

Response to Aviation Policy Green Paper

Executive Summary

Delta Services Group has reviewed the Green Paper and identified inconsistencies within the document between the position of establishing monopolies in the provision of Aviation Rescue Fire Fighting Services (ARFFS) and broader Government Policy Positions.

There is a general position put forward in this paper that would lead the reader to believe that Airservices, a Commonwealth Business Entity should enjoy protection from any form of competition and that it should have its market locked away from other potential providers of ARFFS.

A critical observation relates to the wording of the document which consistently groups Air Traffic Control (ATC), with ARFFS. These are quite different services which share one linkage from an operational perspective, ARFFS require ATC clearance to move and operate on aircraft movement areas, when called for various reasons by ATC. Similarly ATC may require the Airport Safety Officer to undertake various tasks however Airport Safety Officers (ASO's) are normally provided by the airport operator; ASO's provide a critical safety function, independent of Airservices.

ATC is provided for the safety of the travelling public and along with airlines have strict safety management systems in place. The ARFFS is provided when these safety management systems fail. The ARFFS is a mitigator in the event of a break down in systems. Highly prescriptive regulations ensure that the ARFFS can satisfy its role as support for safety. These regulations allow for a number of providers this is clear in the intent of how they were prescribed.

Our position is that there is a significant opportunity to enhance the performance, safety and costs of ARFFS, by permitting other operators such as ourselves to operate at airports.

There is support for this from a range of airport operators and airlines where savings can be measured in real dollar terms.

Our submission will demonstrate that the proposed position does nothing to promote cost efficient ARFFS for the Australian aviation sector, but in fact adds significantly to costs which ultimately are transferred to the air lines and subsequently passed on to the fare paying passengers.

The Government has laid down a solid frame work on which to build greater efficiency and in quoting the Assistant Treasurer as an example; we will demonstrate the inconsistency between this paper and Labors broader National Competition Policy.

Importantly we would like to see acknowledgement in the Green Paper that in Townsville there is an alternate provider able to make a significant contribution to the industry with the provision of ARFFS.

We have put forward recommendations which have the potential to save the industry over \$30 million dollars per annum, the greatest beneficiary being the airlines, airport operators and the fare paying public, who by contrast have the benefit of selecting fares between a range of airlines, all of which operate with a high degree of safety in a competitive environment.

Introduction

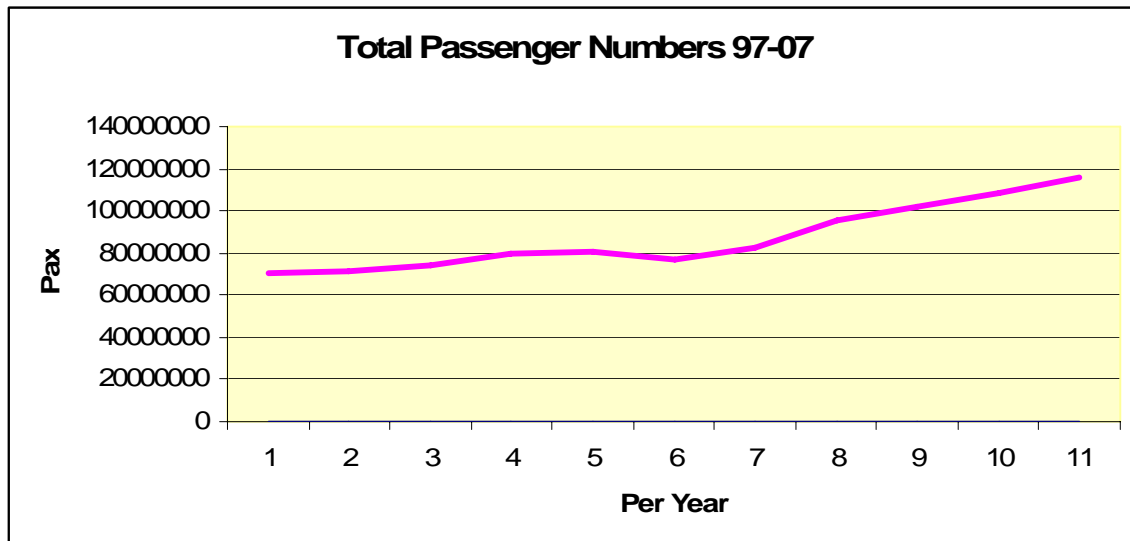
Delta Services Group welcomes the opportunity to put forward our position in relation to the Rudd Governments Green Paper.

