1. Price monitoring and financial reporting appendix

1.1. Airport regulatory accounts

Adelaide airport

Table 1.1.1 Statement of financial performance for the year ended 30 June 2007

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Revenue			
Aeronautical revenue	69 398	69 398	
Aeronautical-related revenue	11 901		11 901
Other non-aeronautical revenue	36 890		36 890
Fair value adjustment	5 334		5 334
Total revenue	*123 523*	*69 398*	*54 125*
Expenditure			
Salaries and wages	9 476	5 229	4 247
Depreciation	16 002	12 820	3 182
Amortisation of intangibles	0	0	0
Amortisation of prepaid operating lease	1 378	1 378	0
Services and utilities	22 651	13 564	9 087
Consultants and advisers	3 412	1 516	1 896
General administration	4 991	2 899	2 092
Leasing and property maintenance	3 197	2 122	1 075
Security costs	0	0	0
Total expenditure	*61 107*	*39 528*	*21 579*
Operating profit/(loss)	62 416	29 870	32 546
Abnormal items (loss on disposal of assets)	(139)	(136)	(3)
Earnings before interest and tax (EBIT)	**62 555**	**30 006**	**32 549**
Interest	79 303	49 802	29 501
Earnings before tax (EBT)	**(16 748)**	**(19 796)**	**3 048**
Tax charge	(2 147)		
Profit/(loss) after tax	**(14 601)**		
Dividends paid	26 550		
Retained earnings	**(41 151)**		

Table 1.1.2 Statement of financial performance for the year ended 30 June 2006 (restated under AIFRS)

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Revenue			
Aeronautical revenue	46 243	46 243	
Aeronautical-related revenue	9 354		9 354
Other non-aeronautical revenue	35 055		35 055
Fair value adjustment	(3 049)	(2 017)	(1 032)
Total revenue	*87 603*	*44 226*	*43 377*
Expenditure			
Salaries and wages	8 131	4 863	3 268
Depreciation	13 590	11 421	2 169
Amortisation of intangibles	76		76
Amortisation of prepaid operating lease	1 365	1 365	
Services and utilities	17 100	9 882	7 218
Consultants and advisors	2 013	945	1 068
General administration	6 952	2 955	3 997
Leasing and property maintenance	1 845	1 122	723
Security costs	1 049	1 049	
Total expenditure	*52 121*	*33 602*	*18 519*
Operating profit/(loss)	35 482	10 624	24 858
Abnormal items (loss on disposal of assets)	137	54	83
Earnings before interest and tax (EBIT)	**35 345**	**10 570**	**24 775**
Interest	53 455	30 117	23 338
Earnings before tax (EBT)	**(18 110)**	**(19 547)**	**1 437**
Tax charge	(2 749)		
Profit/(loss) after tax	**(15 361)**		
Dividends paid	0		
Retained earnings	**(15 361)**		

Table 1.1.3 Statement of financial position for the year ended 30 June 2007

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Current assets			
Cash	25 024		
Receivables	8 440	6 501	1 939
Inventories			
Accrued revenue	2 706	1 176	1 530
Other	1 586	1 182	404
Total current assets	*37 756*	*8 859*	*3 873*
Non-current assets			
Receivables	15 963	10 865	5 098
Investments	166 435	0	166 435
Property, plant and equipment	310 147	253 524	56 623
Intangibles	179 410	179 410	0
Prepayment/prepaid rent	122 764	122 764	0
Other	3 581	2 249	1 332
Total non-current assets	*798 300*	*568 812*	*229 488*
Total assets	**836 056**	**577 671**	**233 361**
Current liabilities			
Creditors	14 316		
Borrowings	504		
Derivative financial instruments	24		
Provisions			
Current tax liabilities	4 149		
Other	362		
Total current liabilities	*19 355*		
Non-current liabilities			
Borrowings	728 543		
Deferred tax liabilities	75 957		
Derivative financial instruments			
Other	3 102		
Provisions			
Total non-current liabilities	*804 602*		
Total liabilities	**823 957**		
Net assets	**12 099**		
Shareholder equity			
Share capital	1 905		
Reserves	2 490		
Accumulated profits/(losses)	7 704		
Total shareholder equity	**12 099**		
Accumulated profit/(loss) at start of year	**48 855**		
Movements:			
Profit/(loss) for the year	(14 601)		
Other (Dividends paid)	(26 550)		
Accumulated profit/(loss) at end of year	**7 704**		

Table 1.1.4 Statement of financial position for the year ended 30 June 2006 (re-stated under AIFRS)

Description	Audited financial statements	Aeronautical services	Non-aeronautical services
	$'000	$'000	$'000
Current assets			
Cash	17 695		
Receivables	6 057	5 562	495
Inventories	0		
Accrued revenue	7 693	70	7 623
Other	902	527	375
Total current assets	*32 347*	*6 159*	*8 493*
Non-current assets			
Receivables	12 127	9 367	2 760
Investments	158 215	1 679	156 536
Property, plant and equipment	317,579	264,806	52 773
Intangibles	179 410	179 410	0
Prepayment/prepaid rent	124,142	124.142	0
Other	231	0	231
Total non-current assets	*791 704*	*579 404*	*212 300*
Total assets	**824 051**	**585 563**	**220 793**
Current liabilities			
Creditors	16 258		
Borrowings	221		
Derivative financial instruments	1 712		
Provisions	1 411		
Other	0		
Total current liabilities	*19 602*		
Non-current liabilities			
Borrowings	675 193		
Deferred tax liabilities	70 809		
Derivative financial instruments	2 868		
Other	0		
Provisions	0		
Total non-current liabilities	*748 870*		
Total liabilities	**768 472**		
Net assets	**55 579**		
Shareholder equity			
Share capital	1 905		
Reserves	(3 206)		
Accumulated profits/(losses)	56 881		
Total shareholder equity	**55 580**		
Accumulated profit/(loss) at start of year	**72 242**		
Movements:			
Profit/(loss) for the year	(15 361)		
Other (describe if applicable)	0		
Accumulated profit/(loss) at end of year	**56 881**		

Table 1.1.5 Statement of cash flows for the year ended 30 June 2006 and 2007

Description	Audited financial statements 2005–06 $'000	Audited financial statements 2006–07 $'000
Cash flows from operating activities		
Inflows		
Receipts from customers	91 268	134 031
Interest received	4 665	2 735
Outflows		
Payments to suppliers and employees	(40 644)	(58 793)
Interest paid	(55 067)	(79 871)
Net cash flows provided by operating activities	*222*	*(1 898)*
Cash flows from investing activities		
Inflows		
Proceeds from sale of property, plant and equipment	2 172	271
Outflows		
Acquisition of property, plant and equipment	(67 382)	(12 498)
Other	0	0
Net cash flows used in investing activities	*(65 210)*	*(12 227)*
Cash flows from financing activities		
Inflows		
Proceeds from borrowings	2 249	525
Loans from associated companies	56 108	47 473
Other		6
Outflows		
Loans to other group entities	0	0
Repayment of borrowings	0	0
Return of capital	(1)	(26 550)
Net cash flows provided by financing activities	*58 356*	*21 454*
Net increase/(decrease) in cash held	**(6 632)**	**7 329**
Cash at beginning of reporting period	**24 327**	**17 695**
Cash at the end of the reporting period	**17 695**	**25 024**

Summary of significant accounting policies

This general purpose financial report for the reporting period ended 30 June 2007 has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

(a) Basis of preparation

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

(i) Compliance with International Financial Reporting Standards (IFRS)

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes of Adelaide Airport Ltd comply with IFRS. The parent entity financial statements and notes also comply with IFRS except that it has elected to apply the relief provided to parent entities in respect of certain disclosure requirements contained in AASB 132 'Financial instruments: disclosures and presentation'.

(ii) Historical cost convention

These financial statements have been prepared under historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss and investment properties under the fair value accounting model.

(iii) Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Adelaide Airport Limited ('company' or 'parent entity') as at 30 June 2007 and the results of all subsidiaries for the year then ended. Adelaide Airport Limited and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group (refer to paragraph (g) in this section).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the net asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Adelaide Airport Ltd.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the major business activities as follows:

(i) Aeronautical revenues

Aeronautical revenues comprise landing fees based on the maximum take-off weight (MTOW) or aircraft or passenger numbers (as elected by airline customers); terminal charges and passenger facilitation charges (PFC) based on passenger numbers and a recovery of government-mandated security charges on a per passenger or MTOW basis. Income is recognised in the period in which passengers and aircraft physically arrive at the airport.

(ii) Commercial trading revenues

Commercial trading revenue comprises concessionaire rent and other charges received. Profit rentals are recognised for the period in which the sales to which they pertain arise. Other rentals are recognised in the period for which the rental relates according to the lease documents.

(iii) Public car parks

Public car park income is recognised on a cash basis.

(iv Lease income

Property lease income comprises rental income from airport terminals, buildings and other leased areas. Lease income is recognised in income on a straight-line basis over the lease term.

(v) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(d) Government grants

Grants from state and federal governments are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised for these temporary differences if they arose in a transaction—other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation

Adelaide Airport Limited and its wholly-owned entities have implemented the tax consolidation legislation as of 1 July 2003.

The head entity, Adelaide Airport Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Adelaide Airport Limited also recognises the current tax liabilities arising under tax funding agreements with the tax consolidated entities which are recognised as amounts receivable from or payable to other entities in the group. Details about the tax funding agreement are disclosed in note 8.

Any difference between the amounts assumed and the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(f) Leases

The group leases airport land from the Commonwealth of Australia a portion of which is classified as a prepaid operating lease. That lease is amortised over the length of the lease term. The balance of the leased land is classified as investment property (refer to paragraph (p) in this section).

Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and the finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(g) Business combinations

The company has adopted AASB 3 'Business combinations' to all business combinations since May 1998.

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill (refer to paragraph q(i) in this section). If the cost of acquisition is less than the fair value of assets acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

(h) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no later than 30 days from the date of recognition.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

(k) Other financial assets

Tenant Loans

Tenant loans have arisen owing to the group having funded capital expenditure projects on behalf of tenants. The related receivables are included in 'current or non-current assets—other' in the balance sheet.

(l) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The group has in place cash flow hedges against interest rate fluctuations for portions of its non-current loans in accordance with the group's hedging policy.

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows or hedged items.

The fair values of cash flow hedge derivative financial instruments used are disclosed in note 18. Movements in the hedging reserve in shareholders' equity are shown in note 28. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(i) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recorded in the income statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(m) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

(n) Property, plant and equipment

The group has elected to measure:

- runways, taxiways and aprons at fair value and use that fair value as its deemed cost at the date of transition to AIFRS
- buildings and leasehold improvements (excluding investment property (see paragraph (p) in this section) using the current carrying cost of those assets being the deemed cost less accumulated depreciation in accordance with the transitional provisions of AASB 1
- all other items of property plant and equipment (excluding investment property (see paragraph (p) in this section) at historical cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount, or they are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the group and the cost of the item can be measured reliably.

(i) Tenant Contributions

Tenant contributions relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

(ii) Depreciation

Depreciation is calculated on a straight-line basis to write off the net cost or revalued amount of each item of property, plant and equipment over its expected useful life to the consolidated entity. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

The expected useful lives are as follows:

Category	Useful life	Depreciation basis
Owner occupied buildings	25 years	straight line
Leasehold improvements (including runways, taxiways and aprons)	8 years—balance of lease term	straight line
Plant and equipment	3–25 years	straight line
Computer and other office equipment	2.5–5 years	straight line
Furniture and fittings	10–16 years	straight line
Low value asset pool	3 years	diminishing value

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount.These are included in the income statement.

As a result of obtaining the lease right to operate the airports from the Commonwealth, the economic entity obtained the right to use of all property, plant and equipment associated with the airports.

