

PRODUCTIVITY DRAFT REPORT August 2011
Economic Regulation of Airport Service

Information Request	Our action																																																	
<p>The Commission seeks participants' views on the appropriateness of including capital costs, such as the cost of borrowing, in the ACCC's price monitoring program. Are there reliable measures that can be collected with relatively low compliance costs? If so, which is the best measure?</p>	<p>Borrowing Costs are detailed in the lodged ASIC accounts.</p>																																																	
<p>The Commission seeks more information on the nature of the off-airport parking market, particularly in Perth and Adelaide.</p>	<p>Adelaide Airport Ltd (AAL) provides both short and long term parking on site and the fees are publicly displayed and also presented on the AAL web site with direct link from the home page www.adelaideairport.com.au</p> <p>A small percentage of drivers choose to use secure parking in an off airport warehouse and be transported by the supplier to and from the airport terminal, others adopt the phone waiting system whereby they park in nearby streets and await a phone call to do a pick – AAL does not charge for pick up and drop off at the terminal.</p> <p>Other off airport public car parking is located in the CBD or major shopping precincts approx 6 km from the airport.</p> <table border="1" data-bbox="821 816 1938 1122"> <thead> <tr> <th></th> <th>1 Hour</th> <th>2 Hours</th> <th>One day</th> <th>Two days</th> <th>Seven Days</th> <th>1 Day Early Bird</th> </tr> </thead> <tbody> <tr> <td>Airport Security Parking.</td> <td>NA</td> <td>NA</td> <td>Min 2 Days</td> <td>\$39</td> <td>\$109</td> <td></td> </tr> <tr> <td>Central Market U Park</td> <td>2.20</td> <td>3.60</td> <td>26.5</td> <td>NA</td> <td>NA</td> <td></td> </tr> <tr> <td>Gawler Place U Park</td> <td>4.00</td> <td>8.00</td> <td>28.00</td> <td>NA</td> <td>NA</td> <td>12.50</td> </tr> <tr> <td>Flinders Medical</td> <td>4.00</td> <td>6.00</td> <td>12.00</td> <td>NA</td> <td>NA</td> <td></td> </tr> <tr> <td>Hindley Street</td> <td>8.00</td> <td>16.00</td> <td>28.00</td> <td></td> <td></td> <td>Weekend cheaper rates</td> </tr> <tr> <td>Centrepoint</td> <td>4.00</td> <td>8.00</td> <td>28.00</td> <td></td> <td></td> <td>weekend rates cheaper</td> </tr> </tbody> </table>		1 Hour	2 Hours	One day	Two days	Seven Days	1 Day Early Bird	Airport Security Parking.	NA	NA	Min 2 Days	\$39	\$109		Central Market U Park	2.20	3.60	26.5	NA	NA		Gawler Place U Park	4.00	8.00	28.00	NA	NA	12.50	Flinders Medical	4.00	6.00	12.00	NA	NA		Hindley Street	8.00	16.00	28.00			Weekend cheaper rates	Centrepoint	4.00	8.00	28.00			weekend rates cheaper
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<p>The Commission seeks comment on whether the ACCC should be responsible for both issuing show cause directions and conducting any subsequent Part VIIA inquiry.</p>	<p>Support the AAA subsequent response</p>																																																	
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<p>assets are being deployed efficiently prior to new investment and processes to facilitate effective service level agreements – should be:</p> <ul style="list-style-type: none"> · devised by the Productivity Commission and incorporated into the Pricing Principles or · encapsulated within a new voluntary industry code – a committee comprising representatives from the Australian Airport Association, the Board of Airline Representatives of Australia, the Regional Aviation Association of Australia, Qantas, and Virgin Australia (and possibly with guidance from the Australian Competition and Consumer Commission) could be tasked with this. 	
<p>The Commission is seeking information on whether there are additional readily accessible financial or other data that would assist the Australian Competition and Consumer Commission to determine if a ‘show cause’ direction was warranted.</p>	<p>Refer to above</p>
<p>The Commission seeks participants’ view on the potential means to standardise passenger survey methodology, such as the use of ACI Airports Service Quality information, without incurring substantial increases in compliance costs.</p>	<p>Adelaide Airport is already a client of the ACI Quality of Service regime and fully supports this concept.</p>
<p>The Commission invites participants’ view on its proposals in relation to airline surveys and service level agreements. In particular, would annual publication of the coverage of, and performance under, service level agreements improve regulatory outcomes?</p>	<p>AAL supports the AAA subsequent response</p>
<p>The Commission is seeking views about the adequacy of communication between airports and the tiers of governments in relation to the provision of information such as estimated traffic volumes, travel time projections and other key performance indicators relevant to current and future efficiency of access to airports.</p>	<p>AAL is of the view that the revised Master Plan and Major Development Plan requirements for Ground Transport studies to be conducted and in consultation with all tiers of Government will provide adequacy in identifying future efficiencies in airport access and egress</p>
<p>The Commission seeks views on whether an airport should contribute to the cost of infrastructure outside its</p>	<p>Adelaide Airport is of the view that it already contributes significantly to State/Territory infrastructure by providing maintaining and operating the airport.</p>

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<p>boundary as a result of future on-airport non-aeronautical development.</p> <p>If funding is viewed as necessary, the Commission also requests information regarding:</p> <ul style="list-style-type: none"> · the basis for funding such infrastructure including the benefits · the form of funding (such as upfront financial contributions, rate payments or land transfers) · the method of calculating contributions and how the contributions would relate to existing developer charges levied by local governments · how such funding would align with the conditions under which airport leases were granted. 	<p>In so doing:-</p> <ul style="list-style-type: none"> – the State does not have to contribute to the major aviation transport infrastructure – nor the provision of essential services – roads, power, water sewer and communication infrastructure within the airport. <p>When the leases were granted the majority of the airfield was un-serviced and which subsequently, the current operator has had to supply.</p> <p>Adelaide Airport also has its own postcode and is a suburb in its own right with the Airport Management undertaking similar roles as a Council facilitating rubbish removal, street cleaning and maintenance, street lighting etc at no impost or demand to the external State or Council agencies whilst paying the ex gratia equivalent of Council rates.</p>
<p>The Commission seeks information on the potential costs and benefits of extending the Pricing Principles to regional airports. How might the principles be applied, and is the problem of sufficient magnitude to warrant any potential enforcement mechanisms?</p>	<p>AAL Supports the AAA subsequent response</p>
<p>The Commission requests additional information on whether an airport’s ability to earn non-aeronautical revenue provides an incentive to constrain aeronautical charges, and if so, to what extent this currently occurs.</p>	<p>AAL offers growth incentive rebates to Airlines to encourage growth.</p>