



27th April 2012

The Honourable Anthony Albanese,
Minister for Infrastructure and Transport, Leader of the House,
PO Box 6022
CANBERRA ACT 2600

My Dear Minister,

**BUREAU OF METEOROLOGY – PRICE INCREASES FOR AVIATION
METEOROLOGICAL SERVICES**

The Bureau of Meteorology recently informed the aviation industry via its March 2012 Aviation Industry Finance Group Meeting that its Meteorological Services Charge (MSC) for aviation will be increased substantially in Financial Year 2012-13. For Regional Express, the increase is 11.7%, about four times the CPI.

We are aware that the Bureau must comply with the requirements of the International Civil Aviation Organisation Annex 3, and in doing so must hire additional staff to meet new requirements.

However the government appears to be using this as an opportunity to engage in cost shifting, by moving costs, which were previously the responsibility of the government, to the aviation industry, adding to the additional staff costs that the ICAO standards impose on the industry.

This imposition on aviation and in particular, regional aviation comes on top of the huge cost increases caused by the carbon tax, the withdrawal of the En-route Rebate Scheme, the increased share of CASA costs and the additional security screening costs, all scheduled by the government to occur from 1 July 2012.

The impact of these additional costs on regional carriers would be equivalent to imposing an additional tax of \$300 million on Qantas. Qantas would be plunged into losses and may not survive. If Qantas cannot withstand these imposts, imagine the impact on the financially weaker regional carriers.

It is indeed sad and disappointing to note that the Gillard Government prefers to provide direct car industry assistance of \$573 million to prop up the uncompetitive and inefficient automobile manufacturing sector that is wholly owned by foreign interests rather than spend less than \$10 million a year nurturing regional aviation that is the lifeline of regional and rural communities, providing an essential service to remote communities, throughout Australia.

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As the Minister in charge of Transport and Regional Development, we call on the Minister to urgently intervene to defer the major portion of the tax/costs increases so that the regional aviation industry would have time to digest this massive external shock.

Also we call on the Minister to bring the Bureau of Meteorology charges under a Part VIIA declaration so price increases have to be notified to the ACCC - similar to Australia Post charges for standard letters, Airservices Australia charges for various services and Sydney Airport for charges to regional airlines.

Yours sincerely,

Garry Filmer
Chief Operating Officer