Under the lease arrangement with the Commonwealth, all airport land, structures and buildings revert back to the Commonwealth at the end of the 99-year lease term. As a result, all structures and buildings are amortised by the economic entity over a period not exceeding 99 years commencing 28 May 1998.

(iii) Maintenance and repairs

Aircraft pavements, roads, leasehold improvements, plant and machinery of the consolidated entity are required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged to the income statement during the financial period in which they are incurred, except where they relate to the addition of a new surface to the pavements or roads, in which case the costs are capitalised and depreciated as noted above. Other routine operating maintenance, repair and minor renewal costs are also charged as expenses as incurred.

(o) Non-current assets constructed by the consolidated entity

The cost of non-current assets constructed by the consolidated entity includes the cost of all materials used in construction, contract design, administration, contract labour and, where appropriate, direct labour and associated oncosts on the project, and borrowing costs incurred during construction.

Borrowing costs included in the cost of non-current assets are those costs that would have been avoided if the expenditure on the construction of assets had not been made.

(p) Investment property

Investment property, principally comprising of land, buildings and fixed plant and equipment, is held for long-term rental yields and is not occupied by the group. Investment property is carried at fair value, determined by external valuers. Changes in fair values are recorded in the income statement as part of other income.

Buildings reverting to the group at the termination of leases are valued at fair value as at the end of the financial year in which they revert and the amount is included in the total change in fair value of investment assets.

The property interest held by the group in land and buildings at Adelaide and Parafield Airport is by way of an operating lease. The group has classified certain areas of land and buildings as being investment property being held by the group only to earn rentals and not for being held for the use of supplying aeronautical services or administrative services.

(q) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of the acquisition of the operating leases for Adelaide and Parafield Airports over the fair value of the net identifiable assets and liabilities of the airports at the date of acquisition. Goodwill on acquisition of the operating leases for Adelaide and Parafield Airports is included in intangible assets. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Goodwill is tested for impairment against the total operations of the group.

(ii) Revenue leases

The excess value of certain revenue-generating operating leases acquired with the operating leases for Adelaide and Parafield Airports over the fair value of those leases is included in intangible assets. The intangible assets representing the excess value are amortised on a straight-line basis over the balances of the term of those revenue operating leases to which they refer. Where those leases are terminated earlier than the termination date of the lease, the balance of the intangible asset is recorded in the income statement at the actual termination date.

(r) Trade and other creditors

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which were unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Redeemable preference shares (note (x)) are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(t) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

(u) Provisions

Provisions for legal claims and service warranties are recognised when the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(v) Employee entitlements

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including annual leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits for employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. No provision is made for non-vesting sick leave as the anticipated pattern of future sick leave taken indicates that accumulated non-vesting leave will never be paid.

(ii) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (v)(i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured at the present value of expected future payments to be made for services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Long-term executive incentive plan

The group recognises a liability and an expense for bonuses based on a formula that takes into account the appreciation in shareholder wealth arising from each year of the group's operations which are payable after a period of four years' accumulation subject to certain conditions contained in a formal agreement. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(w) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options, capital reductions and share buybacks are shown in equity as a deduction, net of tax, from the proceeds.

(x) Redeemable preference shares

New Terminal Construction Company Pty. Limited (NTCC) has issued $188.6 million redeemable preference shares (RPS) with a face value of $99 each to the shareholders of Adelaide Airport Limited. They are redeemable for $100 (including a $1 premium) 10 years after their issue being 18 June 2014. Each RPS is stapled to an ordinary share in Adelaide Airport Limited.

The airport loan notes (ALN), previously issued to the shareholders of Adelaide Airport Limited (AAL), were unstapled and sold by the holders to NTCC on 18 June 2004. Interest payable on the ALN's, by AAL to NTCC, is subject to there being distributable cash calculated in accordance with the terms of the loan note deed poll.

The holder of a RPS is entitled to a non-cumulative dividend. Payment of a dividend is subject to funds being legally available from a distribution under the ALN's from AAL to NTCC.

The RPS are classified in the balance sheet as non-current liabilities, because they are a debt instrument. However, because they are stapled to the ordinary shares in AAL, the consolidated balance sheet also discloses the combined amount of equity and RPS.

Each RPS holder has agreed to subordinate their rights to the claims of senior creditors (as defined in the RPS subordination deed poll). In particular, each RPS holder has agreed not to demand redemption of their RPS unless the senior creditors have been repaid the senior debt (as defined in the RPS subordination deed poll) in full.

RPS may be redeemed on the redemption date (and the redemption proceeds paid to RPS holders) out of the proceeds of a new issue. Holders of RPS have agreed to be bound by any resolution passed by holders of 75 per cent or more of the RPS to subscribe for a new issue of RPS on the same terms.

The full terms of issue of the RPS are contained in the Constitution of New Terminal Construction Company Pty Ltd.

(y) Land transport notes

Land transport notes (LTNs) are issued by the economic entity with a fixed coupon rate, the interest being non-deductible for tax purposes. The interest income in the hands of investors has an infrastructure borrowings tax offset (IBTO) attached to the benefit of the investor.A proportion of that benefit is returned to the economic entity as interest received together with a partial repayment of the principal. The partial repayment of the principal is treated as income in the hands of the economic entity as it is reflected in the conversion of 'A' class LTNs to 'B' class LTNs. The term of the A class LTNs is five years. The term of the B class LTNs coincides with the airport lease term which initially is to 2048 but may be extended for a further 49 years. Put and call options between parties ensure that on maturity or early termination that there is a simultaneous settlement of all amounts outstanding at that time. The amounts of the loan to MBL and the amount of the LTNs are considered to meet legal and accounting requirements of being set-off against each other and no asset or liability for the loans or LTNs has been recorded in the balance sheet of the consolidated entity.

(z) Rounding of amounts

The company is of a kind referred to in class order 98/0100, issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that class order to the nearest thousand dollars, or in certain cases to the nearest dollar.

(aa) Operating segments

The group has elected to adopt AASB 8 'Operating segments' for the current financial year ahead of its operative date.

(ab) New accounting standards and UIG interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for 30 June 2006 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below.

(i) **AASB 7 'Financial instruments: disclosures' and AASB 2005-10 'Amendments to Australian Accounting Standards'** [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038]. AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. The group has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the group's and the parent entity's financial instruments.

(ii) **AASB-I 10 'Interim financial reporting and impairment'.** AASB-I 10 is applicable to reporting periods commencing on or after 1 November 2006. The group has not recognised an impairments loss in relation to goodwill, investments in equity instruments or financial assets in an interim reporting period. Application of the interpretation will therefore have no impact on the group's or the parent entity's financial statements.

Brisbane airport

Table 1.1.6 Statement of financial performance for the year ended 30 June 2007

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Revenue			
Aeronautical revenue	105 958	105 958	
Aeronautical-related revenue	49 189		49 189
Other non-aeronautical revenue	177 438		177 438
Total revenue	*332 585*	*105 958*	*226 627*
Expenditure			
Salaries and wages	21 012	14 054	6 959
Depreciation	36 329	26 216	10 113
Amortisation of intangibles	661	205	456
Services and utilities	11 013	1 955	9 058
Property maintenance	17 440	9 155	8 285
Security costs	13 306	13 306	0
Other costs	16 913	8 051	8 862
Total expenditure	*116 674*	*72 941*	*43 733*
Operating profit/(loss)	**215 911**	**33 017**	**182 894**
Abnormal items (please specify)	0	0	0
Earnings before interest and tax (EBIT)	**215 911**	**33 017**	**182 894**
Interest	118 463	45 386	73 077
Earnings before tax (EBT)	**97 448**	**(12 369)**	**109 817**
Tax charge	34 197	4 341	38 538
Profit/(loss) after tax	**63 251**	**(8 028)**	**71 279**
Dividends paid	0	0	0
Retained earnings	**63 251**	**(8 028)**	**71 279**

Table 1.1.7 Statement of financial performance for the year ended 30 June 2006 (restated under AIFRS)

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Revenue			
Aeronautical revenue	95 763	95 763	
Aeronautical-related revenue	45 911		45 911
Other non-aeronautical revenue	173 424		173 424
Total revenue	*315 098*	*95 763*	*219 334*
Expenditure			
Salaries and wages	16 705	11 495	5 210
Depreciation	35 970	26 469	9 501
Amortisation of intangibles	661	196	464
Services and utilities	10 023	1 865	8 157
Property maintenance	16 246	9 037	7 209
Security costs	15 482	15 482	0
Other costs	15 039	8 019	7 020
Total expenditure	*110 126*	*72 564*	*37 561*
Operating profit/(loss)	**204 972**	**23 199**	**181 773**
Abnormal items (please specify)	0	0	0
Earnings before interest and tax (EBIT)	**204 972**	**23 199**	**181 773**
Interest	121 537	47 107	74 430
Earnings before tax (EBT)	**83 435**	**(23 908)**	**107 343**
Tax charge	37 570	(10 765)	48 335
Profit/(loss) after tax	**45 864**	**(13 144)**	**59 007**
Dividends paid	0	0	0
Retained earnings	**45 864**	**(13 144)**	**59 007**

Note: For comparison purposes, Brisbane airport supplied the ACCC with a re-statement of the airport's 2004–05 regulatory accounts prepared in accordance with AIFRS. Table 1.1.7 presents the statement of financial performance for the period 2004–05 restated under AIFRS.

Table 1.1.8 Statement of financial position for the year ended 30 June 2007

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Current assets			
Cash	74 645	23 781	50 864
Receivables	27 195	12 126	15 069
Inventories	558	549	8
Accrued revenue	0	0	0
Other	1 820	1 063	758
Total current assets	*104 218*	*37 519*	*66 699*
Non-current assets			
Receivables	0	0	0
Prepaid lease payment (operating land)	58 799	18 221	40 577
Investment properties	475 302	0	475 302
Property, plant and equipment	1 229 896	963 889	266 007
Intangibles	0	0	0
Goodwill	823 014	0	823 014
Other	96 739	36 623	60 116
Total non-current assets	*2 683 750*	*1 018 734*	*1 665 016*
Total assets	**2 787 968**	**1 056 253**	**1 731 715**
Current liabilities			
Creditors	43 441	23 337	20 105
Borrowings	3 515	3 515	0
Other	3 148	515	2 634
Provisions	4 281	2 965	1 316
Total current liabilities	*54 386*		
Non-current liabilities			
Borrowings	1 889 327	720 513	1 168 814
Other	1 005	90	915
Provisions	(217)	(152)	(65)
Total non-current liabilities	*1 890 115*	*720 451*	*1 169 664*
Total liabilities	**1 944 501**		
Net assets	**843 467**		
Shareholder's equity			
Share capital	254 089		
Reserves	67 717		
Accumulated profits/(losses)	521 661		
Total shareholders' equity	**843 467**		
Accumulated profit/(loss) at start of year	**477 500**		
Movements:			
Profit/(loss) for the year	63 251		
Other	(19 564)		
Accumulated profit/(loss) at end of year	**521 187**		

Table 1.1.9 Statement of financial position for the year ended 30 June 2006 restated under AIFRS)

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Current assets			
Cash	148 476	45 124	103 352
Receivables	21 947	10 033	11 914
Inventories	501	496	5
Accrued revenue	0	0	0
Other	0	0	0
Total current assets	*170 924*	*55 653*	*115 270*
Non-current assets			
Receivables	0		
Investment properties	413 283	0	413 283
Property, plant and equipment	1 094 688	900 305	194 383
Prepaid lease payment (operating land)	59 459	17 680	41 779
Intangibles	823 014	0	823 014
Other	7 672	2 932	4 741
Total non-current assets	*2 398 116*	*920 917*	*1 477 199*
Total assets	**2 569 040**	**976 570**	**1 592 470**
Current liabilities			
Creditors	68 039	31 861	36 178
Borrowings	48 704	20 638	28 066
Intercompany tax payable	2 030	(582)	2 612
Other	2 426	230	2 196
Provisions	3 484	2 463	1 021
Total current liabilities	*124 683*	*54 610*	*70 073*
Non-current liabilities			
Borrowings	1 381 146	534 412	846 734
Deferred tax liabilities	325 284	125 189	200 096
Other	1 884	3	1 881
Provisions	(673)	(476)	(197)
Total non-current liabilities	*1 707 641*	*659 128*	*1 048 513*
Total liabilities	**1 832 324**	**713 738**	**1 118 586**
Net assets	**736 716**	**262 832**	**473 884**
Shareholder's equity			
Share capital	254 089		
Reserves	0		
Accumulated profits/(losses)	482 628		
Total shareholders' equity	**736 716**		
Accumulated profit/(loss) at start of year	**445 910**		
Movements:			
Profit/(loss) for the year	45 864		
Other	(14 275)		
Accumulated profit/(loss) at end of year	**477 500**		

Note: For comparison purposes, Brisbane airport supplied the ACCC with a re-statement of the airport's 2004–05 regulatory accounts prepared in accordance with AIFRS. Table 1.1.9 presents the statement of financial position for the period 2004–05 restated under AIFRS.

