposed that the airport operator should have no responsibility/obligations in relation to the provision of the ARFFS. It should not be overlooked that proposed changes to Air Transport Operations Reg 121A will make it a mandatory requirement that aircraft can only land at aerodromes that have an ARFF capable of providing category coverage commensurate with the type of aircraft operating.

Below is the relevant extract from CASA NPRM 0228as -2.4.10

Extract from CASA NPRM 0228as -2.4.10 Under the Aviation Safety Services Regulations amendments proposed, certain airports must have an approved ARFFS provider. An ARFFS service must be provided by an ARFFS provider approved by CASA. All regulatory responsibility for provision of ARFFS, including having use of or access to suitable infrastructure on the aerodrome belongs to the ARFFS provider. Where the ARFFS provider fails to meet standards, CASA can suspend or cancel the approval.

Note: The airport operator will have no responsibility/obligations in relation to the provision of the ARFFS; rather the air transport operator will be required to only operate at airports with an ARFFS of the appropriate standard. CASA will seek to address this requirement by reviewing/amending the Part 121 regulations. CASA will consult on this issue with the aviation industry to ensure such a provision is incorporated by end 2003 when Part 121 is expected to be made.

Whilst the review/amendment is still progressing the UFU fully supports the Reg 121A proposal.

- What are the perceived advantages and disadvantages of the above options from stakeholders' perspective?

Refer comments above

- Should the legal obligation be limited to ensuring the provision of ARFFS or should the obligation be one of ensuring the provision of ARFFS to the appropriate standard?

It must be the later as just providing an ARFF is pointless unless it to an appropriate standard, that standard may vary depending on the benchmarks/thresholds that are yet to be determined

- Any other relevant issues

No

4.2 ESTABLISHMENT CRITERIA – IS THE 350,000 PASSENGER BENCHMARK STILL APPROPRIATE?

The current ARFFS regulations are based on ICAO standards set for international airports. Given Australia's international commitments there is little flexibility to alter regulatory requirements at international airports beyond providing an ARFFS regime according to the currently published categories that apply to their airport. Therefore this section of the paper deals with the criterion for domestic airports only.

As previously mentioned, the criterion for establishing ARFFS before the regulations were made was to provide protection for 90 per cent of persons on board aircraft. The 350,000 passenger threshold was adopted in place of the 90 per cent threshold when the regulations were made³.

Airport passenger figures for the 2004-2005 financial year showed that the 350,000 passenger benchmark provided rescue and fire-fighting protection for approximately 92 per cent of passengers on air transport flights. It is therefore worth considering if the 350,000 passenger benchmark is still the most appropriate criterion. The following options are proposed.

4.2.1 *Benchmark based on 90 per cent of passengers on air transport flights - no passenger number threshold*

This option would mean that ARFFS would be provided at airports at which passenger numbers constitute 90 per cent of total passenger throughput. That is, there would no longer be a passenger number triggering the establishment of an ARFFS. Effectively, this option could mean that ARFFS would be provided at the busiest airports which, between them, have the largest proportion of total passenger throughput.

An analysis of the 2004-2005 passenger data was undertaken to determine the implications of having a 90 per cent threshold instead of a fixed passenger number benchmark. Using that data showed that a 90 per cent threshold would provide ARFFS coverage at 12 airports. This would mean a reduction in ARFFS protection for approximately 5 million passengers. While this option would remove the rigidity of a passenger threshold, it would be difficult to implement for the following reasons:

- an individual airport could move in and out of the 90 per cent passenger range where passenger numbers fluctuated at other airports. The ongoing fluctuation would make ARFF service provision difficult to plan, particularly in a competitive environment; and
- as the largest proportion of passenger numbers is concentrated at the capital city airports this option could result in a “centralist” policy whereby the travelling public would no longer have ARFFS protection at regional and

³ The 350,000 figure was derived through an assessment of passenger traffic at the time. A cumulative total of passenger traffic was calculated to determine the number of passengers that constituted 90 per cent of persons on board. That threshold was 350,000 passengers.

smaller airports that have large aircraft services carrying large numbers of passengers annually.

If this option is adopted it is envisaged that the threshold would be reviewed periodically. It is suggested that it would be done annually.

4.2.2 Benchmark based on a higher passenger threshold than the current 350,000 figure

The Government has received representations from several airports requesting that a higher passenger threshold, such as 700,000, should be considered. The reason underpinning this request is that the cost of ARFFS, which is charged to airlines then passed on to passengers through ticket costs, may make the airports a less attractive destination where a regional or smaller airport is competing with a major city airport in close enough vicinity that passengers may choose to fly to the major airport instead (eg the Maroochydore/Brisbane airports situation).

It should be noted that these concerns were raised at a time when ARFFS prices were charged on a location-specific pricing basis and the price was considerably higher at regional airports than at major airports. A new pricing structure introduced on 1 January 2006 that is in place until 30 June 2009 has seen the introduction of cross-subsidised prices at regional locations. This is dealt with in further detail in Section 5 of this paper. It is also worth noting that there have been no representations made by airlines to change the current criterion.

Further analysis of the 2004-2005 financial year passenger data was undertaken to determine the implications of having a 700,000 or a 1 million passenger threshold compared with the current threshold. The findings are represented in Table 1.

Table 1 - Comparison of the impact that higher passenger thresholds would have on ARFFS coverage⁴

Passenger Threshold	Number of airports requiring an ARFFS	Approximate no. of passengers protected (Million)	Percentage of total passengers protected (%)
350,000	20	94	94
700,000	12	89	90
1,000,000	11	88	89

Using a threshold of 1 million passengers would result in 9 fewer airports with ARFFS, a loss of protection for 6 million passengers and a decrease in the percentage of passengers covered from 94 per cent to 89 per cent, when compared to the number that would be covered using the 350,000 threshold.

