



MEDIA RELEASE

Opening up Airservices Australia

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The RAAA fully supports Maurice Newman, the federal government's most senior business adviser, with his call to open up key functions of Airservices Australia to competition. Similar moves in other countries have proven that government monopolies can be improved significantly when they are subject to the market place forces. Recent Senate Hearings into a range of worrying tender probity issues and the high turnover of senior executives have also raised concern across the regional aviation industry.

"Airservices Australia is a government monopoly service provider in serious need of an independent review", said RAAA Chair Jim Davis.

"There is no reason why functions such as control towers and airfield fire-fighting services should not be opened up to competition."

He concluded "If Airservices Australia was opened up to private sector competition, or even private/public partnerships, there could be more efficient air traffic control and significant public savings, with no decrease in safety."

The RAAA also notes the significant turmoil within senior leadership ranks of Airservices Australia over recent weeks. This has raised questions across industry as whether the \$1.6b OneSky project, that will replace the current air traffic system, is being managed optimally.

It must not be forgotten that every dollar Airservices Australia receives comes directly from industry, including a guaranteed 10% dividend paid to the Government. When industry sees exorbitant bonuses being paid to senior executives at the same time that a senate hearing is questioning the probity of the OneSky project, serious questions must be asked.

Monopolies inevitably take advantage of their market position to the detriment of their customers. Airservices Australia is no different and should be exposed to the mitigating influences of the market.

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