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27 September, 2001

Ms. Michelle Cross
Administrator – Airports Inquiry
Productivity Commission
LB2 Collins Street East
MELBOURNE VIC. 8003

Dear Ms. Cross,

DRAFT REPORT – INQUIRY INTO PRICE REGULATION OF AIRPORT SERVICES

The Secretariat of the Australian Airports Association has read with interest the contents of the above subject report and noted the various recommendations contained therein. In our view the Draft Report more generally represents a realistic assessment of past relationships within the Australian aviation industry. The recommendations seem a fair and balanced approach to any future regulatory regime, whilst retaining a high level of 'commercial relationship commonsense'.

However, in terms of the Airports' perceived monopolistic marketplace dominance and given the impact of the Ansett Australia Group demise, it is now likely that the Commission may wish to reconsider some of its findings and recommendations. This particular question is asked on the basis of the tens of millions of dollars now owed by Ansett to airports throughout Australia. The Association has encouraged all of the 'privatised airports' to make their own further submissions on the contents of, and recommendations contained in, the Draft Report, with particular emphasis on their own local circumstances.

In support of the attached registration form for attendance at the next round of public hearings, I advise that Mr. Bill Forrest and I have a preference for one of the days set aside for Melbourne.

In the meantime, on behalf of the Association's membership, I thank you and the Commissioners for the opportunity to participate in this important Inquiry.

Yours sincerely,

Ken Keech
Chief Executive

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