These differences may give rise to a perception by the travelling public of a reduced level of safety.

⁴ Figures are approximate only.

4.2.3 *Benchmark based on a lower passenger threshold than the current 350,000 figure*

Conversely, in considering the impact of a higher passenger threshold, it is worth considering the impact that a lower threshold would have. Two alternatives are proposed a 200,000 and a 250,000 passenger threshold. Using the 2004-2005 passenger data, Table 2 shows the impact that applying these two triggers would have had.

Table 2 – Comparison of the impact that lower thresholds would have on ARFFS coverage

Passenger threshold	Number of airports requiring an ARFFS	Number of passengers protected by ARFFS (Million)	Approximate percentage of total passengers protected %
350,000	20	94	94
250,000	22	94	95
200,000	24	95	95

In summary, a reduction in the passenger threshold would only marginally improve the levels of safety of the system as there would be a relatively minimal increase in the number of Airports needing an ARFFS. However, it would add costs to airlines and ultimately to passengers.

4.2.4 Benchmark based on a particular number of movements of a particular category of aircraft or higher in a twelve-month period

Under this option an airport would need to have an ARFFS if it exceeded a particular number of aircraft movements involving air transport operations within a twelve-month period. A movement would comprise a take-off or a landing. One suggestion is a benchmark of 30,000 movements.

If an ARFFS is established on this basis, the level of service to be provided would be determined by the category of aircraft⁵ representing the highest proportion of the benchmark figure. For example, if an airport had 20,000 movements of a Category 6 aircraft and 10,000 movements of a Category 7 aircraft, the airport would need a Category 6 ARFFS. Similarly, if an airport had 15,000 movements of a Category 5 aircraft, 8000 of a Category 6 aircraft and 7000 of a Category 7 aircraft, it would need a Category 5 ARFFS.

Examples of the type of aircraft in categories 5 to 10 are:

ARFFS Category	Aircraft Type
Category 5	BAe 146-100 Dash 7 Saab 2000
Category 6	Airbus A320 Boeing 737-700 BAe 146-200 (also known as Avro RJ85)

⁵ Categories of aircraft would be based on the fuselage length and width which are the criteria currently used to determine the level of ARFFS at an airport. These categories are set out in Chapter 3 of the Subpart 139.H MOS, which reflect Annex 14 of the Chicago Convention.

Category 7	Boeing 767-200 and 737-800 Airbus A310
Category 8	Airbus A330-200 and A340-200 Boeing 767-300
Category 9	Boeing 767-400 and 747 Airbus: A330-300 A340-300 A340-500 A340-600
Category 10	Airbus A380

4.2.5 *Establishment of ARFFS determined by risk assessment at each airport*

Under this option domestic airports with passenger services will be required to develop an ARFFS that is appropriate to their operating environment. This would involve a risk based approach with an ARFFS response that takes account of factors including but not limited to: passenger numbers, aircraft movements, category and aircraft type, aircraft traffic density, types of aviation activity, proximity of community fire fighting appliances and services and seasonal variations to aviation activity.

In considering the appropriate level of ARFFS provided by the airport, the airport operator would conduct a Risk Assessment in accordance with the AS/NZ 4360:2004 standard.

This approach would produce a result that is specifically tailored to suit the operational environment of each airport. This graduated approach would provide the most cost effective ARFFS response and avoids an arbitrary point before which no ARFFS is required and after which a 'one size fits all' model is imposed.

This option would implement an appropriate ARFFS coverage for 100% of fare paying passengers.

It is envisaged that the risk assessment would be reviewed periodically.

The Department seeks industry comment and supporting reasons on the following issues raised in Section 4.2:

- What is the most appropriate approach for establishing ARFFS at domestic airport:
 - a regulated benchmark; or
 - a risk assessment?

- Of the two choices a regulated benchmark is the only realistic method to use, a risk assessment would not see the provision of any fire services if applying current risk assessment matrices.

- If a regulated benchmark, which one?
 - the current 350,000 passenger benchmark;

Does not address the total lack of ARFF's at regional and larger GA airports

- a higher passenger benchmark;

Does not harmonise with international standards

- a lower passenger benchmark; or
-

The most preferable option which would address the questions raised during recent Coronial enquiries and would reflect recent changes to Canadian benchmarks (coverage at 180,000 PAX) due to their tragic experience with ARFF rescue only policies

- number of aircraft movements.

Used more so to determine category once the PAX benchmarks are reached.

- What are the perceived advantages and disadvantages of the above options from stakeholders' perspective?

As above

- Are there any other models industry wishes to put forward?

Yes consider the reintroduction of a multi tiered approach for ARFF based on level 1 and level 2 aerodromes, where Level 2 standards can be less onerous than ICAO standards at level 1 aerodromes. This would allow for at least some manner of ARFF provision at those airports that do not meet existing or proposed PAX benchmarks.

- Any other relevant issues.

The regulations should be amended to include ICAO's no remission SARP at level 1 aerodromes.

4.3 DISESTABLISHMENT CRITERIA

The current Subpart 139.H MOS provides that the disestablishment of ARFFS may be considered if the number of annual passengers on air transport flights falls below 300,000 and stays below that figure for 12 months. However, the service provider must provide CASA with a Safety Case to support the closure of the service.

It should be noted that, depending on the type of establishment criterion that is adopted after this review, the current disestablishment criteria may need to change to reflect the new situation.