Table 1.1.10 Statement of cash flows for the year ended 30 June 2006 and 2007

Description	Audited financial statements 2005–06 $'000	Audited financial statements 2006–07 $'000
Cash flows from operating activities		
Inflows		
Receipts from customers	282 157	318 571
Interest received	2 619	3 654
Outflows		
Payments to suppliers and employees	(111 544)	(107 385)
Interest paid	(118 371)	(163 195)
Income tax paid	0	(31 778)
Net cash flows provided by operating activities	*54 861*	*19 867*
Cash flows from investing activities		
Inflows		
Proceeds from sale of property, plant and equipment	198	234
Other		
Outflows		
Acquisition of property, plant and equipment	(65 905)	(140 532)
Other		(31 437)
Net cash flows used in investing activities	*(65 707)*	*(171 735)*
Cash flows from financing activities		
Inflows		
Proceeds from borrowings	100 000	104 000
Other	2 920	(1 820)
Outflows		
Repayment of borrowings	(4 110)	(4 868)
Dividends paid	(14 000)	(19 275)
Net cash flows provided by financing activities	*78 970*	*78 037*
Net increase/(decrease) in cash held	**68 124**	**(73 831)**
Cash at beginning of reporting period	80 352	148 476
Cash at the end of the reporting period	148 476	74 645

Summary of significant accounting policies

(a) Reporting entity

Brisbane Airport Corporation Pty Limited (the company) is a company domiciled in Australia. The address of the company's registered office is 11 The Circuit, Brisbane Airport Qld 4007, Australia. The financial statements of the company are as at and for the year ended 30 June 2007. The company is primarily involved in the operation and development of Brisbane Airport.

(b) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial report of the company also complies with the IFRS's and interpretations adopted by the International Accounting Standards Board.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the company. The financial statements were approved by the board of directors on 28 September 2007.

(c) Basis of measurement

The financial report is presented in Australian dollars.

The financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value
- investment property is measured at fair value

The methods used to measure fair values are discussed further in the following notes.

(d) Use of estimates and judgments

Management discussed with the Finance, Audit and Risk Management Committee the development, selection and disclosure of the company's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgments that have a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key sources of estimation uncertainty

(i) Defined benefit superannuation fund assumptions and obligations

Various actuarial assumptions are made in the determination of the company's defined benefit obligations. These assumptions are outlined in note 15. In particular, the assumed discount rate and future salary inflation rate adopted by the company impact on the value of the defined benefit obligations. A reduction in the assumed discount rate or increase in the assumed salary inflation rate, all other things being equal, will increase the value of the defined benefit obligation and result in an actuarial loss occurring. Actuarial gains and losses are immediately recognised through retained earnings in the statement of recognised income and expense in the year in which the actuarial gains and losses arise.

(ii) Impairment of goodwill

The company assesses whether goodwill is impaired at least annually in accordance with accounting policy (n)(i). These calculations involve an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated.

(e) Derivative financial instruments

The company uses derivative financial instruments to hedge its exposure to interest rate risks arising from operating, financing and investing activities. In accordance with its treasury policy, the company does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see accounting policy (f)).

The fair value of interest rate swaps is the estimated amount that the company would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

(f) Hedging

On entering into a hedging relationship, the company formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

(i) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. When the forecasted transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or the forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecasted transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (i.e. when interest income or expense is recognised).

For cash flow hedges, other than those described above, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects profit or loss. The ineffective part of any gain or loss is recognised immediately in the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship, but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised immediately in the income statement.

(g) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at deemed cost at transition date less accumulated depreciation (see paragraph (v) in this section) and impairment losses. Certain items of property, plant and equipment that had been revalued to fair value on or prior to 1 July 2004, the date of transition to Australian Accounting Standards, AIFRSs, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified as investment property and will be carried at fair value.

Any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

Leases in which the company assumes substantially all the risks and rewards of ownership are classified as finance leases.

(iii) Capital work in progress

Capital work in progress is measured at cost and includes all expenditure related directly to specific projects not yet commissioned and includes contractor charges, materials, direct labour and related overheads.

Borrowing costs are capitalised to qualifying assets as set out in paragraph (p) in this section.

(iv) Subsequent costs

The company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the company and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

(v) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The depreciation rates used for each class of asset in the current period are as follows:

Runways, taxiways and aprons	1%–12%
Roads and car parks	2%–15%
Buildings	2.5%–25%
Plant and equipment	2%–40%
Leased plant and equipment	20%–33.3%

The residual value, the useful life and the depreciation method applied to an asset are reassessed annually.

(h) Goodwill

(i) Business combinations

All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see accounting policy (n)).

(ii) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date.

(i) Prepaid lease payment

AASB 117 'Leases' states that a characteristic of land is that it normally has an indefinite economic life and, if title to the leasehold land is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risk and rewards incidental to ownership in which case the lease of land will be an operating lease. A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments and is amortised over the lease term on a straight-line basis unless another systematic basis is more representative of the pattern of benefits provided.

In accordance with AASB 140 'Investment property', it is possible for a lessee to classify a property interest held under an operating lease as an investment property. If it does, the property interest is accounted for as if it were a finance lease and, in addition, the fair value model is used for the asset recognised.

The company has both land which is leased for operational functions such as runways and terminals and land which it classifies in accordance with AASB 140 'Investment property'. Payment was made at the time of gaining title to the Brisbane airport lease for both operating land and land now classified as investment property. The company has calculated the original 2 July 1997 valuation of the land that still remains as operational land and has recognised that as an asset being prepaid lease payment.

Prepaid lease payments represent the amount paid by the company for the lease of operation land at Brisbane Airport. The prepaid lease amount is amortised on a straight-line basis over the term of the lease.

In accordance with AASB 140 'Investment property', leasehold land attaching to an investment property is accounted for as if it were a finance lease. The fair value model is used to value the asset (refer to accounting policy (j)).

(j) Investment property

The investment property class of non-current assets comprises buildings and leasehold land that is leased or intended to be leased to third parties for the purpose of obtaining rental income. Investment property includes aircraft maintenance facilities, aviation training and education centres, freight facilities, distribution warehouses, offices and all other non-aviation activities, such as retail, entertainment and leisure facilities.

Investment properties are stated at fair value. An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The valuations are prepared by considering the aggregate of the net annual rents receivable from the properties and, where relevant, associated costs. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation.

Any gain or loss arising from a change in fair value is recognised in the income statement. Rental income from investment property is accounted for as described in accounting policy (u)(v).

(k) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses, normally settled within 30 days.

(l) Inventories

Inventories comprise spares for equipment utilised in the operation of the airport and are carried at the lower of cost and net realisable value.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

(n) Impairment

The carrying amounts of the company's non-current assets other than, investment property (see accounting policy (j)), and deferred tax assets (see accounting policy (w)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy (n) (i)). For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses recognised regarding cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(i) Calculation of recoverable amount

Recoverable amount is the greater of fair value less costs to sell and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of goodwill is not reversed.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Share capital

(i) Dividends

Dividends are recognised as a liability in the period in which they are declared. Performance share dividends are recognised as a liability at reporting date as they are based on an agreed upon formula which can be calculated at reporting date.

(ii) Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(p) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Borrowing costs include interest, amortisation of deferred borrowing costs and finance charges on capitalised leases. Establishment costs incurred in connection with the arrangement of borrowings are capitalised and amortised on a straight-line basis over the anticipated term of the applicable borrowings.

Where interest rates are hedged or swapped, the borrowing costs are recognised net of any effect of the hedge or swap.

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which generally take more than 12 months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the asset. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is that incurred for that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

(q) Employee benefits

(i) Defined contribution superannuation funds

Obligations in respect of defined contribution members of superannuation funds are recognised as an expense in the income statement as incurred.

(ii) Defined benefit superannuation funds

The company's net obligation in respect of defined benefit superannuation funds is calculated separately for the fund by estimating the amount of future benefit that employees have earned in return for their service in the current and previous periods; that benefit is discounted to determine its present value, and the fair value of any fund assets is deducted.

The discount rate is the yield at the balance sheet date on government bonds that have maturity dates approximating the terms of the company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a fund are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

Actuarial gains and losses are recognised in the statement of recognised income and expense in the year in which the actuarial gains and losses arise.

Where the calculation results in a benefit to the company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the fund or reductions in future contributions to the fund. Past service cost is the increase in the present value of the defined benefit obligation for employee services in previous periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service costs may either be positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(iii) Long-term service benefits

The company's net obligation for long-term service benefits, other than defined benefit superannuation funds, is the amount of future benefit that employees have earned in return for their service in the current and previous periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds, at the balance sheet date, that have maturity dates approximating to the terms of the company's obligations.

In determining the liability, consideration has been given to the company's experience with staff departures.

(iv) Wages, salaries, annual leave, sick leave

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the company expects to pay as at reporting date including related on-costs, such as superannuation, workers compensation insurance and payroll tax.

(r) Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

(s) Maintenance

Pavement surfacing costs incurred on runways, taxiways and aprons are capitalised and written off between surfacing projects. This recognises that the benefit is to future periods and also apportions the cost over the period of the related benefit. Aircraft pavements, roads, leasehold improvements, plant and machinery of the company are required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred. Other routine operating maintenance, repair and minor renewal costs are expensed as incurred.

(t) Trade and other payables

Trade and other payables are stated at their amortised cost.

Trade payables are non-interest bearing and are normally settled on 30-day terms.

(u) Revenue

Revenues are recognised at the fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

(i) Aeronautical revenue

Aeronautical revenue comprises landing fees and common user terminal charges. Landing fees are based on a per passenger charge for landing and departures of international flights and a charge based on the maximum take-off weight of aircraft for domestic flights. Terminal charges are based on a per passenger charge for landing and departures of international and domestic flights.

(ii) Government-mandated security revenue

Government-mandated security revenue comprises recharges of expenditure incurred by the company for security services such as passenger and checked baggage screening.

The company is required by the Australian Government to undertake certain security measures, the costs of which are recoverable in full from the airlines. Revenue and costs are shown separately. Costs of government-mandated security are included in 'government-mandated security costs', 'finance charges on capitalised leases' and 'amortisation of leased plant and equipment'.

(iii) Retail revenue

Retail revenue comprises concessionaire rent and other charges received.

(iv) Landside transport revenue

Landside transport revenue comprises income from public and staff car parks, ground facilities fees and car rental operators.

(v) Property revenue

Property revenue comprises rental income from company owned terminals, buildings and other leased areas.

Investment property revenue comprises rental income from company owned buildings and leased areas held for investment. Refer accounting policy (j).

(vi) Other revenue

Other revenue includes recharges of expenditure to third parties, income from fuel throughput fees and advertising.

