

THE ECONOMIC REGULATION OF AIRPORTS

- The Commission is making an enquiry.
- I do not know what group or groups have or will make a submission or submissions on behalf of the public, but I do hope some will.
- My submission is a simple one dealing with a couple of points arising from my observations over the years – I was involved in promoting the privatisation of the airports in the 1990s. I am now not sure this whole exercise has served the public interest as well as might have been hoped.
- Here are my two points:

1. This submission was prompted by publicity as to a submission from airport operators suggesting you should recommend less regulation in relation to parking charges because, in part, of compliance costs and paperwork.

It is my submission that there should be no reduction in the overview and regulation of parking charges at airports.

- (i) This is a monopoly situation and there is no competition to keep parking charges reasonable.
- (ii) Parking charges are very high now – 32 minutes at Perth Airport two days ago simply to pick up my wife from a flight cost me \$13.47. That is, in my opinion, excessive.
- (iii) The suggested concession of a longer period free in the long term car-park, as promoted by Perth Airport, is as they must well know, impractical and unrealistic when short stays are needed for pick up or drop off only.

A monopoly parking operator cannot be relied upon to keep charges reasonable and fair without oversight by regulators. It flies in the face of human nature.

2. Overall regulation of private airports which have a dominant, effectively monopoly, position should be increased, not diminished.

- (i) It has always amazed me that the federal government did not impose more requirements than clearly were imposed as a condition of private ownership and as a result the public interest has not been well served.
- (ii) The owners of Perth Airport appear to have made many tens if not hundreds of millions of dollars profit from the sale of industrial and commercial land at the airport ***but manifestly failed to invest in a timely and adequate manner to keep pace with the needs of***

growth. Despite much publicity when something is done at the airport it is always years behind need and it is not an excuse that there is a lack of capital to do it as clearly a great deal of money was available from the sale of industrial/commercial land.

- (iii) Unfortunately the lack of action by the owners of Perth Airport has never been called out by local media. The airport owners have always been very good indeed with their lobbying and PR. At one stage there was some small amount of political protest but it soon fell away.
- (iv) With the exception of the Virgin terminal at Perth Airport it could hardly be suggested that the airport is at world or international standard. **As a major gateway to Australia it really is not good enough.**
- (v) Sydney Airport was run ruthlessly for profit and without regard to the obligation to serve the public, two examples being,
 - A. At the International Terminal it was not permitted to pick up people kerbside at all when last I was there (I am not necessarily up to date on this one) – **this ensures public inconvenience, is especially harsh for the less able (as distinct from the disabled) and is a blatant move to enhance parking profits. It is a disgrace.**
 - B. At the domestic terminal pick up of passengers without parking is made difficult by a special site being located far away requiring a long walk – again, **this ensures public inconvenience, is especially harsh for the less able (as distinct from the disabled) and is a blatant move to enhance parking profits. It is a disgrace.**
- (vi) It is high time airport operators were made to understand that as the providers of a public service they have a service obligation which includes reasonable and fair service to the public, and that if it isn't provided their licence to operate will be lost.