We have witnessed the ongoing development of the document from the original format to a mature paper for review and the introduction of words that to the reader describe a plan of a mostly forward looking nature.

The Rudd Government's initiative to formally plan the framework of the Aviation sector is vital. This sector is of critical importance to Australia's ongoing economic development.

With steady growth in passenger numbers our nation begins to fully realize the convenience and economy of air travel when compared to many other forms of transport. This realization is reflected by the change in demographic of air travelers with a complete cross section now represented.

Demonstrated in *Graph 1* below we can see the general sustained growth over the past decade, from the year 1997 to 2007 conclusive.



Graph 1

With this in mind the need to look to the future of the sector and maintain balance is essential; therefore it is important that we leave no stone unturned when it comes to enhancing and maintaining efficiency in all our airports.

To build upon this we need to view this paper against the broader context of the Governments National Policy. Our aviation sector deserves to be managed by a well conceived approach, but in the final analysis the Green Paper falls short in one area with which we are very familiar.

There is a notion within this paper that ARFFS can only be safely and efficiently provided by a Government monopoly provider. We seek to address the assertion that this is the case and have taken this opportunity to address the fundamentals in two parts, by firstly examining the background of Australia's approach to safety in aviation and how this is managed.

Secondly we look at the question of efficiency and examine why the notion of a monopoly is detrimental to the National interest and inconsistent with broader Government economic policy.

Aviation Safety Management

Safety within the air transport industry has and will remain a key objective for the International Civil Aviation Organisation (ICAO, 2008a). ICAO through the Chicago Convention (ICAO, 2008b) has been responsible for the creation of an international framework of standards and recommended practices (SARPs) related to the operation of the air transport industry.

Rao (1999) has highlighted certain responsibilities that Contracting States to ICAO are obliged to fulfill regardless of who owns the airport or infrastructure related to the safety of air transport. These responsibilities form part of the Chicago Convention Articles and are notes as:

- ✈ Article 15 – requires that at airports where a State's Nation Flag Carrier operates must be open under uniform conditions to the carriers of other States;
- ✈ Article 28 – requires Contracting States to provide airports and air navigation services as required under the Chicago Convention; and
- ✈ Article 37 – requires all States to adopt ICAO specifications in order to achieve uniformity of regulations, standards and procedures.

What is evident, and confirmed by Rao, is that each Contracting State to the Chicago Convention bears the primary responsibility for the safety of air transport within each State's territories. Therefore Australia, as a Contracting State to ICAO, is obliged to provide an air transportation framework in compliance with ICAO SARPs.

Contracting States (Nations) may file a difference with ICAO where compliance with specific SARPs is not achieved (ICAO, 2008c). Australia fulfils its obligations to ICAO through the application of various Commonwealth legislative instruments. The range of legislation, regulations and guidelines that govern the air transport industry in Australia include the following (Department of Infrastructure, 2008a; CASA, 2008):

- ✦ Air Accidents (Commonwealth Government Liability) Act 1963;
- ✦ Air Navigation (Checked Baggage) Regulations 2000;
- ✦ Air Navigation Act 1920;
- ✦ Air Navigation Regulations 1947;
- ✦ Aircraft Noise Regulations;
- ✦ Airspace at Federal Airports;
- ✦ Aviation Transport Security Act 2004;
- ✦ Aviation Transport Security Regulations 2005;
- ✦ Civil Aviation Act 1988;
- ✦ Civil Aviation Regulations 1988;
- ✦ Civil Aviation Safety Regulations 1998;
- ✦ Civil Aviation (Carrier's Liability) Act 1959;
- ✦ Civil Aviation (Carrier's Liability) Regulations 1991;
- ✦ Damage by Aircraft Act 1999;
- ✦ Family Assistance Code;
- ✦ International Air Services Commission Act 1992;
- ✦ International Airline License Guidance Notes;
- ✦ Ownership & Control of Leased Federal Airports;
- ✦ Parking Infringements; and
- ✦ Smoking on Aircraft.