(vii) Proceeds from sale of non-current assets

The net proceeds from non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

(viii) Interest received—other parties

Interest revenue is recognised as it accrues, taking into account the effective yield of the financial asset.

(v) Expenses

(i) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested and gains and losses on hedging instruments that are recognised in the income statement (see accounting policy (f)). Borrowing costs are expensed as incurred and included in net financing costs unless they are capitalised to capital works in progress.

Interest income is recognised in the income statement as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the income statement using the effective interest method.

(w) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the tax subvention payable to the holding company, BAC Holdings Limited as determined by the group's tax sharing agreement. It is equivalent to the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years as if the company was on a stand-alone basis rather than as part of a tax group.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

(i) Tax consolidation

The company's ultimate holding company is BAC Holdings Limited (BACH).

BACH is the head entity in the tax-consolidated group comprising all the Australian wholly-owned subsidiaries being BAC Holdings No. 2 Pty Limited and Brisbane Airport Corporation Pty Limited. BACH owns 100 per cent of the shares in BAC Holdings No. 2. BAC Holdings No. 2 owns 100 per cent of the shares in Brisbane Airport Corporation Pty Limited. The implementation date for the tax-consolidated group was 30 June 2004.

The tax-consolidated group has entered into a tax sharing and funding agreement that requires wholly-owned subsidiaries to make contributions to the head entity for:

- deferred tax balances recognised on implementation date, including the impact of any relevant reset tax cost bases
- current tax assets and liabilities and deferred tax balances arising from external transactions occurring after the implementation of tax consolidation.

Under the tax sharing and funding agreement, the contributions are calculated on a 'stand-alone basis' so that the contributions are equivalent to the tax balances generated by external transactions entered into by wholly-owned subsidiaries. The contributions are payable as set out in the agreement and reflect the timing of the entity's obligations to make payments for tax liabilities to the relevant tax authorities. The assets and liabilities arising under the tax sharing and funding agreement are recognised as inter-company assets and liabilities with a consequential adjustment to income tax expense/revenue.

In the opinion of the directors, the tax sharing and funding agreement is also a valid agreement under the tax consolidation legislation and limits the joint and several liabilities of the wholly-owned entities in the case of a default by BACH.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts. Any difference between these amounts is recognised by the company as an equity contribution or distribution.

The company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

(x) Segment reporting

The company operates predominantly in the airport business. The company's operations are located in Brisbane. The company provides airport infrastructure products and services. The company shows airport operations and investment property as its segments.

(y) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(z) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the company in the period of initial application. They are available for early adoption at 30 June 2007, but have not been applied in preparing this financial report:

- AASB 7 'Financial instruments: disclosures' (August 2005) replaces the presentation requirements of financial instruments in AASB 132. AASB 7 is applicable for annual reporting periods beginning on or after 1 January 2007, and will require extensive additional disclosures with respect to the Company's financial instruments and share capital.
- AASB 2005-10 'Amendments to Australian Accounting Standards' (September 2005) makes consequential amendments to AASB 132 'Financial instruments: disclosure and presentation', AASB 101 'Presentation of financial statements', AASB 114 'Segment reporting', AASB 117 'Leases', AASB 133 'Earnings per share', AASB 139 'Financial instruments: recognition and measurement', AASB 1 'First time adoption of Australian equivalents to International Financial Reporting Standards'. AASB 2005-10 is applicable for annual reporting periods beginning on or after 1 January 2007 and is expected to only impact disclosures contained within the Company's financial report.
- AASB 8 'Operating segments' replaces the presentation requirements of segment reporting in AASB 114 'Segment reporting'. AASB 8 is applicable for annual reporting periods beginning on or after 1 January 2009 and is not expected to have an impact on the financial results of the Company as the standard is only concerned with disclosures.
- AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8' makes amendments to AASB 102 'Inventories', AASB 107 'Cash flow statements', AASB 119 'Employee benefits', AASB 127 'Consolidated and separate financial statements' and AASB 136 'Impairment assets'. AASB 2007-3 is applicable for annual reporting periods beginning on or after 1 January 2009 and must be adopted in conjunction with AASB 8 'Operating segments'. This standard is only expected to impact disclosures contained within the financial report.
- AASB 123 (revised) 'Borrowing costs'. The impact of this standard has not yet been assessed.
- AASB 2007-4 'Amendments to Australian Accounting Standards' [arising from ED 151 'Australian additions to, and deletions from, IFRSs']. The impact of this standard has not yet been assessed.
- AASB 2007-6 'Amendments to Australian Accounting Standards' [arising from revised AASB 123]. The impact of this standard has not yet been assessed.
- AASB 2007-7 'Amendments to Australian Accounting Standards' [arising from AASB 2007-4]. The impact of this standard has not yet been assessed.
- Interpretation 14 IAS 19—the limit on a defined benefit asset, minimum funding requirements and their interaction. The impact of this interpretation has not yet been assessed.
- AASB 101 'Presentation of financial statements' (revised) is only expected to impact on disclosures contained within the company's financial report.

Canberra airport

Table 1.1.11 Statement of financial performance for the year ended 30 June 2007

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Revenue			
Aeronautical revenue	19 235	19 235	
Aeronautical-related revenue	6 065		6 065
Other non-aeronautical revenue	71 544		71 544
Total revenue	*96 844*	*19 235*	*77 609*
Expenditure			
Salaries and wages	9 370	5 166	4 204
Depreciation	5 462	4 484	978
Amortisation of intangibles	0		
Services and utilities	2 345	53	2 292
Property maintenance	3 335	435	2 900
Security costs	1 329	1 117	212
Other costs	6 312	2 838	3 474
Total expenditure	*28 153*	*14 093*	*14 060*
Operating profit/(loss)	**68 691**	**5 142**	**63 549**
Abnormal items (loss on disposal of assets)	0		
Earnings before interest and tax (EBIT)	**68 691**	**5 142**	**63 549**
Interest	22 151	6 291	15 860
Gain in value of derivative contracts	13 062	2 991	10 071
Gain on Investment property valuations	231 510	0	231 510
Earnings before tax (EBT)	**291 112**	**1 842**	**289 270**
Tax charge	87 800	556	87 244
Profit/(loss) after tax	**203 312**	**1 286**	**202 026**
Dividends paid	0	0	0
Retained earnings	**203 312**	**1 286**	**202 026**

Table 1.1.12 Statement of financial performance for the year ended 30 June 2006

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Revenue			
Aeronautical revenue	16 929	16 929	
Aeronautical-related revenue	5 063		5 063
Other non-aeronautical revenue	46 339		46 339
Total revenue	*68 331*	*16 929*	*51 402*
Expenditure			
Salaries and wages	5 062	2 723	2 339
Depreciation	4 719	3 910	809
Amortisation of intangibles	0		
Services and utilities	2 087	251	1 836
Property maintenance	2 786	442	2 344
Security costs	1 364	1 137	227
Other costs	3 791	1 075	2 716
Total expenditure	*19 809*	*9 538*	*10 271*
Operating profit/(loss)	**48 522**	**7 391**	**41 131**
Abnormal items (loss on disposal of assets)	0	0	0
Earnings before interest and tax (EBIT)	**48 522**	**7 391**	**41 131**
Interest	18 632	4 338	14 294
Gain on Investment property valuations	165 635	0	165 635
Earnings before tax (EBT)	**195 525**	**3 053**	**192 472**
Tax charge	55 697	870	54 827
Profit/(loss) after tax	**139 828**	**2 183**	**137 645**
Dividends paid	0		
Retained earnings	**139 828**	**2 183**	**137 645**

Table 1.1.13 Statement of financial position for the year ended 30 June 2007

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Current assets			
Cash	3 441		
Receivables	4 227	1 762	2 465
Inventories	0	0	0
Accrued revenue	5 184	0	5 184
Other	2 804	1 402	1 402
Total current assets	*15 656*		
Non-current assets			
Receivables	0		0
Prepayment/prepaid rent	18 671	18 671	
Investments	1 061 680	0	1 061 680
Property, plant and equipment	192 215	127 436	64 779
Intangibles	0		
Other	26 076	5 106	20 970
Total non-current assets	*1 298 642*	151 213	1 147 429
Total assets	**1 314 298**		
Current liabilities			
Creditors	27 315		
Borrowings	0		
Other	174		
Provisions	3 252	1 093	2 159
Total current liabilities	*30 741*		
Non-current liabilities			
Borrowings	386 367		
Other	252 194		
Provisions	351		
Total non-current liabilities	*638 912*		
Total liabilities	**669 653**		
Net assets	**644 645**		
Shareholder equity			
Share capital	10 000		
Reserves	96 383		
Accumulated profits/(losses)	538 262		
Total shareholder equity	**644 645**		
Accumulated profit/(loss) at start of year	**334 950**		
Movements:			
Profit/(loss) for the year	203 312		
Accumulated profit/(loss) at end of year	**538 262**		

Table 1.1.14: Statement of financial position for the year ended 30 June 2006

Description	Audited financial statements	Aeronautical services	Non-aeronautical services
	$'000	$'000	$'000
Current assets			
Cash	26 975		
Receivables	3 895	2 316	1 579
Inventories	0	0	0
Accrued revenue	1 886	51	1 835
Other	1 560	780	780
Total current assets	*34 316*	*3 147*	*4 194*
Non-current assets			
Receivables	0		
Investments	0		
Property, plant and equipment	857 426		
Intangibles	0		
Other	1 894		
Total non-current assets	*859 320*		
Total assets	**893 636**		
Current liabilities			
Creditors	20 714		
Borrowings	0		
Other	28 694		
Provisions	8 025	2 361	5 664
Total current liabilities	*57 433*		
Non-current liabilities			
Borrowings	243 407		
Other	0		
Provisions	151 509		
Total non-current liabilities	*394 916*		
Total liabilities	**452 349**		
Net assets	**441 287**		
Shareholder equity			
Share capital	10 000		
Reserves	96 383		
Accumulated profits/(losses)	334 904		
Total shareholder equity	**441 287**		
Accumulated profit/(loss) at start of year	**195 076**		
Movements:			
Profit/(loss) for the year	139 828		
Accumulated profit/(loss) at end of year	**334 904**		

Table 1.1.15: Statement of cash flows for the year ended 30 June 2006 and 2007

Description	Audited financial statements 2005–06 $'000	Audited financial statements 2006–07 $'000
Cash flows from operating activities		
Inflows		
Receipts from customers	72 412	100 951
Interest received	0	1 051
Outflows		
Payments to suppliers and employees	(31 641)	(43 832)
Interest paid	(18 632)	(22 150)
Income tax paid	0	(8 780)
Net cash flows provided by operating activities	**22 139**	**27 240**
Cash flows from investing activities		
Inflows		
Proceeds from sale of property, plant and equipment	0	4 692
Outflows		
Acquisition of property, plant and equipment	(88 471)	(193 618)
Other	0	0
Net cash flows used in investing activities	*(88 471)*	*(188 926)*
Cash flows from financing activities		
Inflows		
Proceeds from borrowings	61 655	137 345
Other	30 720	0
Outflows		
Repayment of borrowings	0	0
Dividends paid	0	0
Net cash flows provided by financing activities	92 375	137 345
Net increase/(decrease) in cash held	**26 043**	**(24 341)**
Cash at beginning of reporting period	**932**	**27 782**
Cash at the end of the reporting period	**26 975**	**3 441**

Summary of significant accounting policies

(a) Statement of compliance

The regulatory report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The nature of the regulatory report is such that the statements 1.0 to 6.0 conform to the layout specified by the ACCC. Disclosure notes are limited to specifying significant accounting policies.

(b) Basis of preparation

This special purpose financial report has been prepared in accordance with the requirements of the regulatory information requirements under Part 7 of the *Airports Act 1996* and s. 95ZF of the *Trade Practices Act 1974*. The report has also been prepared on a historical cost basis, except for investment properties, buildings and improvements, which have been measured at fair value.