4.4 APPROPRIATE TIMING FOR WHEN ARFFS SHOULD BE ESTABLISHED AT AIRPORTS THAT MEET THE CRITERIA: PROSPECTIVE VS. RETROSPECTIVE TRIGGER

The current criteria under which ARFFS are provided, and the action taken to establish an ARFFS are retrospective. The suitability of this arrangement needs reviewing as it has been Airservices' experience that it can take up to two years to establish an ARFFS. This is mainly because fire trucks need to be especially manufactured for aviation fire fighting purposes; infrastructure needs to be constructed; and fire fighting personnel need to be specifically trained. Other reasons include issues that fall under State and Territory government responsibility, such as environmental impacts and access to roads around an aerodrome. Discussion with overseas ARFFS providers such as the Spanish organisation Aeropuertos Españoles y Navegación Aérea (AENA) revealed that they have experienced similar establishment periods.

In the case of the current 350,000 criterion, which is based on an airport's passenger traffic in the previous financial year, the establishment period can be longer depending on which part of the financial year the airport's passenger numbers exceed that figure. For example, if the figure is reached in the first month of one financial year no action is required until the following financial year. This means that there would be another 11 months of possible growth in the passenger numbers before any arrangements to establish an ARFFS are commenced, plus a further two years of possible further growth due to the time needed to establish the ARFFS.

This time lag is a concern particularly at airports with high volumes of jet aircraft services which operate without any ARFFS coverage. It is becoming more significant with the advent of low cost carrier airlines which bring rapid growth in fare-paying passenger traffic in short periods of time, as for example, the commencement of jet operations at former GA airports.

It is therefore proposed that the trigger for establishing ARFFS at domestic airports will be prospective not retrospective, ie that an ARFFS is in place at the time when an airport meets one of the criteria. The following options are proposed.

4.4.1 *Timing if the establishment criterion is a regulated benchmark*

This option would involve the use of trend analysis to determine the timing in which an ARFFS should be established. It assumes that airport operators will have a legal obligation to ensure the provision of an ARFFS, and it assumes that the establishment criterion will be a passenger number or figure based on aircraft movements.

Due to the considerable period it can take to establish an ARFFS, which as previously mentioned can be up to two years, there would be an initial and final threshold. Once an airport meets the initial threshold, the airport operator would undertake a trend analysis. If that analysis showed that the airport is likely to reach the final threshold within two years, the airport operator would need to commence discussions with an ARFFS provider to ensure an ARFFS is in place by the time the final threshold is reached.

The factors that would be considered in the trend analysis would depend on the establishment criterion adopted. The method of trend analysis would need to be defined.

By setting a time limit this option would provide a definite time frame for establishing a fully compliant ARFFS facility.

4.4.2 *Timing if ARFFS are established on the basis of a risk assessment*

If the establishment criterion adopted is a risk based approach with an ARFFS response that takes account of a range of factors, it will be a graduated approach – there would be no arbitrary point before which an ARFFS is required, and after which a ‘one size fits all’ model is imposed.

It is envisaged that the risk assessment would need to be undertaken periodically.

4.4.3 *Timing if an airline schedules flights to a domestic airport that does not have an ARFFS or has a lower category of ARFFS than what is required*

This option would require the airport operator to engage the services of an ARFFS provider within the necessary timeframe required to ensure that an ARFFS to an appropriate standard is in place at the time scheduled services commence operating at the airport.

It is proposed that airports may be exempt if one-off flights take place for special events.

This approach is consistent with international practices in countries such as Spain and Germany.

The Department seeks industry comment and supporting reasons on the following issues raised in Section 4.4:

- What are stakeholder's views on the timing options?

Agree with the principle of a regulated benchmark and a prospective trigger using trend analysis. It is demonstrated that low cost airlines are establishing at joint user or GA airports and will have rapid growth. It would be reasonable to assume that from start up the pax benchmarks are reached from day 1 of operation based on a pro rata or weekly/monthly average; Avalon and Newcastle/Williamstown are classic examples.

- What are the perceived advantages and disadvantages of the timing options from stakeholders' perspective?

Timing if the establishment criterion is a regulated benchmark

Benchmark criterion allows for forward planning ordering of new vehicles and building fire stations and recruiting staff.

Timing if ARFFS are established on the basis of a risk assessment

See previous comments re risk based approach

Timing if an airline schedules flights to a domestic airport that does not have an ARFFS or has a lower category of ARFFS than what is required

This proposal would be contradictory to changes due in CASR Reg 121A

- Are there any other options that industry wishes to put forward?

No

- What should be the frequency of a risk assessment if a risk-based criterion is adopted?

N/A

- Any other relevant issues.

No

4.5 OTHER FIRE FIGHTING AND RESCUE ARRANGEMENTS

4.5.1 *General Aviation Airports and Airfields*

ARFFS were provided at GA airports and airfields with operations such as private flights, sports and recreational aviation and flying training, up until 1991 when they were removed in consultation with industry. Given the overall aircraft accident risk profile of those types of airports, it could be argued that the provision of an ARFFS was an excessive level of service. However, the removal of ARFFS from those airports was an “all to nothing” situation.

It is considered timely to assess whether the Government should regulate for some other type of fire fighting and rescue capability at GA airports to a less onerous standard than ARFFS but which still provides some level of protection in the event of an accident. This could range from the provision of basic equipment to the provision of a standard fire truck and crew. It is envisaged that such measures could be implemented through a formal arrangement with the local fire authority.

Such an option would take into account comments made during coronial inquests into GA accidents. For example, during the coronial inquiry into the fatal accident at Jandakot Airport on 11 August 2003, the Coroner’s assistant was quoted as saying that he was surprised at the absence of a dedicated fire-fighting team at Jandakot, given it is the busiest secondary airport in Australia and averages 45 emergencies per year.⁶

Conversely, when considering this option it is important to also take into account the Australian Transport Safety Bureau’s (ATSB) findings in its investigation into the effectiveness of fire fighting arrangements at the time of a fatal accident at Bankstown Airport on 11 November 2003⁷. The ATSB found that since 1992, only 11 per cent of fire-related accidents have occurred on or near major or GA airports, and that there has been no statistically significant change in the fire-related accident rate following the withdrawal of ARFFS from GA airports.

