

6th October 2011

Airport Regulation Inquiry
Productivity Commission
P O Box 1428
Canberra City ACT 2601

Synopsis of intended Submission at public hearing 7th October 2011

Disclosure of interests

Firstly I want to advise the Commission that my wife Audrey is a unit holder in MAP Airports which controls Sydney Airport and a shareholder in AMP which I believe has a controlling interest in Melbourne Airport. I am a unit holder in the Australian Infrastructure Fund which controls Citylink; the operator of The Melbourne Tullamarine Freeway. I do not believe that these holdings create a conflict of interest or influence what I have said in my first submission or will discuss in this one.

Reasons prompting my submissions

On Friday August 13 2010 an article appeared outlining a Mr. Mc Laughlin's efforts to use his farm land for a parking area adjacent to Melbourne Airport. I made some enquiry's and it appeared that the land would have been eminently suitable for a car park ; In fact too suitable for the likes of the Melbourne Airport authorities and had to be stopped from developing this carpark using any means conscionable or otherwise . I subsequently discussed the matter with Mr Mc Laughlin and Eric Wilson and my worst fears were correct ,Mr Mc Laughlin had been "duded" by APAM and their "co conspirators". Mr Wilson's submission adequately deals with the total miscarriage of justice by various authorities. It is a lesson for individuals without the resources to spend on high priced legal advocates. As much as I wished to become involved I did not have the resources to do so . I will however refer again to this later in this submission.

Secondly through my friends and acquaintances who used the parking facilities there was not one who did not believe that the charges were excessive and sustainable only because of the monopoly Melbourne Airport Authority had. My experience was the same.

Thirdly I also read in the Age comments by the ACCC . The ACCC monitoring report expressed serious concern about the self interest actions of the APAM to enhance their profits by using its market powers.

And finally the efforts by APAM to remove any free parking area and apparently inducing Vic Roads to erect barriers to stop parking well off the shoulder of the Feeder Rd from the Freeway to the airport.

In my first submission I tried to show how I believe that APAM have used various measures to force waiting drivers to use expensive shortterm parking, ie the erection of "No Parking" signs in areas some distance away from the terminal, the probable use of undue influence on having Vicroads close off a considerable portion of the verge areas abounding the feeder road to the Airport and finally the unconscionable and unjust way it opposed Mr MC Laughlin developing and using his land for carparking for airline passengers.

I believe the grounds for such actions can be seriously questioned and should have been investigated by the monitoring authority.

At the Sydney Airport there were no signs saying where the city shuttle bus picked up travellers and one had to ask a staff member or car hire staff. In discussing this with the shuttle bus operators, they suggested this was to make using the shuttle bus difficult and turn passengers to other transport methods thus reducing competition.

However the main issue I want to deal with today is the cost of Airport parking and what is it that enables APAM to charge such seemingly outrageous fees for the short term and long term parking on the airport.

Before doing so however I want to again refer to the Mc Laughlin case as it is an indication of how a large corporation with influence in the right places can do great injustices to individuals.

I believe that the Mc Laughlin case is one of the most disgraceful I am aware of: Procrastination unjustified requirements and the situation of generating high legal costs. It shows how wealthy large organizations can by using highly costly legal resources and advocates get what they want irrespective of the morality of their actions. Courts are not necessarily Courts of Justice but often Courts of decision where the views of expensive advocates are given more weight than those obtainable by an individual. My research indicates that this probably happened in the GMC Laughlin case. I came across similar situations when Ombudsman and Director of Consumer

Affairs, where unconscionable and unjust ways were used as in the Mc Laughlin case.

The Parking charges are such that the ACCC were sufficiently concerned to raise the issue in their monitoring report and over the years many air passengers have adversely commented on these charges. I believe that APAM can only sustain these charges by the use of their monopoly or marketing powers.

The ACCC reports that the revenue from car parking was 109.3 million dollars but its expenses were only 23 million. This I suggest is an unjustifiable profit and is clearly unfairly taking advantage of its distant location and unchallengeable powers to regulate its activities. In the terms of the ACCC report the view is expressed *These factors (referring to matters expressed in their monitoring report) point to Melbourne Airport earning monopoly profits from its car parking operations*

The setting of high charges by Melbourne Airport allows "Off Airport" parking businesses to charge higher prices as their clients' choices will often depend on the margin between both and the convenience of each. But I am not suggesting it is an argument to justify keeping Airport charges high, to assist the profits of the "Off Airfield" parkers.

As I mentioned in my first submission there is a big difference in the parking needs of drivers dropping off passengers and drivers collecting passengers. With the former the dropping off time is known and an earlier drop off is no problem. However, the collection time at the curb can only be guessed and can vary by up to two hours.