The primary legislative instrument related to aviation safety in Australia, from a technical perspective, is the Civil Aviation Act 1988 and the Civil Aviation Safety Regulations 1998 (CASRs). CASA has continuously revised the CASRs and is now focused on an outcome based approach to regulatory compliance, which targets areas or practices that have known risks in relation to safety and then managing those risks (Department of Infrastructure, 2008a; Marchbank, 2008).

There is no question that Australia is considered one of the safest countries in the world due in part to its observance and to CASRs. These regulations are policed by independent statutory body CASA.

CASA is an organisation charged with the responsibility for oversight in the following areas;

Who is this Service Charter for?

The community as a whole benefits from CASA's activities, however the primary groups with whom we have ongoing dealings are:

- Parliament;
- Government bodies (aviation and non-aviation);
- Fare paying passengers, the public and the media;
- Overseas safety regulatory bodies and the International Civil Aviation Organisation;
- Operators of air services;
- Providers of air traffic, rescue and fire fighting services;
- Pilots, flight crew, flight instructors, licensed aircraft maintenance engineers, professional engineers;
- Aircraft owners, manufacturers, designers and repairers;
- Aerodrome owners and operators;
- Industry, maintenance and sport aviation associations; and
- Academic institutions

<http://www.casa.gov.au/corporat/charter/whofor.htm>

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CASA's responsibilities extend from making safety regulations to auditing compliance of the regulations. CASA also has authority to issue and withdraw certification of persons to operate within the air transport industry. This certification ranges across various sectors within the industry, such as, airworthiness for aircraft, air operator certificates for airline companies and licensing for aircraft maintenance engineers.

¹ Extract from CASA's website

This brief assessment of the Australian Government's approach to managing the safety of flight in Australia highlights the requirement for industry operators to contribute to safety within the industry.

Thankfully an opportunity now exists for all stakeholders in the Australian air transport industry to take an active part in enhancing the safety framework within which the industry operates.

NB: CASA provides the oversight service to all participants irrespectively.

Establishing and Maintaining Efficiency

The notion that a large mature well established Government business is the only option for the provision of an ARFFS is unsupportable where scope is provided for other companies to deliver comparable services.

Delta would strongly argue the case that restriction of market access is only required where no commercial alternative for service provision can be found. Such instances would include the provision of specialist services to a particular sector where cost recovery would be unlikely.

The schedule of ARFFS providers is located in Table 139.925 of Civil Aviation Safety Regulations 139.H which by its existence could be construed as a deliberate restriction of trade.

Government businesses such as Airservices are often developed in the absence of any commercial pressure and therefore evolve differently to their private counterparts; there is less emphasis on commercial efficiency and more emphasis on cost recovery with an agreed margin. This can have the effect on driving up costs as the margin on a higher cost base represents a greater financial return. These entities are simply unable to cope with genuine pressure from other more efficient private sector rivals. Normally these organisations have entrenched business practices that remain inflexible or impervious to the commercial needs of an ever changing world.

Airservices currently enjoys a monopoly, all asset purchases, as we understand it, are funded by treasury, Airservices does not pay interest on funds supplied by Treasury, nor does it pay income tax. Taxation is limited to GST and payroll tax.

This places Airservices in a significantly strong position, yet across a range of airports Delta can in fact provide a service at or below the current network price.

Legitimate Market Access

In the past, many government business activities were able to obtain certain advantages over their private sector rivals as a result of their public ownership.

These advantages included exemption from taxes, lower costs of finance due to government guarantees and exemption from regulations affecting private sector activity. Such advantages gave unfair advantage to government owned businesses and encouraged resources to flow to them regardless of their efficiency.