The financial information for the ACCC regulatory accounting statement has been compiled by combing the audited statutory financial statements of Canberra International Airport Pty Limited and Capital Airport Group Pty Limited (together the group).

The financial report is presented in Australian dollars and where specified rounded to the nearest thousand dollars as required by the ACCC.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the group.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of Australian Accounting Standards that have significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed in note (l).

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(c) Adoption of new and revised accounting standards

In the current year, the group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised standards and interpretations has not had any impact on the entity's accounting policies or amounts reported in current or previous periods.

The group has not elected to early adopt the following standards and interpretations were on issue but not yet effective.

• AASB 7 'Financial instruments: disclosures' and consequential amendments to other accounting standards resulting from its issue	*Effective for all periods beginning on or after 1 January 2007.*
• AASB 8 'Operating segments' and consequential amendments to other accounting standards resulting from its issue.	*Effective for all periods beginning on or after 1 January 2007.*
• AASB 101 'Presentation of financial statements'—revised standard	*Effective for all periods beginning on or after 1 January 2007.*
• Interpretation 10 'Interim financial reporting and impairment'	*Effective for annual reporting periods beginning on or after 1 November 2006.*
• Interpretation 11 'Group and Treasury share transactions' and consequential amendments to other accounting standards resulting from its issue	*Effective for annual reporting periods beginning on or after 1 March 2007.*
• Interpretation 12 'Service concession arrangements' and consequential amendments to other accounting standards resulting from its issue	*Effective for annual reporting periods beginning on or after 1 January 2008.*
• Interpretation 13 'Customer loyalty programs'	*Effective for annual reporting periods beginning on or after 1 July 2008.*

• Interpretation 14 'The limit on defined benefit asset, minimum funding requirements and their interpretation'	*Effective for annual reporting periods beginning on or after 1 January 2008.*
• AASB 123 'Borrowing costs' revised standard	*Effective for annual reporting periods beginning on or after 1 January 2008.*
• 2005-10 'Amendments to Australian Accounting Standards'	*Effective for all periods on or after 1 January 2007.*
• 2006-1 'Amendments to Australian Accounting Standards'	*Effective for all periods beginning on or after 31 December 2006.*
• 2006-3 'Amendments to Australian Accounting Standards'	*Effective for all periods beginning on or after 31 December 2006.*
• 2006-4 'Amendments to Australian Accounting Standards'	*Effective for all periods beginning on or after 31 December 2006.*
• 2007-1 'Amendments to Australian Accounting Standards'	*Effective for all periods beginning on or after 1 March 2007.*
• 2007-2 'Amendments to Australian Accounting Standards'	*Effective for all periods beginning on or after 28 February 2007.*
• 2007-3 'Amendments to Australian Accounting Standards'	*Effective for all periods beginning on or after 1 January 2009.*
• 2007-4 'Amendments to Australian Accounting Standards'	*Effective for all periods beginning on or after 1 July 2007.*
• 2007-5 'Amendments to Australian Accounting Standards'	*Effective for all periods beginning on or after 1 July 2007.*
• 2007-6 'Amendments to Australian Accounting Standards'	*Effective for all periods beginning on or after 1 July 2009.*
• 2007-7 'Amendments to Australian Accounting Standards'	*Effective for all periods beginning on or after 1 July 2007.*

Application of the new accounting standards is not expected to have a material impact on the group financial position or results.

(d) Basis of consolidation

The consolidated regulatory accounts comprise the financial statements of Canberra International Airport Pty Limited and Capital Airport Group Pty Limited as at 30 June 2007.

The financial statements of both companies are prepared for the same reporting period, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions (including any unrealised gains and losses), income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

(e) Revenue recognition

Revenues are recognised at the fair value of the consideration received net of the amount of GST payable to the taxation authority.

Aeronautical revenue

Aeronautical revenue comprises charges levied on arriving and departing passengers on regular passenger transport flights (RPT), on aircraft runway movements as daily or annual permits calculated by reference to the maximum take-off weight of fixed wing aircraft and movements of rotary wing aircraft or other special aircraft.

Aeronautical security recovery

Security revenue comprises recharges of expenditure incurred by the group for passenger and checked baggage screening and other increased security costs necessary to meet world terrorism threats.

Aeronautical related revenue

Aeronautical related revenue includes revenue in relation to public and staff car-parking activities and taxi holding and feeder services.

Non Aeronautical revenue

Non aeronautical revenue represents revenue from investment property rentals and terminal and other retail concessions. Investment property revenue is recognised in the income statement on a straight-line basis over the lease term. Contingent rental income is recognised in the periods in which it is earned. Lease incentives granted are recognised as an integral part of the total rental income.

(f) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

(g) Cash and cash equivalents

Cash in the balance sheet comprises cash at bank and in hand.

(h) Trade and other receivables

Trade and other receivables are stated at cost less impairment losses.

(i) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes used for taxation purposes. The amount of deferred tax provided is based on the expected manner of settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Tax consolidation

Canberra International Airport Pty Limited and Capital Airport Group Pty Limited are wholly-owned subsidiaries in a tax consolidation group with Capital Property Finance Pty Limited as the head entity. The implementation date of the tax consolidation system for the tax-consolidated group was 1 July 2003.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the ‘group allocation approach’.

Nature of tax funding arrangement and tax sharing agreements

The company, in conjunction with other members of the tax-consolidation group, has entered into a tax funding arrangement which set out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity, resulting in the company recognising an inter-entity payable (receivable) equal in amount to the tax liability (asset) assumed. The inter-entity payable (receivable) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The group, in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

(j) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(k) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of self-constructed assets includes the cost of material, direct labour, the initial estimate where relevant of the costs of dismantling and restoring the site on which they are located, and an appropriate proportion of construction overheads. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Buildings, and their improvements, are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, when it is reclassified as investment property. Once reclassified as investment property the asset is valued and carried at fair value. Any difference between the fair value of the property at that date and its previous carrying amount is recognised in the profit and loss.

(ii) Leased assets

Items for which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Property held under a finance lease and leased out under an operating lease is classified as investment property and stated using the fair value model. Property held under operating leases, which would otherwise meet the definition of investment property, may be classified as investment property on a property-by-property basis.

(iii) Subsequent costs

The company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the company and the cost of the item can be measured readily. All other costs are recognised in the income statement as an expense as incurred.

(iv) Depreciation

Depreciation is provided on non-current assets, other than 'other assets', by charges against the income statement at rates based on the estimated useful life of the respective assets using both prime cost and reducing balance methods.

The estimated useful lives of the assets are:

Buildings and improvements	15–80 years
Plant and equipment	10–20 years
Motor vehicles	4–6 years
Furniture and fittings	13 years
Computer equipment	3–4 years

Depreciation rates are reviewed annually for appropriateness.

(l) Impairment

The carrying amounts of the group's assets are other than deferred tax assets, reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating units exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

The recoverable amount of the group receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective amount.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date. The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the asset.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

(m) Investment property

Investment properties are held either to earn rental income or for capital appreciation, or both. Investment properties are stated at fair value. An external independent valuer, having an appropriate, recognised professional qualification and recent experience in the location and category of property being valued, reviews the portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

The valuations are prepared by considering the aggregate of the net annual rents receivable from the properties and, where relevant, associated costs. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation. A table showing range of the average yields for each type of properties in the current and comparative period follows:

A and B grade offices	Yields
June 2006	7.5%–8.5%
June 2007	6.25%–10.5%

Valuations reflect, where appropriate, the type of tenants who are actually in occupation or responsible for meeting lease commitments or who are likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit worthiness; the allocation of maintenance and insurance responsibilities between lessor and lessee; and the remaining economic life of the property. It has been assumed that whenever rent reviews or lease renewals are pending with anticipated reversionary increases, all notices and, where appropriate, counter notices have been served validly and within the appropriate time.

Any gain or loss arising from a change in fair value is recognised in the income statement. Rental income from investment property is accounted for as described in accounting policy 2(e).

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately before transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item the gain is transferred to retained earnings. Any loss arising in this manner is recognised immediately in the income statement.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value. Leases are accounted for as described in accounting policy is this paragraph (f).

(n) Trade and other payables

Trade payables and other payables are carried at cost.

(o) Provisions

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(p) Employee leave benefits

(i) Wages, salaries, annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected t be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows by the consolidated entity resulting from employees' services provided up to balance date.

The provision is calculated using expected future increases in wage and salary rates, including related on-costs, and expected settlement dates based on turnover history and is discounted using the rates attaching to national government securities at balance date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

(q) Interest bearing liabilities and borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(r) Government grant

A government grant is recognised in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the group will comply with the conditions attached to it. Grants that compensate the group for the cost of an asset are recognised in the income statement as revenue on a systematic basis over the useful life of the asset.

(s) Accrued revenue

Accrued revenue is recognised when services have been rendered and it is expected that those services will be invoiced.

(t) Estimations

Canberra International Airport has necessarily used estimations to split a number of expense and balance sheet numbers—for example, the expenses and provisions that are employee related have been allocated according to the weighted average employee cost between aero and non aero. Interest costs have been allocated according to the cost value of investment in aero and non-aero assets. Some expenses have been estimated by managers as to the relevant aero and non-aero allocation. Where no allocation can reliably be estimated the value has been split fifty-fifty between aeronautical and non-aeronautical—such as the outstanding GST balance at year end.

Darwin airport

Table 1.1.16 Statement of financial performance for the year ended 30 June 2007

Description	Audited financial statements	Aeronautical services	Non-aeronautical services
	$'000	$'000	$'000
Revenue			
Aeronautical revenue	35 108	35 108	
Aeronautical-related revenue	3 141		3 141
Other non-aeronautical revenue	5 527		5 527
Total revenue	*43 776*	*35 108*	*8 668*
Expenditure			
Salaries and wages	5 085	3 636	1 449
Depreciation	5 966	5 417	549
Amortisation of intangibles	217		
Services and utilities	3 251	2 724	527
Property maintenance	1 304	1 109	195
Security costs	4 647	4 647	
Other costs	5 614	4 095	1 518
Total expenditure	*26 084*	*21 628*	*4 238*
Operating profit/(loss)	**17 692**		
Abnormal items (please specify), gain on fair value adjustment of investment property	(58 182)		(58 182)
Earnings before interest and tax (EBIT)	**75 874**		
Interest	17 493		
Earnings before tax (EBT)	**58 382**		
Tax charge	17 524		
Profit/(loss) after tax	**40 857**		
Dividends paid			
Retained earnings	**40 857**		

Table 1.1.17 Statement of financial performance for the year ended 30 June 2006

Description	**Audited financial statements**	**Aeronautical services**	**Non-aeronautical services**
	$'000	**$'000**	**$'000**
Revenue			
Aeronautical revenue	25 788	25 788	
Aeronautical-related revenue	2 315		2 315
Other non-aeronautical revenue	4 150		4 150
Total revenue	*32 253*	*25 788*	*6 465*
Expenditure			
Salaries and wages	4 166	3 000	1 166
Depreciation	4 079	3 707	372
Amortisation of intangibles	217		
Services and utilities	1 678	1 473	205
Property maintenance	1 142	896	246
Security costs	4 092	4 092	0
Other costs	4 426	3 381	1 044
Total expenditure	*19 800*	*16 550*	*3 033*
Operating profit/(loss)	**12 453**		
Abnormal items (please specify)	0		
Earnings before interest and tax (EBIT)	**12 453**		
Interest	15 837		
Earnings before tax (EBT)	**(3 384)**		
Tax charge	(1 949)		
Profit/(loss) after tax	**(1 435)**		
Dividends paid	0		
Retained earnings	**(1 435)**		

Table 1.1.18 Statement of financial position for the year ended 30 June 2007

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Current assets			
Cash	15 858		
Receivables	4 869	4 402	467
Prepaid rent	49	49	
Accrued revenue			
Other	435	313	122
Other financial assets	4 865		
Total current assets	*26 075*		
Non-current assets			
Receivables	0		
Prepaid rent	4 356	4 356	
Investment properties	113 440		113 440
Property, plant and equipment	98 058	86 904	11 154
Intangibles	15 147		
Goodwill	10 892		
Deferred tax assets	698		
Other			
Total non-current assets	*242 590*		
Total assets	**268 665**		
Current liabilities			
Creditors	22 691		
Borrowing	0		
Other	0		
Provisions	850	612	238
Total current liabilities	*23541*		
Non-current liabilities			
Borrowings	205 382		
Deferred tax liabilities	37 165		
Provisions	377	271	106
Total non-current liabilities	*242 924*		
Total liabilities	**266 465**		
Net assets	**2 201**		
Shareholder equity			
Share capital	12[(a)]		
Reserves			
Accumulated profits/(losses)	2 201		
Total shareholder equity	**2 201**		
Accumulated profit/(loss) at start of year	**(38 656)**		
Movements:			
Profit/(loss) for the year	40 857		
Accumulated profit/(loss) at end of year	**2 201**		

Note: (a) This figure is in fact $12.00.