4.5.2 *Airports with passenger-carrying aircraft operations*

For the same reasons provided in subparagraph 4.5.1, it is worth considering whether some other type of fire fighting and rescue capability should be provided at domestic airports that do not fall within the establishment criteria. It is envisaged that the type of service would be in line with the type of aircraft using the airport. One scenario for consideration is that the type of service required would vary according to whether an airport had up to 100,000 passengers or between 200,000 and 350,000 passengers.

⁶ The *West Australian* newspaper, Wednesday 20 April 2005.

⁷ *The effectiveness of the fire fighting arrangements for Bankstown Airport, as they affected transport safety on 11 November 2003.*

The Department seeks industry comment and supporting reasons on the following issues raised in Section 4.5::

- Should the Government regulate for some other type of fire fighting and rescue capability, to a less onerous standard than ARFFS, to be provided at GA airports and airfields?

Yes anything is better than nothing, Coronial enquiries are raising the question why is there not even a basic ARFF provision at these aerodromes.

- Should the Government regulate for some other type of fire fighting and rescue capability, to a less onerous standard than ARFFS, to be provided at domestic airports that do not fall within the establishment criteria?

Yes as above although Australia is not obliged to adopt international standards for domestic airports, it makes little sense for a country to have one set of rules applied to international aviation and another for domestic aviation. It would be an option to provide a non ICAO level of service at airports that do not reach the existing PAX benchmark i.e. level 2 aerodromes

- What are the perceived advantages and disadvantages of the above options from stakeholders' perspective?

Who pays, how is it charged, how is it overseen

- Are there any other options industry wishes to put forward?

Refer earlier comments on Level 1 and 2 Aerodromes

- Any other relevant issues.

No

4.6 ARFFS RESPONSE AT NON-AERONAUTICAL BUILDINGS ON AERODROMES

Under the current regulations the functions of an ARFFS are to rescue people and property from an aircraft that has crashed or caught fire; and to control and extinguish fire on an aerodrome, and protect persons and property threatened by fire on an aerodrome.

There has been an increase in non-aeronautical developments such as direct factory retail outlets and business parks on aerodrome sites. As these are not aeronautical functions it is considered timely to address whether the definition of ARFFS needs to be amended to specify that the primary function of ARFFS is aviation-related fire fighting and rescue capability.

This is particularly relevant where such buildings have a large throughput of people during operation, placing heavy call on ARFFS which is the first response mechanism in the event of a fire. This also raises the question of implications in the case of a simultaneous building fire and an aircraft incident or accident.

This issue is linked to who has the legal obligation to ensure a fire fighting service is provided for such buildings and who has the ability to recover the costs. This is another issue that supports the imposition of a legal obligation on airport operators as they are the landlords and are best placed for selecting a provider and negotiating the work it will do.

The Department seeks industry comment and supporting reasons on the following issue raised in Section 4.6

- Should the definition of ARFFS be amended to specify that the primary function of ARFFS is aviation-related fire fighting and rescue capability?
- No CASA has already clarified that ARFF is responsible only for those buildings that are used for the the safe arrival and departure of aircraft, Recent experience overseas has shown that the costs of terminal fires are in the billions.
- What are the perceived advantages and disadvantages of this course of action from stakeholders' perspective?

It should be an option for ARFF to provide additional services at the airport provided they have a dedicated domestic response vehicle, that is that the crew is additional to the existing category staffing requirement as is already operating at Sydney, Brisbane and Melbourne. Failure to provide an early response will see damage and costs exponentially rise with time delay. Classic examples are terminal fires at Frankfurt, Kuala Lumpur, and Tower fire at KL

- Are there any other options industry wishes to put forward?

No

- Any other relevant issues.

No

5. CONTESTABILITY IN ARFF SERVICE PROVISION

It remains the Government's policy commitment to introduce contestability in the ARFFS provided by Airservices. When the ARFFS regulatory framework was first established in 2002 it facilitated the introduction of contestability by:

- setting the establishment and disestablishment criteria for establishing and removing ARFFS;
- placing responsibility on airport operators for ensuring that ARFFS are provided at the airports that meet the establishment criteria;
- setting standards for the provision of the service; and
- allowing anyone to compete with Airservices provided they were certified by CASA.

However, the framework no longer facilitates contestability due to the changes made to the regulatory framework after the regulations were made, mentioned in Section 3.2.

This aspect of the Discussion Paper addresses the issues and options that need to be addressed for the transition from a monopoly market where Airservices is the legislated primary provider, to one with open competition that allows an unlimited number of providers to compete in the provision of ARFFS. The aim will be to seek the most cost efficient and cost effective outcome that will meet the regulatory and service delivery requirements for ARFFS at each location.

The standards in Subpart 139.H and the MOS will ensure that future providers are able to provide a safe service, as they will be subject to CASA's licence approval process and ongoing surveillance. The standards will also ensure that there is a 'level playing field' for existing and prospective providers.

5.1 CONTESTABILITY ISSUES

5.1.1 *Lack of a legal obligation on airport operators*

Section 4.1 of this paper addressed the need to create a legislative basis for ensuring that ARFFS are provided at airports that meet one of the criteria. This is a high priority for aviation safety reasons. However, it is also desirable in terms of creating a competitive environment, particularly if the legal obligation is placed on airport operators. This would imply the need for greater control over the choice of service provider and managing arrangements. It will also facilitate continuity of service.