National Competition Policy (NCP) competitive neutrality principles aim to remove this unfair advantage. The principles also remove the impediment to efficient resource allocation that had arisen from the regulatory advantage of government owned businesses. They ensure these businesses face the same costs and commercial pressures that face their private sector competitors.²

Treasury's View, by Assistant Treasurer Chris Bowen MP

³But just as important as meeting the short term challenge of inflation and global turbulence so too the government's economic agenda is looking towards the future - is looking to meet the significant structural challenges that our nation faces.

- Δ Challenges that in some cases have been ignored for decades.*
- Δ The challenge of addressing Australia's flagging productivity growth*
- Δ The challenge of acute labor shortages.*
- Δ The challenge of infrastructure bottlenecks.*
- Δ The challenge of reducing red tape for business and revitalising the competition agenda.*
- Δ And the challenge of investing in Australia's future productivity to prepare for the day when the mining boom ends.*

In light of current economic circumstances we would suggest that the Assistant Treasurer is very accurate in this assessment, he went on to say the following;

"This is not about picking winners it is about creating a platform from which our industries can compete. We'll level the playing field and, then it's up to those industries to compete on their merits.

And enhancing competition and creating competitive markets are a fundamental pillar of the Rudd Government's economic agenda.

That's why we are concentrating on revitalising competition policy.

Competition policy has simply not received enough attention in Australia over the last ten years.

² Extract from National Competition Council Website

³ Extract from the CEDA Confence speech by Assistant Treasurer Chris Bowen MP

The Rudd Government signaled this focus upon entering Government by the appointment of the first Federal Minister for Competition Policy since Federation, and the first Consumer Affairs Minister since 1998.

The ALP has a strong legacy of pushing through important competition policy reforms – we introduced the Trade Practices Act in 1974, the revisions to the Act in 1986 and instigated National Competition Policy.

The Rudd government will build on this tradition.

*We have identified several areas in which further reform is necessary to enhance the welfare of Australians, **through the promotion of competition.***

Competition laws not only benefit consumers, they also benefit businesses doing the right thing.

Firstly, we are moving to strengthen section 46 of the TPA.

We will remove the judicially imposed requirement that recoupment needs to be proved when alleging predatory pricing and we will amend section 46 to clarify the definition of 'take advantage' for the courts in determining whether a corporation has taken advantage of its market power under the TPA.

We will remove the uncertainty that has arisen under the dual track process for alleging predatory pricing developed under the previous government.

The Government will also give small business a prominent and permanent representation on the ACCC by legislating to require that one of the deputy chair positions at the ACCC has a small business focus.

Together, these changes will substantially strengthen the operation of section 46 of the Act and again allow the ACCC and others to begin anti-competitive cases with some prospect of success, thereby cracking down on anti-competitive behaviour by powerful businesses."

The Green Paper seeks to reinstate a situation that does not fully reflect the stated Government Policy.

Delta poses the following questions in relation to this.

- Δ Is a government monopoly provider the safest and most efficient way to provide ARFFS?**

Significant development of the aviation industry has seen unparalleled and sustained growth over the last 10 years in particular. This has been facilitated by private sector involvement. Indeed the Hawke and Keating Governments set out major reform packages for Australian Industry including the Aviation sector, through privatising many previous government corporations, the foundations were laid for opening up infrastructure for private sector development and improvement through privatisation.

Privatisation is not an economic activity limited to Australian industry. Privatisation of public sector operations has been a trend around the World since the 1970s and is suggested to be the “most significant economic development of modern times”

(Pirie, 1994, cited in Humphreys et al, 2003). Humphreys et al note that, as of 2003, more than eighty (80) Nations have privatised airports within their respective countries.

Privatisation and deregulation of the air transport industry began in Australia as early as the late 1950s with the implementation of the Aerodrome Local Ownership Plan (ALOP) by the Commonwealth Government (Dee & Nguyen-Hong, 2002). The ALOP aimed to transfer ownership and funding responsibilities for local airports to the local community or operators.

A chronological summary of key privatisation and regulatory events, in Australian air transport history, leading on from the early days of the ALOP implementation are outlined in Table 1.

