



Capiteq Limited  
ABN 24 008 137 559  
PO Box 39548  
Winnellie NT 0821  
Phone: +61 (8) 8920 4000  
Fax: +61 (8) 8920 4099

**[airnorth.com.au](http://airnorth.com.au)**

2<sup>nd</sup> September 2006

Price Regulation of Airport Services Inquiry  
Productivity Commission  
PO Box 80  
Belconnen ACT 2616  
C/- email: [airportpricing@pc.gov.au](mailto:airportpricing@pc.gov.au)

Dear Sir / Madam,

**RE: Submission to the Productivity Commission Review  
– Price Regulation of Airport services.**

Please find attached recent correspondence from Airnorth to Broome Airport Services after receipt of their letter to me dated 16<sup>th</sup> August, 2006.

If I can be of any assistance to you during this Review, either in my capacity as CEO of Airnorth or as Chairman of the Regional Aviation Association of Australia, please don't hesitate to ask.

Thank you once again for the opportunity and we wish you well in your deliberations.

Yours sincerely,

Michael Bridge  
**CHIEF EXECUTIVE**



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2<sup>nd</sup> September, 2006.

Mr. Kim Maisey  
Chief Executive Officer  
Broome Airport Services  
53 Wheatley Street  
GOSNELLS WA 6110.

Kim,

**RE: Productivity Commission Review**

Thank you for your correspondence dated 16<sup>th</sup> August. Let me just say that I'm surprised by the fact that you are surprised by my comments and I'm amazed that you actually want to open up this Pandora's Box.

I will leave it to the Productivity Commission to determine whether the actions of BIA and other Airports around Australia require legislation to control monopolistic attitudes and actions by various Airports but I will make just a couple of broad comments.

Your response to the Productivity Commission is exactly the problem. BIA are the ones deciding what's best for the airlines coming into Broome and not allowing each of those airlines to make their own commercial decisions as how they wish to manage their businesses on the ground at Broome. It is possibly true what you say, now, about the efficiency of BIA, now that passenger numbers have grown so significantly. But this was certainly not the case when we first starting servicing Broome in our own right post Ansett's collapse where your Ground Handling Charges were nearly double most other ports, including those where we had our own staff. *Don't you think it should be the airline's decision as to who does their check-in?* BIA have allowed no competition in regard to any of it's services so how do you even determine that you are efficient seeing the market is not allowed to be tested.

Another simple example is BIA's decision to exclude Shell Aviation from Broome Airport. This decision has cost Airnorth alone more than \$90K per annum with not being able to source fuel from our preferred supplier. And it's not a case of sharing facilities and/or greater efficiency, Shell aren't even allowed to base themselves at their 'off-airport' Broome Fuel Terminal and to drive a truck onto your airport to refuel our aircraft. Instead, BIA takes a significant cut from the refuelling process and Airnorth (and every other airline operating into Broome) as well as our passengers have to pay that little bit more for the privilege of visiting Broome.

You will note that the RAAA haven't made any specific reference to BIA's charges (Head Taxes and Landing Fees) as frankly, you are simply doing what every other business would do that finds itself in a position of having monopolistic power. I'd do the same if I had the opportunity. **BUT**, that doesn't make it acceptable and that's what the Productivity Commission will end up deciding upon. Is that an acceptable outcome which the Government of the day has allowed to develop through its various privatised airports policies? And, as we all know, BIA are far from being the worst at gouging the industry and frankly, BIA do provide a very good level of service to our airline and its passengers.

As for communicating with you, I basically gave up after not receiving any written or verbal response from my correspondence dated 24<sup>th</sup> February, 2003 which pleaded with you to please spare enough time to reply to my letters of 19<sup>th</sup> April 2002 and 15<sup>th</sup> July 2002. I decided it was better to just let my staff deal with your staff as, to me it was obvious that you were not interested in working with me or through any of the issues that I raised in those pieces of correspondence.

As always, I'm only too happy to meet in the future to work through each of these issues if you feel that we can again enjoy a good working relationship. I believe I am currently scheduled into Broome around 6<sup>th</sup> November when Qantas come up to do their Annual Presentation of next year's schedules to the business in Broome.

I would have preferred to keep this out of the public domain but find I have little alternative other than to also copy this to the Productivity Commission in response to your submission dated 15<sup>th</sup> August, 2006.

Yours sincerely,



Michael Bridge  
CHIEF EXECUTIVE

RECEIVED 21 AUG 2006



CONFIRMATION  
OF FAX

16 August, 2006

*Via Facsimile: (08) 8920 4099 – 3 Pages*

Airnorth Regional  
PO Box 39548  
WINNELLIE NT 0821

**Attention: Mr Michael Bridge - CEO**

Dear Michael,

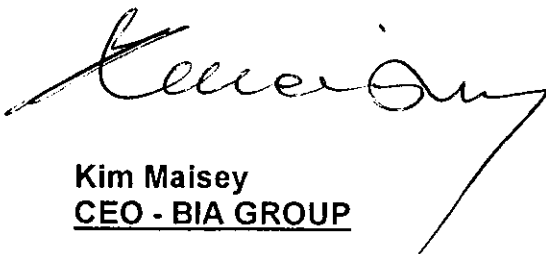
**Re: Submission to the Productivity Commission Review  
- Price Regulation of Airport services**

We were surprised to read the comments made by the RAAA in their submission dated 20<sup>th</sup> July to the Productivity Commission.

Moreover we were extremely disappointed that you saw fit to specifically endorse these comments in your submission of 14<sup>th</sup> July, without making any approach to BIA to discuss the matter or at the least to ascertain the facts of the situation.

We have been compelled to comment on these gratuitous remarks made by the RAAA to the Commission, and have attached a copy of our submission to you as a courtesy.

Yours sincerely,



**Kim Maisey**  
**CEO - BIA GROUP**

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