

Submission on the Civil Aviation Bill

19th July 2019

Dear Sir or madam,

I write to you regarding the upcoming revision to the Civil Aviation Act 1990 and the Airport Authorities Act 1966.

In particular section 31 : Airways to be sole provider of certain airways services.

(1) Subject to the Civil Defence Emergency Management Act 2002, Airways Corporation of New Zealand Limited shall be the only person entitled to provide the following aviation services in New Zealand:

- (a) area control services:*
- (b) approach control services:*
- (c) flight information services.*

(2) Nothing in this section shall apply to aerodrome control services or aerodrome flight information services.

I would like to submit that you change this rule to remove the monopoly of Airways Corporation from providing approach control services. This would allow other service providers to offer approach control services to airports, as they currently can do for aerodrome control services.

Currently, only aerodrome control services are available to be contested by other service providers, and thus providing a more price competitive model and a customer focused choice for aerodrome operators. However, there are two main limitations with this which makes this practically unfeasible:

1. **Currently controlled aerodromes.** Approach services at many aerodromes are also provided by the same unit that provides aerodrome services (for example Invercargill, Gisborne, Nelson, Dunedin). In fact, 7 of the 17 controlled civilian aerodromes in New Zealand have approach services provided from the same unit providing aerodrome control services. This essentially removes the option for aerodromes to tender their services as Airways are the only air navigation service provider currently allowed to provide the approach services.
2. **Currently unattended aerodromes.** Smaller aerodromes that currently have no control services provided (for example Timaru, Kerikeri, Whakatane, Wanaka), also have no approach services provided. If an aerodrome operator elects to provide aerodrome control services, they are presently unable to provide the approach side, so an aircraft would travel from controlled, to uncontrolled, then back to controlled airspace again on both their arrival and departure. This would create confusion around the level of services and separation that pilots are receiving and negate any addition to safety added by the provision of aerodrome control.

Airspace deregulation has taken place in many countries around the world over the past 15 years, with the benefit that airport operators and airlines are being provided a more competitive and tailored solution. As some high-profile examples, both Gatwick and Edinburgh airports are operated by Air Navigation Solutions instead of the British government-owned NATS. In fact, there are approximately 60 ANSPs operating in the UK, across some 140 airports. In Sweden, Aviation Capacity Resources (ACR) now operate 15 of the civilian airfields that were previously operated by the government-owned Luftfartsverket (LFV), providing reported savings of 30-40%^{1, 3}. In Spain the deregulation has led to 13 airports being operated by operators other than the incumbent ENAIRE, resulting in savings to customers of around 46.7%¹. Since January 2019, the market for terminal air navigation services at

Swiss regional aerodromes has been partly liberalised, opening the market to other providers at regional aerodromes.

The Euro Control Single Sky Commission hearing on the preparation for RP3, from December 2016 stated “competition within ANS has a key role to play in reducing costs and improving cost efficiency”

There are further benefits for allowing other entities to provide aerodrome and approach services to other airports in New Zealand.

This would allow the opportunity to increase safety and services offered by providing control services at smaller aerodromes that do not currently meet threshold requirements set by the CAA to demand air traffic control services, and this is where I would expect to see the most change. Improved services, both for training and scheduled services, could allow aerodrome operators to attract more customers and grow their operations, and in turn assist in the regional growth.

Having more controlled airports would also assist in reduced green house emissions in the event of diverting aircraft. For example, if an aircraft cannot land at Christchurch airport it normally diverts to Wellington if not further. It could, as an example, become possible to divert to Timaru if controllers were able to offer a service compliant with the aircraft type.

The New Zealand Airline Pilots Association (NZALPA) have submitted on multiple occasions that “Civil Aviation Rule’s should require the provision of ATS at any aerodrome that is serviced by any scheduled Part 121 or 125 operations.”² That includes all aircraft that have 10 or more passengers, or 5700 kilogrammes or greater. These aircraft operate scheduled services in many airports across New Zealand that currently have no air traffic services whatsoever.

However, this should also extend to approach services, and having a combined aerodrome and approach service for these smaller aerodromes would create an economy of scale to allow these services to be operated. To do so separately and by two different providers would make the price prohibitive for such a small operator as economic efficiencies would not be able to be realised.