Year	Event Description
1988	Separation of airport management activities and services such as Air Traffic Control and navigation. Civil airport control was transferred to the Federal Airports Corporation (FAC) and the responsibility for safety regulation was assigned to the Civil Aviation Authority (CAA).
1988	Deregulation of the domestic air transport system, ie, approval for Qantas to carry passengers of other international carriers within domestic routes and commencement of domestic charter flights in competition with Ansett and Australian Airlines.
1989	Implementation of bilateral air service agreements which saw the end of economic protection of Qantas as the National Flag Carrier.
1990	Commonwealth removal of the two (2) airline policy in Australia.
1991	Sale of 100% of Australian Airlines and 49% of Qantas.
1992	Qantas acquires 100% of Australian Airlines.
1992	Creation of common user facilities at Sydney, Melbourne and Coolangatta airports after the collapse of Compass Airlines.
1992	Deregulation of the domestic airline market in Australia.
1995	Qantas completely privatised through a public float.
1995	The CAA was separated into an air traffic services provider, Airservices Australia (AA), and safety regulation was transferred to the Civil Aviation Safety Authority (CASA).
1997-2002	Privatisation of Australian airports under the <i>Airports Act 1996</i> .
1997-2001	Removal of pricing controls on privatised airports.
1998	Implementation of the <i>Civil Aviation Safety Regulations 1998 (CASR)</i> .
2006	CASR table 139.925 of eligible providers of ARFFS in Australia was amended to include Delta Fire Service at Townsville Airport.

Table 1: Summary of key privatisation and regulatory events
(Majority Source: Dee & Nguyen-Hong, 2002)

As Table 1 depicts, the trend in privatisation of air traffic services in Australia has been limited to the sale/lease of airports, sale of the National Flag Carrier and recognising the eligibility of alternate ARFFS providers. A major component of Australia's air transport industry, ie terminal services, is still under the control of the Government through organisations such as Airservices Australia and the Bureau of Meteorology.

The rationale behind the privatisation of airports and air traffic services is predominantly based on economics and not safety within the industry. ICAO has generally recommended that where efficiencies and improved economic performance can be realised, then it would be desirable to establish independent authorities to manage airports and air traffic services (Rao, 1999).

More generally in our daily lives we as consumers expect choice for goods and services facilitated by the diversity of needs. Industry responds and expands to encompass a number of suppliers vying for customers. Governments understand this need and in Australia promote healthy competition through various laws, but most importantly through the Trade Practices Act. As a consequence there will always be more than one supermarket chain, utilities provider, fuel supplier etc; provided the correct framework supporting aviation safety remains and the industry is regulated in a balanced sense it is unwise to close off the possibilities.

Further to this we should also consider the possible implications of privatisation in the air transport industry, the reasons for such action by a Government should be identified. Humphreys et al (2003) note the aims of privatisation would be to:

- ✧ improve efficiency;
- ✧ provide opportunity for private sector investment;
- ✧ expand the share ownership of the privatised operation;
- ✧ gain some form of political advantage;
- ✧ limit Government involvement in industry;
- ✧ limit the subsidisation by the public sector; and
- ✧ reduce the risk to and financial commitment of the public sector.

Consumer behaviors are influenced by choice over pricing, customer service, value for money and quality.

Importantly we do not suggest that Airservices be privatised; however we do suggest that alternate provision of ARFFS is not unrealistic or unsustainable. Furthermore it is warranted.

The key consideration is that any market entry is managed so the impact on industry meets the following objectives;

- ✦ The activity has the net effect of lowering cost basis for the incumbent provider therefore reducing upward cost pressures,
- ✦ Providing the opportunity for more efficient operations to enter the market at points where Airservices may for example lose money or fall below the target margin.
- ✦ Reduction of financial risk to the Government, via Government guarantees etc
- ✦ Reduction of investment by the Government in assets that can only be depreciated with no benefit to the Commonwealth
- ✦ Improved levels of service and value for industry
- ✦ Introduction of market forces that add balance
- ✦ Enhanced manageability of staff and HR related matters created in the presence of commercial pressure

There is a strong case also for a new provider to provide the ARFFS services across a range of ports which would enhance their economies of scale while reducing the cost impost on Airservices business. With the net benefit being the generation of sustained commercial pressure on the businesses.