5.1.2 *Prescriptive nature of the regulations*

Regardless of the competition model selected, the prescriptive nature of the Subpart 139.H regulations and associated MOS is a barrier to the entry of new ARFFS providers due to the costs of compliance that are driven by the amount of detail that must be learned, understood, demonstrated, promulgated and monitored. The level of prescription also prevents innovation which can lower costs and improve service delivery. For example, the requirements for training facilities, and staff competencies.

The current level of prescription has been seen as an impediment to Airservices being more responsive to industry requests. The level of prescription will be addressed in the review of the Subpart 139.H regulations and the MOS that will be undertaken by CASA under the Chief Executive Officer's Directive 16 process, in consultation with industry, when this policy review is finalised. The process includes a risk analysis of each regulation to ensure that it addresses a known safety risk; and consideration of whether outcome based regulations are more appropriate than prescriptive regulations. Proposed changes, if any, will be the subject of consultation through the Standards Consultative Committee.

5.1.3 *ARFFS pricing structure*

Airservices' ARFFS revenue is derived from airlines carrying passengers on air transport flights. On 1 January 2006 Airservices introduced a new pricing structure for ARFFS that has moved away from the location-specific pricing approach previously in place. The new pricing model was endorsed by the Australian Competition and Consumer Commission (ACCC) on 21 December 2005. The new prices are in force until 30 June 2009 and there will be small increases in prices across the board during the pricing period. The current Airservices prices are detailed in [Appendix B](#).

The main features of the new ARFFS pricing structure are:

- aircraft below 5.7 tonnes maximum take-off weight (MTOW) pay no ARFF charges;
- aircraft between 5.7 – 15.1 tonnes MTOW pay a base level charge of \$1.68 per tonne if they carry fare-paying passengers. The \$1.68 charge is based on the

cost of providing a category 6 ARFFS;

- aircraft above 15.1 tonnes MTOW pay a price per tonne based on the category of aircraft. Category 6 aircraft pay the same price (\$1.68 per tonne) at all airports with an ARFF service. Higher category aircraft pay a higher price per tonne, which varies from airport to airport depending on the level of ARFF service provided at each airport.

The new pricing structure is consistent with the Government's objective of assisting with the sustainability of services to regional Australia, and was received favourably by many of Airservices' customers (the airlines). It was welcomed by regional airport operators, some of whom had been concerned for some time about the high price of ARFFS for airlines at their airports under the previous location-specific pricing regime.

Airservices is not recovering the full costs of providing the service at some airports and is more than recovering costs at other airports. The pricing structure may therefore create some incentive for new providers to pursue business at the more lucrative airports, including larger airports such as Sydney and Melbourne. This may potentially leave Airservices to carry ARFFS responsibilities at the less heavily trafficked airports which has the potential to affect Airservices' capacity to continue with the current pricing, particularly at the regional airports.

Airservices stated during its consultation on the pricing structure that it may need to review the pricing structure in the event of competition being introduced. This could result in a return to LSP.

5.1.4 *Airports Act 1996*

Section 216 of the *Airports Act 1996* ('Airports Act') provides that an airport lessee company for an airport must not provide rescue and fire-fighting services unless they are provided by Airservices, or are provided in accordance with an agreement between Airservices and a third person, or an airport lessee company in accordance with an arrangement approved in writing by the Minister.

It should, however, be noted that on 14 November 2005 the Minister for Transport and Regional Services, the Hon Warren Truss MP, announced the outcomes of the review of the *Airports Act*, which included an amendment to section 216. The proposed amendment will limit the providers of ARFFS, at leased federal airports, to those parties that have the necessary approvals issued by CASA. The Defence Force is also provided for under the proposed amendment, acknowledging its role at joint civilian/military use airports.

5.2 TREATMENT OF EXISTING INFRASTRUCTURE AND ASSETS

As mentioned in Section 3.1. Airservices currently operates ARFFS at 18 airports. Some of those airports are on land leased from the Commonwealth and Airservices has built stations on land it sub-leases from airport lessee companies. Airservices also owns infrastructure (such as fire stations) at non-federally leased airports.

Airservices' assets would need to be dealt with in the event that an alternative provider successfully tendered against Airservices at locations where Airservices is currently operating. Possible scenarios include Airservices retaining the assets and infrastructure and alternative providers undertaking the ARFFS using their own staff; or alternative providers using their own staff and buying/leasing (for fair market value) Airservices' infrastructure.

The Department seeks industry comment and supporting reasons on the following issues raised in Section 5.2:

- What is the most appropriate method for dealing with Airservices' assets when contestability is introduced?

This scenario assumes that new providers will really be offering cheaper labour and an adhoc provision of ARFF services if it is accepted that assets are transferred at fair market value. What needs to be considered is if the assets are not managed by ASA through a lease maintenance arrangement what will happen when the contract for ARFF provision is re-tendered and the assets have been neglected/un-maintained to appropriate standards who supplies the vehicles then?

- What are the perceived advantages and disadvantages of the scenarios outlined in Section 5.2, from stakeholders' perspective?

What in this proposal/discussion paper addresses the establishment of a new fire service when an airport commences international flight operations or a domestic airport reaches the agreed benchmark. Who will supply the assets then? Contestability will see rescue and fire fighting services cherry picked for the short term profit of entrepreneurs and leave a legacy of under resourced stations that can't generate enough profit to be attractive for takeover or tender, they would be operating on a shoestring with no funding for RD, upgrading of equipment, or ability to tender for new stations. They will just become a liability to the airport owner. There would be no long term planning for vehicle replacement or expansion nor would there be a career path beyond a station officer.