Table 1.1.19 Statement of financial position for the year ended 30 June 2006

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Current assets			
Cash	1 114		
Receivables	4 187	3 831	357
Prepaid rent	49	49	0
Other	170	126	44
Total current assets	*5 521*		
Non-current assets			
Prepaid rent	4 405	4 405	
Investment properties	41 487		41 487
Infrastructure, property, plant and equipment	94 520	80 562	13 958
Intangibles	15 315		
Goodwill	10 892		
Other financial assets	5 440		
Deferred tax assets	974		
Total non-current assets	*17,032*		
Total assets	**178 553**		
Current liabilities			
Creditors	10 349		
Borrowing	550		
Provisions	1 019	733	285
Total current liabilities	*11 918*		
Non-current liabilities			
Borrowings	184 707		
Provisions	93	67	26
Deferred tax liabilities	14 153		
Total non-current liabilities	*198 952*		
Total liabilities	**210 870**		
Net assets	**(32 317)**		
Shareholder equity			
Share capital	12[a]		
Accumulated profits/(losses)	(32 317)		
Total shareholder equity	**(32 317)**		
Accumulated profit/(loss) at start of year	**(30 883)**		
Movements:			
Profit/(loss) for the year	(1 435)		
Accumulated profit/(loss) at end of year	**(32 317)**		

Note: (a) This figure is in fact $12.00.

Table 1.1.20 Statement of cash flows for the year ended 30 June 2006 and 2007

Description	Audited financial statements 2005–06 $'000	Audited financial statements 2006–07 $'000
Cash flows from operating activities		
Inflows		
Receipts from customers	34 308	42 281
Interest received	318	409
Outflows		
Payments to suppliers and employees	(11 651)	(17 658)
Interest paid	(6 208)	(1 812)
Goods and services tax paid	(2 067)	(2 421)
Net cash flows provided by operating activities	*14 700*	*20 798*
Cash flows from investing activities		
Inflows		
Proceeds from sale of property, plant and equipment	46	
Outflows		
Acquisition of property, plant and equipment	(20 614)	(24 207)
Net cash flows used in investing activities	*(20 568)*	*(24 207)*
Cash flows from financing activities		
Inflows		
Proceeds from borrowings	3 759	18 702
Outflows		
Repayment of borrowings	0	
Dividends paid	0	
Net cash flows provided by financing activities	*3 759*	*18 702*
Net increase/(decrease) in cash held	**(2 108)**	**15 293**
Cash at beginning of reporting period	2 672	564
Cash at the end of the reporting period	564	15 858

Summary of significant accounting policies

Statement of compliance

The financial report is a general purpose financial report prepared in accordance with accounting standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the entity Darwin International Airport Pty Ltd (DIAPL).

The financial report complies with Australian Accounting Standards, which includes Australian equivalents to International Financial Reporting Standards (AIFRS). The financial report also complies with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the directors on 10 December 2007.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report has been prepared on the going-concern basis because of the support of the ultimate parent entity by not calling in the loans due to them from the entity.

In the application of AIFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of AIFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2007 and the comparative information presented in these financial statements for the year ended 30 June 2006.

Economic dependency

A continuing material dependency exists with the parent entity. This support is by way of not calling in the loans due to the parent by DIAPL.

(a) Income tax

Income tax disclosed in the income statement comprises of current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using rates enacted or substantially enacted at balance date, and any adjustments to tax payable in respect of previous years.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, or
- for the taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, or
- when the deductible temporary difference is associated with investments in subsidiaries, associates and interest in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

(b) Tax consolidation legislation

The head entity, Airport Development Group Pty Ltd, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone entity. The head entity recognises the current tax liabilities (or assets) and the deferred tax assets arising from the unused tax losses and unused tax credits assumed from the controlled entities in the tax consolidated group.

Members of the tax consolidated group have entered into a tax funding arrangement under which the wholly-owned entities fully compensate the head entity for any current tax payable assumed and are compensated by the head entity for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the head entity under the tax consolidation legislation. The amounts receivable or payable under the tax funding arrangement are due upon receipt of the funding advice from the head entity, which is issued as soon as practical after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables and payables.

(c) Foreign currency translation

Transactions

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. At balance date, amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date. Resulting exchange differences are brought to account in determining the profit and loss for the year.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Aeronautical charges

Aeronautical charges comprise:

- passenger based charges for scheduled regular public transport (rpt) passenger services
- landing based charges for unscheduled, general aviation or non-passenger services
- passenger based charges for the use of terminal facilities
- a safety and security charge levied on a per-passenger basis for government-mandated safety and security measures.

Aeronautical revenue is recognised in the period in which passengers and aircraft physically arrive at the airport.

Trading income

Trading income comprises concessionaire rent, overages and other charges received, including income from public car parks. Income from concessionaire overages is recognised in the period in which the sale to which it relates arises. Other rentals are recognised in the period for which the rental relates according to the lease documentation.

Income from public car parks is recognised on a cash basis.

Property

Property comprises income from company owned terminals, buildings and other leased areas. Lease income is recognised on a straight-line basis over the term of the lease.

Trade and other receivables

Trade receivables are recognised and carried at the original invoice amount.

Recoverability of trade debtors is reviewed on an ongoing basis. A provision for debts is raised where recoverability is deemed to be doubtful. Debts that are known to be unrecoverable are written off. Receivables from related parties are recognised and carried at the nominal amount due.

Acquisition of assets

The cost method of accounting is used for all acquisition of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition.

Impairment of assets

At each reporting date the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the income statement immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the income statement immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(d) Infrastructure, plant and equipment

Cost and valuation

The cost base assigned to infrastructure assets and plant and equipment is set out in note 10.

Depreciation and amortisation

Infrastructure, plant and equipment (including infrastructure assets under lease) have been depreciated using the straight-line method based upon the estimated useful life of the assets to DIAPL.

Depreciation and amortisation rates used are:

	2007	2006
Runways, taxiways and aprons	2.5%–4.29%	2.5%–4.29%
Roads and car parks	2.5%–20.0%	2.5%–20.0%
Fences and gates	7.5%–12.0%	7.5%–12.0%
Lighting and visual aids	10.0%	10.0%
Passenger terminal	2.13%–33.3%	2.13%–33.3%
Buildings	2.13%–33.3%	1.67%–33.3%
Plant and equipment	4.5%–33.3%	4.0%–33.3%
Vehicles	15.0%–20.0%	15.0%–20.0%
Computer equipment	15.0%–33.3%	15.0%–33.3%

Leasehold improvements

Leasehold improvements have been amortised over the shorter of the unexpired period of the lease and estimated useful life of the improvements.

Derecognition and disposal

An item of infrastructure, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership transferred to the entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset or over the term of the lease. Lease payments for operating leases (other than prepaid rent—refer to paragraph (l)), where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred on a straight-line basis over the lease term.

Prepaid rent

The entity leases airport land from the Commonwealth of Australia, a portion of which is classified as a prepaid operating lease. The balance of the leased land is classified as investment property (refer to note (m)).

Upfront payments for operational land under lease from the Commonwealth of Australia are recognised as prepaid rent and the gross value is amortised over the period of the lease (including the option to renew) on a straight-line basis.

Investment properties

Investment property, principally comprising of land, buildings and fixed plant and equipment, is held for long-term rental yields and is not occupied by the entity. The property interest held by the entity in land and buildings is by way of an operating lease. The entity has classified certain areas of land and buildings as investment property held by the entity only to earn rentals and not for supplying aeronautical services or administrative services.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of the day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in the income statement in the year in which they arise.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement of an investment property are recognised in the income statement in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction of development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of the property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the entity as an owner occupied property becomes an investment property, the entity accounts for such property in accordance with the policy stated under infrastructure, plant and equipment (paragraph (j)) up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement. When the entity completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement.

Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired, is recognised as an asset and not amortised, but it is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in the income statement and not subsequently reversed.

(e) Intangible assets

Lease premium

The lease premium was paid on the acquisition of the airport leases from the Australian Government and is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over the estimated useful life of the lease, being 99 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the company before the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Payables to related parties are carried at the principal amount.

Provisions

Provisions are recognised, when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the entity expects some or all of a provision to be reimbursed—for example, under an insurance contract—the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs, except for establishment costs, are recognised as expenses in the period in which they are incurred. Finance costs include:

- interest on bank overdrafts and loans
- senior debt agents fees
- ancillary costs incurred in connection with the ongoing conduct of borrowings.

The finance costs incurred in acquiring the borrowings (establishment costs) are offset against the principal liability and expensed over the term to maturity of the debt using an effective interest rate basis.

Maintenance and repairs

Maintenance, repair costs and minor renewals are charged as expenses as incurred.

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising for wages and salaries, annual leave and any other employee benefits expected to be settled within 12 months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made for services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefit expenses and revenues arising from wages and salaries, non-monetary benefits, annual leave, long service leave, other leave benefits and other types of employee benefits are recognised against profits on a net basis in their respective categories.

Superannuation commitments

DIAPL contributes to AustralianSuper superannuation fund for all its employees.

AustralianSuper is a complying fund under the Commonwealth superannuation law. It is an accumulation fund and contributions by DIAPL satisfy the entity's superannuation guarantee obligation for its employees.

Cash and cash equivalents

Cash and cash equivalents include cash on deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amounts of goods and services tax except where the amount of GST incurred is not recoverable from the ATO. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Contributed equity

Issued and paid up capital is recognised at the face value of the consideration received by the company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Rounding of amounts

The financial report is presented in Australian dollars and all values are presented to the nearest dollar. Unless otherwise stated, amounts have not been rounded.

(g) New accounting standards and interpretations

In the current year the entity has adopted all the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These did not result in any material financial impact on the financial statements of the entity.

The entity has elected to early adopt AASB 8 'Operating segments' and, accordingly, segment information has not been disclosed.

