

## **OneSKY Statement (Estimates 26 Feb)**

As announced today, the final contracts for OneSKY were executed last week.

It marks a significant milestone in securing for the first time unification of civilian and military air traffic control under one system.

In line with our strategy to use advanced work orders in reducing the risk of the program prior to the commitment of the final contract, the system requirement review milestone was achieved in January.

This means that Airservices, Defence and Thales now have a common agreed understanding of system requirements and the program risks, allowing finalisation of the commercial and contractual arrangements.

The final contract value for acquisition is \$1.2 billion, \$300m less than where we were at earlier last year.

The final cost allocation ratio is 57% Airservices: 43% Defence, meaning the Airservices allocation is around \$690m. This is in line with Airservices original and ongoing investment planning parameters that have been publicly available.

To put this in perspective, the current civil system, The Advanced Australian Air Traffic System (TAAATS), cost \$376m in the early 1990s, in today's dollars (25 years on) this is approximately \$700m – very comparable to the more technologically advanced OneSKY investment.

Also with one unified system, both the Commonwealth, and Airservices' fee paying airline customers have avoided in the vicinity of an additional \$350m that would have been occurred if both Defence and Airservices pursued separate systems.

While it has taken time to get to this point, it was needed to ensure that the air traffic control system we will have in Australia will be the most advanced, the safest and most secure in the world.

It was also needed to ensure that we did the work now, prior to final contract signature, to reduce the risk of the roll out of the new system to ensure that it is safe, controlled and seamless for the aviation industry and the travelling public.