- Any other relevant issues

Yes it is a travesty that a National Fire Service of world repute is going to be decimated based on an idealistic goal of contestability, the government has not been given a mandate for this path which is contrary to agreement reached in the senate only 3 years ago.

5.3 CONTINUITY OF SERVICE

Continuity of service is a key issue when contracting out emergency services such as ARFFS. It is essential for contingencies to be established in the event that the service is interrupted for some reason, such as industrial action, commercial failure or enforcement action by CASA, such as suspension of the operator's licence, due to a breach of the regulations.

As with the current regime, there are several options that would address the impact on service provision:

- a Notice to Airmen (NOTAM) could be issued advising of a service failure, industrial action, or a suspended service due to CASA enforcement action, and it would be up to the discretion of aircraft operators as to whether or not they would fly to the affected airport;
- if there was a complete service failure and there were several providers operating in the market, the Airport could engage the services of an alternative provider. However, there may be a time lag and reduced ARFFS coverage at the airport providing the back-up service; and
- a local fire service could be asked to provide back up. However, this may not be possible as they would require specialised training, equipment and specific fire trucks that a local fire service may not be able to provide.

It is important to note that some international airlines are unable to land at airports that do not have an ARFFS due to regulations in place in their country of origin, or practices adopted by some airlines.

Continuity of service is another issue supporting the imposition of a legal obligation on airport operators as it would give them ultimate responsibility for ensuring continuity of an ARFFS if for some reason there is an interruption in the service, either by engaging another provider or providing it themselves.

The Department seeks industry comments and supporting reasons on the following issues raised in Section 5.3:

- What are stakeholders' views on the above options for ensuring continuity of service?
Notice to Airmen (NOTAM)

This is a regulated requirement and does not ensure continuity of service it only serves as advice to pilots of the current aerodrome status.

Complete service failure-

Just highlights what may occur with contestability, without a national fire service local operators do not have any resources to draw on if a service failure occurs.

A local fire service-

They not only do not have the equipment but lack the training and qualifications and security clearances to operate at an airport, further they lack the response time capability to meet ICAO/CASA standards.

- Are there any other models industry wishes to put forward?

No

- What are the perceived advantages and disadvantages of the above options from stakeholders' perspective?

As above

- Any other relevant issues.

No

5.4 COMPETITIVE NEUTRALITY

Competitive neutrality policy is intended to ensure that government businesses do not enjoy net competitive advantages over competitors simply by virtue of their public ownership. Competitive neutrality applies to a diverse range of business activities across the public sector, such as ARFFS. Further details on the broad objectives of competitive neutrality, outlined in the Competitive Neutrality Policy Statement (June 1996), are available on the Commonwealth Treasury website at:

<http://www.treasury.gov.au/documents/275/PDF/cnps.pdf>.

A competitive neutrality complaints office in the Productivity Commission is responsible for monitoring competitive neutrality.

If Airservices is to compete with other providers in the ARFFS market it will be prudent to put in place processes to ensure that competitive neutrality principles are met. A variety of methods may be employed to ensure compliance, however, at this stage it is considered that an appropriate mechanism could be readily implemented following a final decision on the way forward for contestability.

The Department seeks industry comment and supporting reasons on the following issues dealt with in Section 5.4:

- What are the most appropriate arrangements for ensuring a level playing field when contestability is introduced?

Simply put let the private providers bid on all new ARFF services without ASA competition and if no bids are forthcoming allow ASA to tender. This in essence ensures a provision of service regardless.

- Any other relevant issues.

No

5.5 POSSIBLE CONTESTABILITY MODELS

The current pricing structure for ARFFS that was introduced on 1 January 2006 has addressed the pricing inequities that existed at regional airports under the LSP approach that was previously applied to ARFFS.

The introduction of contestability during the current pricing period has the potential to disrupt Airservices' ability to continue with the new prices at regional and smaller airports. It may be difficult for competitors to compete with Airservices' pricing at those locations and they may "cherry-pick" more profitable, high revenue lucrative locations with high volumes of passenger traffic. If this affected Airservices' revenue base it may lead to a pricing review and a possible return to LSP, and possibly higher prices at regional and smaller airports due to lower economies of scale.

This raises the question of whether contestability should be introduced under a cross-subsidised pricing structure or under an LSP structure.

5.5.1 *Contestability under a cross-subsidised pricing structure*

There are two scenarios proposed for consideration:

- Airservices would undertake market testing (ie outsourcing) of its ARFFS function; or
- an independent panel would be established to oversee a tendering process for the provision of ARFFS.

This model would arguably not work if a legal obligation is placed on airport operators, as suggested in Sections 4.1.3 and 4.1.4 of this Paper.

Transparent costing information by tenderers on an airport-by-airport basis would be required under either option to ensure contestability on a fair and equitable basis with Airservices.

5.5.1.1 Airservices market tests the provision of the service

Under this option Airservices would be required to market test its service. Airservices' internal business case would be compared against an outsourced business case, and the Airservices Board would decide the outcome. Costs savings from individual locations would then be pooled and shared across the entire network in the form of a reduced network charge.

5.5.1.2 Tendering process managed by an independent panel

Under this option an independent panel would be established to oversee the tendering process. The panel could be established along the lines of the existing Industry Steering Committee used by Airservices to consult on pricing and could include airline representatives, airport operators and other industry representatives. The panel would choose the lowest cost provider at each location and costs savings from individual locations

would be pooled and shared across the entire network in the form of a reduced network charge.

5.5.2 *Proceeding with contestability under a location-specific pricing structure*

This approach assumes that airport operators will have a legal obligation to ensure the provision of ARFFS. Under this model the prices at airports would be based solely on the costs of providing the service at each location. This option is based around placing responsibility on airport operators for ensuring that ARFFS are provided at the airports that meet the establishment criteria.