As recently as their April 2019 newsletter, the New Zealand Airports Association has called on more support for regional airports, and this small change would allow a huge change in the types of services that they can provide, at a more competitive price.

Cooperation between tower and approach is dynamic and occurs at a critical phase of flight. The control of the runway, and in turn the departure or arrival to or from the runway must be coordinated in the easiest manner possible. The easiest possible manner is where this person is the same, or they are sitting adjacent to each other, and indeed operate in the same entity.

Airways Corporation in their own submission on Air Traffic Services have stated: “A very close relationship between Approach and Aerodrome Control is essential for safe and efficient services between the two functions due to the fact that the interface is dynamic and dependant on many factors including weather and types of operations.”²

The New Zealand AIP, GEN 3.3 – 5 states:

3.2.1 ATC comprises:

(a)...

(b) approach control service, provided by:

(i) an Area Control Centre; or

(ii) a TWR when it is necessary or desirable to combine the functions of approach control service with those of the aerodrome control service.

In most small aerodrome operations, it is desirable to combine the functions for both the economic and coordination benefits.

Currently Airways does not provide aerodrome and/or approach control to a number of airports that operate scheduled instrument flight rules flights. Although aerodrome operators are presently free to contract their own aerodrome services, again, the lack of approach control contestability would negate any safety benefits.

Previously the capital costs of setting up of air traffic control services was a large barrier of entry. However new technologies are enabling these services to be set up and run at much reduced rates.

Airways have investigated reducing their services at some airfields in New Zealand. If, for example, Airways were to withdraw their services from Gisborne, Gisborne Airport would be able to independently provide aerodrome services, but not approach services, and so never recover the same level of service currently offered. This reduces the attractiveness of the airport to potential and current airlines, and would potentially be financially crippling for them.

Murray Bell, Airport Manager of Gisborne Airport manager stated in a submission on the provision of air traffic services at aerodromes: “We believe that the current monopoly ACNZ enjoys in respect of approach control services should be removed. The retention of this monopoly is certainly a barrier to the possibility of competing providers coming forward particularly in a location such as Gisborne where both aerodrome and approach are co-located.”²

Maurice Perry, former airport Manager of New Plymouth Airport stated in a similar submission: “We have long been of the opinion that aerodrome control alone is unsustainable as a competitive service. In terms of approach control, it is clear that without an aerodrome, there is no need for an approach and therefore bundling the two makes some sense. We support the proposal to remove the ACNZ statutory monopoly on approach control.”²

Radiola Aerospace have stated “to ensure a competitive price for these services is achieved, ...approach control services must also be made contestable.”²

ATCANZ submitted: “we strongly support... approach control can be combined with aerodrome control and be offered by a single provider at a particular location.”²

Opening the options for airport operators to seek the best solutions for them, would provide for safer travel within their local airspaces. It would allow some airports to grow, and help in the development of their regions. It also provides added levels of safety in the event of natural disasters by being able to handle higher levels of traffic with efficient and safe means.

The regional aerodrome network in New Zealand provides a vital air link for the country. They are major local assets that assist regions in connecting them with the rest of New Zealand. They are key assets in connecting communities, allowing access to business opportunities and education. They are also vital links when it comes to disaster recovery (as shown by the Kaikoura earthquakes) hospital flights, mail, freight, and of course tourism.

Allowing other entities to operate air traffic services is not the concern here as that is already allowed for in current legislation. It is already heavily regulated and controlled by the NZ CAA ensuring safety. By opening the opportunities for other service providers to provide approach services however, would not reduce safety as the same stringent and tough regulations as are already in place will have to be abided by.

Having more air traffic control opportunities around New Zealand will only assist in safety, and add to the opportunities at smaller aerodromes. It will allow them to offer a better level of service quality to customers, and potentially attract more and bigger customers.

Kind regards

Michael Graeme

1 – Liberalising Terminal Air Navigation Services, The ATM Policy Institute

2 – Submissions to the NZ CAA on the Provision of Air Traffic Services at Aerodromes

3 – ACR presentation 2018