Δ Should a forward looking economy simply support a government monopoly provider as the sole way to provide ARFFS?

The market is large enough to encourage alternate service provision, through a well managed process. The current position in relation to Airservices cross subsidy model costs sees no discernable cost saving.

The cross subsidies come from the impost of higher fees on airlines that use gateway airports, this over collection of revenue is then used to prop up costly regional services, where Airservices generally provide the service below their high cost base of operation.

Each of the points above should be considered in the context of looking for safety, efficiency and sustainability.

Δ Will preserving the monopoly of Airservices as an ARFFS provider really reduce prices or merely spread the inefficiency across a network?

There is no efficiency in shifting a \$110M cost from location specific to network pricing, it just means that the inefficient model utilised by Airservices is disguised and this market distortion reduces the efficiency of Australia as a nation.

During consultation a common point made by the airlines was that provided the service was as good and that it would lower their costs to a particular location; and that the flow on effect from an alternate provider does not increase the price elsewhere they are duty bound to consider it on its merits.

Delta will provide an alternate service that serves to reduce the costs, not safety. The savings to the industry will add up to many millions.

The current round of pricing proposed by Airservices Australia simply offers price increases over the next five years. This is on the back of a highly inefficient network pricing model. Delta by comparison on a location specific charge at Townsville offers a price reduction and a flattening of prices.

The current network pricing charge is inefficient. This is evident by Airservices Australia having to return in excess of \$25 million dollars to the industry due to the over recovery of costs. To put it another way the model is flawed and the price is too high.

Δ What incentives are there on the monopoly provider to introduce efficiencies?

Government can encourage more efficient practices but in reality the services delivered at the coal face will change little.

Change is something that humans tend to resist if they are comfortable, change is far more likely to be adopted when discomfort is present. Given the level of entrenched practices and a level of comfort brought about by a protected workforce the pace of improvement will be slow at best.

Put simply there needs to be a motivation for a change to more efficient service delivery.

Δ Will airlines support a move that can reduce their operating costs without reducing the safety and quality of the service provided?

Airlines are very pragmatic and consider the benefits carefully, but when there is a view that the airline will benefit from the change the choice is very simple.

Given the tremendous stimulus that occurred in the industry from the introduction of low costs carriers, the argument in the affirmative is demonstrable.

Δ Are there airports that would support an alternate provider to the monopoly provider on the basis of efficiencies?

Like the airlines their airport management has a very cautious and pragmatic view. Therefore the business case must meet the same criteria as the case to the airline customers.

- ✈ The business case must be sustainable
- ✈ There must be an emphasis on business continuity
- ✈ It must be safe
- ✈ And compliant with the regulatory framework

Through consultation we have identified eight (8) airports that would like to have the option of an alternative provider.

Of course due to the commercially sensitive nature of these discussions we will not name these ports. From these discussions it is quite apparent that there is enough support for the introduction of a second provider.

We have been made very much aware that both airports and airlines operate in an environment which by its nature is extremely sensitive to political influence.

Delta has until now maintained a low key approach and preferred not to highlight these matters in the lead up to certification, however given the forum and the Government consultation underway we welcome the opportunity place this on public record.

Indeed our aim has been to quietly work through compliance matters and through to full commercial operations, with the purpose of proving that even in a complex service delivery environment, pitted against many challenges not experienced by the monopoly provider, we demonstrate the ability of the private sector to deliver a fine example of well resourced safe and compliant ARFFS.

Δ Will it be safe?

Understandably when the regulations were being drafted they were done so that alternate providers may be possible. To this end the regulations are formed so that the level of prescription is such that all ARFFS providers would provide the same level of service.

The regulations are underpinned by a Manual Of Standards (MOS). The MOS is also very prescriptive but does allow for providers to provide more efficient and effective models.

An ARFFS provider has no impact on the safe navigation of aircraft. ARFFS are a mitigator for the industry when their safety management systems fail.

Yes the industry will still be safe as it is today regardless of the ARFFS provider.

Δ What reason would the Government have to prevent progress such as that detailed by Delta?