Under this model:

- fixed ARFFS infrastructure would transfer to airports under agreed terms;
- airports would either tender for the provision of services, or establish their own ARFFS; and
- airports would include charges for ARFFS in the airport landing charges and would potentially charge sub-lessees of the airport (eg commercial tenants such as the Direct Factory Outlets) if the service provider also provided fire-fighting services to their properties.

Other options for introducing contestability under a location-specific pricing structure are available. These are broadly similar to those outlined in Section 2 and include:

- requiring Airservices to undertake market testing or outsourcing of the function; or
- establishing an independent panel to oversee a tendering process for the provision of the service.

5.5.3 *Provide for contestability at new airports*

Under this model, Airservices would retain its present ARFFS operations and its current ACCC-agreed pricing structure, but it would be precluded from providing services at airports which trigger ARFFS requirements in the period of the current pricing arrangements (which are in place until 30 June 2009). That is, new entrants would be able to establish 'greenfield' ARFFS operations without competition from a government provider. This may enable such services to be provided at a lower cost than the present ARFFS arrangements. However, precluding a major competitor such as Airservices from competing may result in a smaller competition pool and a non cross-subsidised price.

The Department seeks industry comment and supporting reasons on the following issues dealt with in Section 5.5:

- What are stakeholders' views on the above models for introducing contestability?
Contestability under a cross-subsidised pricing structure-

This would be completely contrary to the principles of the Hilmer report and competitive neutrality

Proceeding with contestability under a location-specific pricing structure-

As mentioned this would be cost prohibitive especially at smaller volume airports and would only

see ASA cherry picked for locations with an ample return on investment.

Provide for contestability at new airports

It makes sense to limit contestability to new airports or in fact any that may come under a new level 2 category. It is essential to maintain a national provider to ensure service delivery and forward planning at Australia's major airports, it also allows a fall back position should no one wish to provide a service at new airports which in our view is quite likely.

- Are there any other models industry wishes to put forward?
No
- What are the perceived advantages and disadvantages of the above models from stakeholders' perspective?
As discussed above
- Any other relevant issues.
No

6. CONCLUSION

The options presented in this Paper are aimed at improving the current regulatory framework governing the provision of ARFFS, with a view to more timely provision of the service and meeting the Australian Government's commitment to introduce contestability for ARFFS.

The Department would welcome comments from interested parties on the options presented in this paper and any other options, and any other relevant issues interested parties wish to raise. A copy of the Discussion Paper is available on the Department's website at www.dotars.gov.au/aviation/safety/index.aspx.

7. CONTACT INFORMATION

Further information on the review can be obtained by contacting Ms Marlene Parker by email at marlene.parker@dotars.gov.au or by telephone on (07) 3838 9925.

8. CONSULTATION PROCESS - SUBMISSIONS

The closing date for submissions is 18 August 2006.

Submissions are invited from interested parties wishing to participate in the review, through one of the following channels:

- E-mail to: ARFFSdp@dotars.gov.au
- Post to: Ms Marlene Parker
Assistant Director
Airservices Governance Section
Aviation Operations Branch
Department of Transport and Regional Services
PO Box 10024
Adelaide St
BRISBANE QLD 4000
- Facsimile to: Ms Marlene Parker
(07) 3838 9949

Respondents are requested to provide an appropriate contact with whom the Department can liaise, if necessary.

Unless respondents request otherwise, the Department will publish submissions received on its website.

**Department of Transport and Regional Services
7 July 2006**

9. APPENDICES

APPENDIX A – COMPARISON OF AUSTRALIAN AND INTERNATIONAL ARFFS REGULATION

Australian Situation

Who is obligated	Who provides it
No-one party is responsible.	Airservices Australia is the primary provider of ARFFS. There is provision for ARFFS to be provided under a contractual arrangement with Airservices.

International Situation

Country	Who is obligated	Who provides it
United Kingdom	Airport operator.	Private providers, eg British Airports Authority
Spain	The provision of ARFFS is a condition of an aerodrome licence as it is considered to be one of the services an aerodrome must provide. If an airline schedules flights to an airport that does not have an ARFFS, or does not have the appropriate category of ARFFS to service the airline's aircraft, the appropriate standard of ARFFS must be in place before the airline commences operations there.	Airports are State-owned and managed by a public business entity called Aeropuertos Espanoles y Navegacion Aerea (AENA).
The Netherlands	Required at international and public-use airports. The provision of ARFFS is a condition of an aerodrome licence as it is considered to be one of the services an aerodrome must provide.	Airport operator.

Country	When is it required	Who is obligated to provide it
Germany	<p>A policy that ARFFS should be nationally applicable regardless of whether domestic or international services are operating. ARFFS is the responsibility of the airport operator and is an element of the aerodrome licence. The standard of ARFFS required depends on the airport category and the category of aircraft traffic the airport wants to service.</p> <p>If an airline schedules flights to an airport that does not have an ARFFS, or does not have the appropriate category of ARFFS to service the airline's aircraft, the appropriate standard of ARFFS must be in place before the airline commences operations there.</p>	Airport operator.
Canada	Aircraft Emergency Intervention Services are required at airports that handle more than 2,800 passenger flights per year by aircraft that seat 20 or more passengers.	Airport operator.
New Zealand	Required at airports receiving regular public transport (RPT) jet aircraft with more than 30 seats; or airports receiving non-RPT jet aircraft with more than 30 seats and more than 700 such movements in the busiest three months.	Responsibility is with the aerodrome licence holder. Private contractors can perform the services for 15+ years.