At the date of authorisation of the financial report, the following standards and interpretations were on issue and considered applicable to the entity but not yet effective:

Title	Summary	Impact on financial report	Application date of standard	Application date for company
AASB 7 'Financial instruments: disclosures' (and consequential amendments to other accounting standards resulting from its issue)	New standard replacing disclosure requirements of AASB 132.	Disclosure standard. No direct impact on the amounts included in the financial statements but will have some impact on financial instrument disclosures	1/1/2007	1/7/2007
AASB 101 'Presentation of financial instruments' – revised standard	Effect of release of AASB 7	As above	1/1/2007	1/7/2007
AASB Interpretation 10 'Interim financial reporting and impairment'	Prohibits reversal of certain impairment losses. AASB 136 'Impairment of assets' to take precedence over AASB134 'Interim financial reporting'	No change to accounting policy required. No expected impact	1/11/2006	1/7/2007
AASB Interpretation 12 'Service concession arrangements' (and consequential amendments to other accounting standards resulting from its issue)	Clarifies how operators recognise the infrastructure as a financial asset and/or intangible asset—not as property, plant and equipment	Management have begun to assess the impact but believe that the entity does not fall within the scope of this standard. Will continue to monitor developments in this area.	1/1/2008	1/7/2008

Other than the matters noted above, the directors anticipate that the adoption of these standards and interpretations in future periods will have no material financial impact on the financial statements of the entity. These standards and interpretations will be first applied in the financial report of the entity that relates to the annual reporting period beginning after the effective date of each pronouncement.

(h) Company information

DIAPL is a company limited by shares that is incorporated and domiciled in Australia. Its ultimate parent entity is Airport Development Group Pty Ltd. The registered office and principal place of business is 1 Fenton Court Marrara NT 0812.

Correction of errors

Correction of error in recording tax effect intangible assets in the previous financial year

Following a review of the intangible assets 'lease premium' and 'prepaid rent' the taxable temporary differences have been reclassified as a deferred tax liability. Additionally, amortisation of prepaid rent has been reclassified as non-deductible for income tax purposes. These errors had the effect of overstating the deferred tax asset by $408 465, understating the deferred tax liability by $5 930 662, and overstating the equity by $6 339 127 as at 30 June 2006.

The error also had the effect of overstating equity by $6 339 127 as at 30 June 2005.

The error has been corrected by restating each of the affected financial line items for the prior year as described above.

Melbourne airport

Table 1.1.21 Statement of financial performance for the year ended 30 June 2007

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Revenue			
Aeronautical revenue	159 623	159 623	
Aeronautical-related revenue	72 381		72 381
Grazing and tenant revenue	127		
Interest revenue—other entities	248		
Other non-aeronautical revenue	141,455		141 455
Total revenue	*373 834*	*159 623*	*213 836*
Expenditure			
Salaries and wages	19 496	14 213	5 283
Depreciation	35 502	22 523	12 979
Amortisation of intangibles	302		
Services and utilities	46 142	27 554	18 588
Property maintenance	11 378	7 214	4 164
Maintenance add backs		(127)	
Security costs			
Other costs	32 997	15 338	17 659
Total expenditure	145 817	86 715	58 673
Operating profit/(loss)	**228 017**	**72 908**	**155 163**
Change in fair value of investment property	75 841		
Earnings before interest and tax (EBIT)	**303 858**		
Interest	(82 503)		
Earnings before tax (EBT)	**221 355**		
Tax charge	(66 913)		
Profit/(loss) after tax	**154 442**		
Dividends paid	(84 052)		
Retained earnings	**70 390**		

Table 1.1.22 Statement of financial performance for the year ended 30 June 2006

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Revenue			
Aeronautical revenue	144 357	144 357	
Aeronautical-related revenue	66 373		66 373
Grazing and tenant revenue	148		
Interest revenue—other entities	441		
Other non-aeronautical revenue	127 592		127 592
Total revenue	*338 911*	*144 357*	*193 965*
Expenditure			
Salaries and wages	18 494	12 518	5 976
Depreciation	38 054	21 125	16 929
Amortisation of intangibles	2 618		
Services and utilities	36 051	21 420	14 631
Property maintenance	10 167	6 494	3 673
Maintenance add backs		(148)	
Security costs	3 382	3 382	
Other costs	30 733	13 328	17 405
Total expenditure	*139 499*	*78 119*	*58 614*
Operating profit/(loss)	**199 412**	**66 238**	**135 351**
Abnormal items	0		
Earnings before interest and tax (EBIT)	**199 412**		
Interest	79 023		
Earnings before tax (EBT)	**120 389**		
Tax charge	36 153		
Profit/(loss) after tax	**84 236**		
Dividends paid	93 067		
Retained earnings	**(8 831)**		

Table 1.1.23 Statement of financial position for the year ended 30 June 2007

Description	Audited financial statements	Aeronautical services	Non-aeronautical services
	$'000	$'000	$'000
Current assets			
Cash			
Receivables	22 036	11 893	10 143
Inventories	442	415	27
Other current assets	6 639		
Total current assets	*29 117*	*12 308*	*10 170*
Non-current assets			
Goodwill	667 700		
Property, plant and equipment	786 235	536 209	250 026
Investment Property	856 826		
Other	1 240		
Total non-current assets	*2 312 001*	*536 209*	*1 106 852*
Total assets	**2 341 118**	**548 517**	**1 117 022**
Current liabilities			
Bank Overdraft	1 420		
Payables	72 796		
Creditors	449 010		
Provisions	3 516	2 380	1 136
Total current liabilities	*526 742*		
Non-current liabilities			
Payables	37 528		
Creditors	880 032		
Deferred tax liability	320 188		
Provisions	675	457	218
Other	6 382		
Total non-current liabilities	*1 244 805*		
Total liabilities	**1 771 547**		
Net assets	**569 571**		
Shareholder equity			
Share capital	100 000		
Reserves	5 445		
Accumulated profits/(losses)/retained profits	464 126		
Total shareholder equity	**569 571**		
Balance at beginning of financial year	**393 736**		
Net profit	154 442		
Dividend	(84 052)		
Accumulated profit/(loss) at end of year/Retained profits	**464 126**		

Note: Melbourne airport reported that it has elected to classify its property assets that are held to earn rentals and/or for capital appreciation separately as investment property. This is the first year that this accounting policy has been applied. Investment properties are initially recorded at cost and subsequently recorded at fair value. Aeronautical assets are not affected by this policy change.

Table 1.1.24 Statement of financial position for the year ended 30 June 2006

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Current assets			
Cash	3 286		
Receivables	18 620	12 259	6 361
Inventories	631	595	36
Other current assets	5 136		
Total current assets	*27 673*	*12 854*	*6 397*
Non-current assets			
Goodwill	667 700		
Property, plant and equipment	862 350	497 486	364 864
Intangibles	27 662		
Other	3 534		
Total non-current assets	*1 561 246*	*497 486*	*364 864*
Total assets	**1 588 919**	**510 340**	**371 261**
Current liabilities			
Creditors	76 945		
Provisions	3 709	2 511	1 198
Total current liabilities	*80 654*		
Non-current liabilities			
Borrowings	1 258 716		
Creditors	56 223		
Deferred tax liability	115 617		
Other	6 160		
Provisions	567	384	183
Total non-current liabilities	*1 437 283*		
Total liabilities	**1 517 937**		
Net assets	**70 982**		
Shareholder equity			
Share capital	100 000		
Reserves	6 069		
Accumulated profits/(losses)	(35 087)		
Total shareholder equity	**70 982**		
Balance at beginning of financial year	**(48 573)**		
Net profit	84 236		
Dividend	22 317		
Other (describe if applicable)	(93 067)		
Accumulated profit/(loss) at end of year	**(35 087)**		

Table 1.1.25 Statement of cash flows for the year ended 30 June 2006 and 2007

Description	Audited financial statements 2005–06 $'000	Audited financial statements 2006–07 $'000
Cash flows from operating activities		
Inflows		
Receipts from customers	369 057	407 741
Interest received	441	248
Outflows		
Payments to suppliers and employees	(125 157)	(145 322)
Interest paid	(77 534)	(81 302)
Income tax paid	(52 618)	(45 849)
Goods and services tax remitted	0	0
Net cash flows provided by operating activities	*114 189*	*135 516*
Cash flows from investing activities		
Inflows		
Proceeds from sale of property, plant and equipment	43	616
Outflows		
Acquisition of property, plant and equipment	(77 733)	(89 120)
Payment for investment property		*(16 969)*
Net cash flows used in investing activities	*(77 690)*	*(105 473)*
Cash flows from financing activities		
Inflows		
Proceeds from borrowings	411 000	191 000
Outflows		
Repayment of borrowings	(344 000)	(123 000)
Payment of borrowing costs	(7 063)	
Dividends paid	(93 067)	(84 052)
Loans funds repaid entities in wholly-owned group	(686)	(18 697)
Net cash flows provided by financing activities	*(33 816)*	*(34 749)*
Net increase/(decrease) in cash held	**2 683**	**(4 706)**
Cash at beginning of reporting period	603	3 286
Cash at the end of the reporting period	3 286	(1 420)

Summary of significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act and the accounting standards interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS).

Compliance with the AIFRS ensures that the financial statements and notes of the company comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the directors on 27 August 2007.

Basis of preparation

The financial report has been prepared on the basis of historical cost except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise indicated all amounts are presented in Australian dollars.

In the application of AIFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis for making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of AIFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Cash

Cash comprises cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

(b) Inventories

Inventories are valued at the lower of cost and net realisable value.

(c) Receivables

Trade receivables are recorded at amounts due less any allowance for doubtful debts.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment.

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

Depreciation is provided on property, including buildings, plant and equipment, roads, runways and other infrastructure but excluding land. Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life.

The following estimated useful lives are used in the calculation of depreciation:

Buildings	10–40 years
Roads, runways and other infrastructure	13–80 years
Plant and equipment	3–15 years

Land leased as part of the airport acquisition has been valued at acquisition at fair value. The leased land are amortised on a straight-line basis over the period of the lease, which is 99 years.

(e) Investment property

In previous periods, the company elected not to classify any of its property as investment property and presented all such assets within the property, plant and equipment line item of the balance sheet at cost less accumulated depreciation/amortisation.

Under the company's revised policy, property held to earn rentals and/or for capital appreciation is now separately presented in the balance sheet as investment property. Investment property is initially recorded at cost, including transaction costs. Subsequent to initial recognition, investment property is recorded at fair value. Gains or losses arising from a change in the fair value of this investment property are recognised in the profit or loss for the period in which they arise.

The directors believe that the revised accounting policy for investment property provides more relevant and reliable information about the financial position and performance of the company because of emerging industry practices since the implementation of AIFRS. The impact of the changes is set out in note 30.

(f) Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired, is recognised as an asset and not amortised, but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

(g) Other intangible assets

All potential intangible assets acquired in a business combination, such as contract premium, are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be reliably measured. The contract premium is amortised on a straight-line basis over the life of the contract.

(h) Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill is tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Capitalised borrowing costs

Interest costs directly attributable to assets under construction are capitalised as part of the cost of those assets up to the date of completion of each asset. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(j) Payables

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

(k) Borrowings

Borrowings are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accrual basis.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

Ancillary costs incurred by the company in establishing funding facilities are capitalised and amortised over the term of the facilities. These costs are netted off against the loan in the balance sheet.

(l) Provisions

Provisions are recognised when the company has a present obligation, as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(m) Employee benefits

A liability is recognised for benefits accruing to employees for wages and salaries, annual leave, long service leave, other leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised for wages and salaries, annual leave and long service leave expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at time of settlement.

Liabilities recognised for long service leave that is not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company for services provided by employees up to the reporting date.

(n) Superannuation

The company makes contributions to accumulation funds on behalf of its employees. These contributions are treated as an expense when incurred.

(o) Revenue recognition

- Aeronautical revenue—revenue from landing and terminal fees is recognised on an accruals basis when the service is provided.
- Retail revenue—revenue from retail customers is recognised on an accruals basis when the service or goods are provided.
- Property revenue—revenue from the investment property (as defined in 1(e)) throughout the airport is recognised on an accruals basis in accordance with terms of relevant lease agreements.
- Rent revenue—revenue from rental of non investment property is recognised on an accruals basis in accordance with terms of relevant lease agreements.
- Security, outgoings and other income—revenue received from recharging of security, outgoings and sundry other income is recognised on an accruals basis when the service or goods are provided.