It is difficult to frame any tangible reason from a practical standpoint given the following;

- ✦ Clearly the safety and regulatory framework is effective in managing commercial operations through a broad cross section of Aviation sectors.
- ✦ Commercial viability can be assured through the assessments undertaken by the Regulator CASA in the lead up to certification.
- ✦ The benefit of overall cost reductions offered would serve to guide management by Government of alternate provision of ARFFS.
- ✦ A reduction in Airservices operating costs and stemming of losses would reduce its operating costs overall.
- ✦ The divergence of risk to the Commonwealth and Treasury
- ✦ A general compliance with Governments broader economic policy that fosters such activity.

There is probably one reason that serves to sway the argument, and that is not based on any economic rationale but leans to a more political viewpoint expressed by the Trade Union representing their membership, The United Fire Fighters Union of Australia, Aviation Branch. (UFU)

Their membership has been told in Newsletters published on their website, that deals have been done prior to the last election with the Labor party and their inference was that Delta will be blocked. They go on to say they are buoyed by their conversations with Government Officials.

We remain confident that this type of backward looking and at times frantic, emotive argument be put to bed by the considered rationale of our response.

Far from being emotional we have sought to be practical and realistic and draw some comfort from the words and policies of Government Leaders.

We too applaud the calm consideration and balance of Minister Albanese in allowing us to proceed with the procedures involved with our project in Townsville.

Delta's approach is very much in keeping with Labors policy stated prior to the last election and we will approach the market in such a way as to reduce costs to stakeholders including the monopoly provider and industry stakeholders.

We will not collapse any price model put forward by Airservices but will provide an opportunity for the first time to mitigate potential losses to the Commonwealth owned business.

Freedom to choose is what all Democracies encompass, and the encouragement of legitimate business activity that seeks to enhance national productivity should be welcomed. The removal of hype and the injection of the facts into the debate is facilitated by a Government keen on giving all participants the opportunity to be heard.

Recommendations

- **The Government remains consistent in its expectations for its own enterprises and that of the private sector.**
- **Follow the guidelines set down in National Competition Policy and apply a uniform approach to this sector.**
- **Allow the prospect of an alternate ARFFS provider to remain**
- **Encouragement of greater involvement between the Department of Infrastructure and Delta when managing applications**
- **Remain open to the possibility that we can drive safety through professional benchmarking between providers**
- **Keep the option to replace less efficient or loss making Airservices operations with alternate CASA compliant providers.**
- **Green field sites should be considered as opportunities to contest or subcontract the service to an alternative provider, which ever the most efficient**
- **Consider the introduction of a second network price model, by an alternate provider**
- **Reforming legislation so that airports not sold under the Airports Act may have the opportunity to provide their own ARFFS or seek an alternate provider**
- **The removal of the schedule of providers to provide greater access for alternate providers**

Conclusion

Our national economic future is underpinned by our ability to change and embrace the benefits that come from improved technology, processes and procedures. The advance toward our future should reflect the courage application and dedication of those individuals and organisations that are willing to invest their time and resources to improve or enhance businesses and consumer outcomes.

Our company is one such organisation that surely has a right to exist and develop without impediments of protectionism.

There is scope for more than one ARFFS provider who will provide a service in safety.

Interest groups and industry bodies must balance their own interests with that of the Nation more broadly. Protection of organisations that rely on networks to prop up their inefficient operations should face the same level of commercial reality as say the manufacturing sector does.

The Government position for supporting competition policy should be reflected to greatest degree possible within the new management framework.

Closer engagement between the Department and Delta would assist the Government in understanding we are by no means a threat to the network model but an enhancement to it.

Delta is an equal opportunity, forward looking organisation which seeks to bring a modern professional and disciplined alternative to the Government provider.

Will the Rudd Government listen to a practical, honest alternative, we believe so and we again take the opportunity to thank the Government and the Minister's decision to allow us to proceed in with a competitive bid in against Airservices Australia at Townsville Airport.

Sincerely,



Terry Godde
Managing Director
Delta Services Group Pty Ltd, trading as,
Delta Fire Service

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