APPENDIX B – ARFFS PRICES FOR THE PERIOD 1 JANUARY 2006 TO 30 JUNE 2009

Prices for 1 January to 30 June 2006

ARFF Location	Aircraft Category			
	9	8	7	6
ADELAIDE	\$ 9.18	\$ 9.18	\$ 2.23	\$ 1.68
ALICE SPRINGS	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
AVALON	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
AYERS ROCK	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
BRISBANE	\$ 3.49	\$ 2.57	\$ 1.81	\$ 1.68
CAIRNS	\$ 4.68	\$ 4.68	\$ 2.18	\$ 1.68
CANBERRA	\$ 7.85	\$ 7.85	\$ 7.85	\$ 1.68
COOLANGATTA	\$ 3.69	\$ 3.69	\$ 3.69	\$ 1.68
DARWIN	\$ 14.72	\$ 14.72	\$ 3.17	\$ 1.68
HAMILTON ISLAND	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
HOBART	\$ 5.86	\$ 5.86	\$ 5.86	\$ 1.68
LAUNCESTON	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
MACKAY	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
MAROOCHYDORE	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
MELBOURNE	\$ 2.76	\$ 2.17	\$ 1.76	\$ 1.68
PERTH	\$ 4.82	\$ 3.03	\$ 1.90	\$ 1.68
ROCKHAMPTON	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68
SYDNEY	\$ 2.27	\$ 1.96	\$ 1.73	\$ 1.68
TOWNSVILLE	\$ 8.16	\$ 8.16	\$ 8.16	\$ 1.68

Prices for 1 July 2006 to 30 June 2007

ARFF Location	Aircraft Category			
	9	8	7	6
ADELAIDE	\$ 9.27	\$ 9.27	\$ 2.28	\$ 1.73
ALICE SPRINGS	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
AVALON	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
AYERS ROCK	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
BRISBANE	\$ 3.58	\$ 2.60	\$ 1.86	\$ 1.73
CAIRNS	\$ 4.74	\$ 4.74	\$ 2.23	\$ 1.73
CANBERRA	\$ 7.95	\$ 7.95	\$ 7.95	\$ 1.73
COOLANGATTA	\$ 3.74	\$ 3.74	\$ 3.74	\$ 1.73
DARWIN	\$ 14.98	\$ 14.98	\$ 3.22	\$ 1.73
HAMILTON ISLAND	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
HOBART	\$ 5.97	\$ 5.97	\$ 5.97	\$ 1.73
LAUNCESTON	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
MACKAY	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
MAROOCHYDORE	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
MELBOURNE	\$ 2.87	\$ 2.22	\$ 1.81	\$ 1.73
PERTH	\$ 4.97	\$ 3.04	\$ 1.95	\$ 1.73
ROCKHAMPTON	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
SYDNEY	\$ 2.36	\$ 2.02	\$ 1.78	\$ 1.73
TOWNSVILLE	\$ 8.15	\$ 8.15	\$ 8.15	\$ 1.73

Prices for 1 July 2007 to 30 June 2008

ARFF Location	Aircraft Category			
	9	8	7	6
ADELAIDE	\$ 9.00	\$ 9.00	\$ 2.44	\$ 1.78
ALICE SPRINGS	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
AVALON	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
AYERS ROCK	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
BRISBANE	\$ 3.64	\$ 2.60	\$ 1.93	\$ 1.78
CAIRNS	\$ 4.74	\$ 4.74	\$ 2.38	\$ 1.78
CANBERRA	\$ 7.98	\$ 7.98	\$ 7.98	\$ 1.78
COOLANGATTA	\$ 3.97	\$ 3.97	\$ 3.97	\$ 1.78
DARWIN	\$ 14.90	\$ 14.90	\$ 3.62	\$ 1.78
HAMILTON ISLAND	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
HOBART	\$ 6.56	\$ 6.56	\$ 6.56	\$ 1.78
LAUNCESTON	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
MACKAY	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
MAROOCHYDORE	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
MELBOURNE	\$ 2.99	\$ 2.27	\$ 1.88	\$ 1.78
PERTH	\$ 5.08	\$ 3.03	\$ 2.03	\$ 1.78
ROCKHAMPTON	\$ 1.78	\$ 1.78	\$ 1.78	\$ 1.78
SYDNEY	\$ 2.41	\$ 2.05	\$ 1.84	\$ 1.78
TOWNSVILLE	\$ 8.29	\$ 8.29	\$ 8.29	\$ 1.78

Prices for 1 July 2008 to 30 June 2009

ARFF Location	Aircraft Category			
	9	8	7	6
ADELAIDE	\$ 9.12	\$ 9.12	\$ 2.33	\$ 1.81
ALICE SPRINGS	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
AVALON	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
AYERS ROCK	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
BRISBANE	\$ 3.70	\$ 2.62	\$ 1.93	\$ 1.81
CAIRNS	\$ 4.76	\$ 4.76	\$ 2.29	\$ 1.81
CANBERRA	\$ 7.91	\$ 7.91	\$ 7.91	\$ 1.81
COOLANGATTA	\$ 4.01	\$ 4.01	\$ 4.01	\$ 1.81
DARWIN	\$ 16.06	\$ 16.06	\$ 3.39	\$ 1.81
HAMILTON ISLAND	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
HOBART	\$ 6.73	\$ 6.73	\$ 6.73	\$ 1.81
LAUNCESTON	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
MACKAY	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
MAROOCHYDORE	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
MELBOURNE	\$ 3.03	\$ 2.29	\$ 1.89	\$ 1.81
PERTH	\$ 5.08	\$ 3.01	\$ 2.01	\$ 1.81
ROCKHAMPTON	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
SYDNEY	\$ 2.45	\$ 2.08	\$ 1.86	\$ 1.81
TOWNSVILLE	\$ 8.47	\$ 8.47	\$ 8.47	\$ 1.81