If both the waiting driver and the passenger to be collected have mobiles the driver can park away from expensive parking sites until the passenger has reached the kerbside pick up point. If they do not have mobiles the driver has to park and then walk to the arrival kerbside and wait for his passengers. There has been waits of up to two hours for his passenger to reach the kerbside. I again believe that there is an unfairness in a driver without a mobile having to pay parking fees for some or all of this period.

I welcomed the news that the Productivity Commission would become involved and the draft report shows that a lot of effort and thought has gone into producing the Draft report. My concern is that I believe that the report, while giving a lot of statistics does not fully in sufficient depth adequately deals with the arguments against the alleged high charges.

I have done a little research of some parking fees which I believe reflects similar situations to what I believe Melbourne Airport should be and I attach and attach a table of these charges. In the main they show hour parking for short periods are not excessive. I accept that in the BCD some parking charges are very much higher largely because of site cost.

I know want to deal with the question of regulatory powers and the so called Light Touch concept. I mention this because the term *Light Touch* conjures up the concept of a low level involvement and the acceptance of the way things are going, rather than ensuring that the way things are going, is the way they should be going.

The ACCC reports makes a number of references to the ACCC powers Some of these are

1 -- The ACCC monitoring role does not extend to setting Airport Parking charges.

2 A comprehensive evaluation of the Airports performance, which is beyond the scope of a monitoring exercise, would be required to make more definitive findings on whether or not the Airports are using their market power to charge excessive prices for car parking.

3- a repeat of market power " These factors point to Melbourne Airport earning monopoly profits from its car parking operations *These factors are mentioned throughout the report.*

These comments and those of Qantas that the light touch is not working strongly argue in favour of a change back to more effective regulatory monitoring.

If the ACCC is to be given the role of greater involvement, it must have the powers to probe, question, demand documents and access to all relevant material. Without these powers it could be difficult to know the facts and reach a balanced and reasonable decision. The Australian Airports management's could be likened to Government departments, and I would expect them to have developed sophisticated methods to cloud over issues and not hesitating to seek the views of compliant Counsel and experts to twist the facts. The regulatory Agency would then strike the problems I had as Ombudsman I in getting the 'actual' facts.

A couple of examples are , A department seeking help to get out of an indefensible action. *The Ombudsman has got us over a barrel how do we get out of it?*

Legal officer advising a department" *I suggest that some folios be removed from the file before the Ombudsman calls for it.*

Legal opinions are not always reliable . I have many investigations temporarily thwarted by a legal opinion and a departments view that a Barrister's opinion is always incontrovertible .

In mentioning these , what I am trying to get across is that if a Regulatory Agency does not have the energy and will to fully investigate it will be little better than the "*Light Touch approach*".

My suggestions are :-

1. That a detailed "forensic accounts investigation " be carried out to determine exactly what the expenses of providing the car parks are, and the revenue collected .

2 An area be set aside for cars and drivers waiting to pick up passengers and perhaps a purely nominal fee be charged .

3 That enforceable regulatory control be given to ACCC to investigate and consider any measures which affect passengers arriving or departing Melbourne by private cars by buses including commercial or chartered buses and shuttle buses to off airfield parking companies.

4 With the predicted increase in air passengers there needs to be urgent consideration as to how the numbers can be handled as it is obvious that the present landside facilities will not cope. and any proposals usually take a few years. I mention this as such should involve any regulatory Agency.

Norman Geschke

COMPARISON OF SOME PARKING CHARGES IN EVERY DAY SITUATIONS

Ballaarat Care Park

Only Multi storey Car Park

First 2 hours	Free
2-3 hours	\$3
3-4 hours	\$4
5-6 hours	\$5

MELBOURNE

7AM to 6PM Services

Ace Airport Parking	\$15*
Secure Parking South Yarra	\$10
Wilson Parking South Yarra	\$10#

Andrews Airport Car Park

1 Day	\$30
7 Days	\$72
14 Days	\$113

Geelong all Multi storey

Council Car Park

6.30 AM to 6.30 PM
\$1.70 per hour

Westfield

1 hour	\$1
2 hrs	\$2
- 3 hrs	\$4
4-5 hrs	\$12
5-6 hrs	\$18
6-7	\$24
7 +	\$30

* Based on first day rate

based on arriving before and departing after 3 PM as would probably be the circumstances with one day business using Melbourne Airport. for interstate

Market Square

2 hrs	\$1
2-3	\$2
4-5 hrs	\$6
5-6 hrs	\$9