

**AUSTRALIAN AIRPORTS ASSOCIATION**  
THE ONE VOICE FOR ALL AUSTRALIAN AIRPORTS

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Productivity Commission  
PO Box 80  
BELCONNEN ACT 2616

Dear Sirs,

**REVIEW OF PRICE REGULATION OF AIRPORT SERVICES INQUIRY**

*We have read with interest the Commission's draft report on the above subject Inquiry. It is the view of the Australian Airports Association that in a more general sense, it represents a balanced response to both the Government's, and industry's concerns, and expectations. It also identifies some high level principles and administrative guidance as to the way forward, which should ultimately benefit the Australian travelling public. However, as so often is the case with similar such Inquiries, the attaching degree of detail and interpretation of the high level principles will need to be closely monitored.*

*That being said, no doubt some individual airports will wish to comment further, giving due regard to their own particular location and circumstances. We will leave it to those airports to convey their own concerns as appropriate, direct to the Commission. For your background information, I am aware that issues such as the necessity to maintain any monitoring whatsoever for airports under the 5 million passengers per year threshold; indexation; interpretations of aeronautical productivity gains; Direction 27 and its future impact; the continued 'tinkering' of the established definitions of the 'dual till', and that returns from non-aeronautical services should not be reported are but a few of the matters likely to be raised by the affected airports for the future consideration of the Commission.*

*The Australian Airports Association has experienced difficulty in reconciling some of the vastly different views in the submissions made by BARA and IATA, particularly, as the membership of both organisations comprises the same airlines flying to and from Australia. Was there any identifiable weighting attached to either submission, and if so, on what basis?*

*Furthermore, there is one particular issue which we would like to bring to the attention of the Commission because we believe that in anticipation of 'due process' some of the subject airports may well have been inadvertently treated unfairly. Some of the commentary in the draft report was made on the basis of confidential information provided by the airlines to the Commission in their submissions. Please note, we have no argument whatsoever with the Commission protecting the integrity of such confidential information.*

*We do have an argument about the Commission taking that information at face value, incorporating it into a public document and insodoing not giving the affected airports the opportunity to provide further comment to the Commission. As a result, some of the commentary about some of the airports is simply not factual. It behoves the Commission to ensure (perhaps in the first instance by actually going through a substantiation and verification process) that such information provided by the airlines on the basis of, and under the protection of, confidentiality, is not another method of 'gaming'. We anticipate that those affected airports will bring this matter to the attention of the Commission in their subsequent submissions, and as invited, during any public hearings.*

*The immediate aforementioned aside, the earlier comments on the contents of the draft report still stand and as a result, we do not think it now neither necessary nor appropriate to take up the Commission's valuable time to present at any of the public hearings, unless of course the Commission requires clarification of any of the matters raised in our submission, and accordingly would appreciate our attendance. / await your further advice in due course on this matter.*

*We thank the Productivity Commission for the opportunity to submit comment to the Inquiry and contribute to the stakeholder consultative process.*

*Yours faithfully,*

*Ken Keech*

*Chief Executive*