(p) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of GST, except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense, or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing activities which is recoverable from, or payable to, the taxation authority is classified as an operating cash flow.

(q) Derivative financial instruments

The company enters into interest rate swaps. The swaps have been allocated against the underlying debt instrument and to this extent modify the interest rate risk of the underlying debt. Interest rate swaps are initially recognised at fair value on the date a contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss, unless the swap is designated and effective as a hedging instrument, in which event, the timing of recognition in profit or loss depends on the nature of the hedge relationship.

Further details of derivative financial instruments are disclosed in note 28 to the financial statements.

(r) Income tax

Current tax—this is calculated by reference to the amount of income taxes payable or recoverable on the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and previous periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax—this is accounted for using the comprehensive balance sheet liability method for temporary differences arising from differences between carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other then as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle that carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period—these are recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity—in which case the deferred tax is also recognised directly in equity—or where it arises from the initial accounting for a business combination, in which case it is taken to account in the determination of goodwill or excess.

Tax consolidation—Australia Pacific Airports Corporation Limited (APAC) and all its wholly-owned Australian resident entities including the company are part of a tax consolidated group under Australian taxation law. APAC is the head entity in the tax-consolidated group. Tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'group allocation' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by APAC (as head entity in the tax-consolidated group).

(s) Adoption of new and revised Accounting Standards

The company has elected to early adopt AASB8, 'Operating segments' and accordingly segment information has not been disclosed.

Based on investigations completed to date, the company has assessed that it does not fall within the scope of IFRIC 12 'Service concession arrangements', due to the fact that the public sector does not regulate the services or prices charged by the airport. The company will continue to monitor developments in this area.

In the current year, the company has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These did not result in any material financial impact on the financial statements of the company.

The directors anticipate that the adoption in future periods of accounting standards and interpretations currently on issue but not yet effective will have no material financial impact on the financial statements of the company.

(t) Use of estimates and judgments

In the preparation of the financial statements, the directors are required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported carrying values of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Investment Property—This is held at fair value. Fair value is determined with reference to a third party valuation (as noted in note 10). When determining fair value, assumptions must be made about the yield which the investment property will generate in the future, including the outcome of future rent reviews, the rent which will be achieved for sites not yet tenanted, and future rental income growth. A suitable discount rate to calculate present value must also be selected.

Goodwill—when determining whether goodwill is impaired, it is necessary to estimate the value-in-use of the cash generating units to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected from the cash generating unit and a suitable discount rate to calculate present value. The directors have assessed that no impairment of goodwill has occurred during the year.

Perth airport

Table 1.1.26 Statement of financial performance for the year ended 30 June 2007

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Revenue			
Aeronautical revenue	65 787	65 787	
Aeronautical-related revenue	21 609		21 609
Other non-aeronautical revenue	152 533		152 533
Total revenue	*239 929*	*65 787*	*174 142*
Expenditure			
Salaries and wages	13 879	7 072	6 807
Depreciation	10 628	7 049	3 579
Amortisation of intangibles	3 249		
Services and utilities	17 566	5 179	12 387
Leasing and maintenance	3 701	1 867	1 834
Counter Terrorism First Response	2 686	2 686	
Passenger screening	3 973	3 973	
Checked bag screening	2 754	2 754	
Other costs	27 833	10 897	16 936
Total expenditure	*86 269*	*41 477*	*41 543*
Operating profit/(loss)	**153 660**		
Earnings before interest and tax (EBIT)	**153 660**		
Interest	95 028		
Earnings before tax (EBT)	**58 632**		
Tax charge	23 805		
Profit/(loss) after tax	**34 827**		
Dividends paid	0		
Retained earnings	**34 827**		

Table 1.1.27 Statement of financial performance for the year ended 30 June 2006

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Revenue			
Aeronautical revenue	57 403	57 403	
Aeronautical-related revenue	18 603		18 603
Other non-aeronautical revenue	96 831		96 831
Total revenue	*172 837*	*57 403*	*115 434*
Expenditure			
Salaries and wages	13 349	7 309	6 040
Depreciation	9 872	6 747	3 125
Amortisation of intangibles	1 414		
Services and utilities	15 739	4 094	11 645
Leasing and maintenance	2 916	1 393	1 523
Australian Protective Services	3 881	3 881	
Passenger screening	3 409	3 409	
Checked bag screening	2 174	2 174	
Other costs	18 243	7 811	10 432
Total expenditure	*70 997*	*36 818*	*32 765*
Operating profit/(loss)	**101 840**		
Earnings before interest and tax (EBIT)	**101 840**		
Interest	77 506		
Earnings before tax (EBT)	**24 334**		
Tax charge	6 997		
Profit/(loss) after tax	**17 337**		
Dividends paid	0		
Retained earnings	**17 337**		

Table 1.1.28 Statement of financial position for the year ended 30 June 2007

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Current assets			
Cash	9 093		
Receivables	19 540	8216	11 323
Inventories	33		33
Assets held for sale	0		
Prepayments	0		
Accrued revenue	8 572	1 800	6 773
Other	3 778	184	3 594
Total current assets	41 016	10 200	21 723
Non-current assets			
Receivables	14 046	3 851	10 195
Investment properties	240 753		240 753
Property, plant and equipment	262 487	167 853	94 634
Goodwill	443 598		
Prepayment	30 166	17 597	12 569
Other financial assets	14 059		
Other intangible assets	11 306		
Other	0		
Total non-current assets	*1 016 415*	*189 302*	*358 151*
Total assets	**1 057 431**	**199 502**	**379 874**
Current liabilities			
Creditors	33 596		
Borrowings	0		
Other	225		225
Provisions	4 561	1 938	2 623
Total current liabilities	*38 382*	*1 938*	*2 848*
Non-current liabilities			
Borrowings	667 965		
Deferred tax liability	125 574		
Other	8 802		
Provisions	4 731		
Total non-current liabilities	807 072		
Total liabilities	845 454	1 938	2 848
Net assets	**211 977**	**197 564**	**377 026**
Shareholder equity			
Share capital	144 565		
Reserves	11 067		
Accumulated profits/(losses)	56 345		
Total shareholder equity	**211 977**		
Accumulated profit/(loss) at start of year	**21 518**		
Movements			
Profit/(loss) for the year	34 827		
Accumulated profit/(loss) at end of year	**56 345**		

Table 1.1.29 Statement of financial position for the year ended 30 June 2006

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Current assets			
Cash	8 930		
Receivables	18 863	7 077	11 786
Inventories	85		85
Assets held for sale	11 337		11 337
Prepayments	43		43
Other	8 937	4 012	4925
Total current assets	*48 195*	*11 089*	*28126*
Non-current assets			
Receivables	28 486	17 794	10 692
Investment properties	158 430		158 430
Property, plant and equipment	234 013	161 019	72 994
Goodwill	443 598		
Other intangible assets	14 555		
Other	7 448	2 474	4 974
Total non-current assets	*886 530*	*181 287*	
Total assets	**934 725**	**192 376**	**275266**
Current liabilities			
Creditors	26 180		
Borrowings	435 585		
Other	40 193		
Provisions	4 141	2 048	2 093
Total current liabilities	*506 099*	*2 048*	*2 093*
Non-current liabilities			
Borrowings	167 622		
Other	90 423		
Provisions	4 498	1 681	2817
Total non-current liabilities	*262 543*	*1 681*	*2817*
Total liabilities	768 642	3 729	4 910
Net assets	**166 083**	**188 647**	**270 356**
Shareholder equity			
Share capital	144 565		
Reserves	0		
Accumulated profits/(losses)	21 518		
Total shareholder equity	**166 083**		
Accumulated profit/(loss) at start of year	**2 959**		
Movements			
Profit/(loss) for the year	17 337		
Other	1 222		
Accumulated profit/(loss) at end of year	**21 518**		

Table 1.1.30 Statement of cash flows for the year ended 30 June 2006 and 2007

Description		Audited financial statements 2005–06 $000	Audited financial statements 2006–07 $000
Cash flows from operating activities			
Inflows			
Receipts from customers		136 752	178 268
Interest received		842	1 740
Outflows			
Payments to suppliers and employees		(54 097)	(109 932)
Interest paid		0	0
Net cash flows provided by operating activities		*83 497*	*70 076*
Cash flows from investing activities			
Inflows			
Proceeds from sale of property, plant and equipment		16 536	0
Other		0	0
Outflows			
Acquisition of property, plant and equipment		(31 681)	(45 432)
Other		(35)	7 695
Net cash flows used in investing activities		*(15 180)*	*(37 737)*
Cash flows from financing activities			
Inflows			
Proceeds from borrowings		5 000	522 988
Other		0	0
Outflows			
Repayment of borrowings		(24 550)	(460 126)
Borrowing costs	Primary debt holders	(29 352)	(74 643)
	Subordinated debt holders	(19 051)	(20 395)
Dividends paid		0	0
Net cash flows provided by financing activities		*(67 953)*	*(32 176)*
Net increase/(decrease) in cash held		**364**	**163**
Effect of exchange rate on cash		0	0
Cash at beginning of reporting period		8 566	8 930
Cash at the end of the reporting period		8 930	9 093

Summary of significant accounting policies

Basis of preparation

This special purpose financial report has been prepared in accordance with the regulatory information requirements under Part 7 of the *Airports Act 1996*, and s. 95ZF of the Trade Practices Act, as described in airports reporting guideline (June 2007) (the guideline') and with the measurement but not the disclosure requirements of applicable, accounting standards. It is prepared in accordance with the historical cost convention, except for certain assets, which, as noted, are at valuation.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs except for investment properties and derivative financial instruments, for which the fair value basis of accounting has been applied.

Going concern

Notwithstanding the deficiency in net current assets at balance date, these accounts have been prepared on a going concern basis. This deficiency has been caused by a reclassification of senior debt instruments from non current liabilities to current liabilities on the face of the balance sheet. The reason, for the reclassification, is that the senior debt is in the process of being re-financed and is expected to be repaid in the forthcoming financial year. In the event that the existing debt is repaid and replaced with new long term debt facilities, a short term bridging loan will be used to repay the existing debt until funds are received from the replacement debt. The replacement debt will then be classified appropriately as non-current liabilities.

In the event that the refinancing does not take place, the existing senior debt will be re-classified as long term liabilities.

(a) Tax

(i) Income taxes

ADG is the head entity of the tax consolidated group, which comprises ADG and its 100 per cent owned Australian resident subsidiaries.

The current and deferred tax amounts for the tax-consolidated group are allocated among the entities in the group using a stand-alone taxpayer approach whereby each entity in the tax-consolidated group measures its current and deferred taxes as if it continued to be a separately taxable entity in its own right. Deferred tax assets and deferred tax liabilities are measured by reference to the carrying amounts of the assets and liabilities in Westralia Airports Corporation's (WAC) balance sheet and their tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses assumed by the head entity from the subsidiaries in the tax consolidated group are recognised in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by ADG as an equity contribution to or distribution from the subsidiary. Distributions firstly reduce the carrying amount of the investment in the subsidiary and are then recognised as revenue.

ADG recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised. Any subsequent period adjustments to deferred tax assets arising from unused tax losses assumed from subsidiaries are recognised by the head entity only. The members of the tax-consolidated group have entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts.

The tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity.

In preparing the accounts for the parent company for the current year, no amounts have been recognised as tax consolidation contributions adjustments.

(ii) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(b) Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

(c) Revenue recognition

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

a. the amount of revenue can be measured reliably

b. it is probable that the economic benefits associated with the transaction will flow to the entity

c. the stage of completion of the transaction at the reporting date can be measured reliably

d. the costs incurred for the transaction and the costs to complete the transaction can be measured reliably. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable. Specific recognition criteria are as follows:

   (i) aeronautical charges comprises landing fees and terminal charges, based on the maximum take-off weight of aircraft or passenger numbers on aircraft, and a security charge for the recovery of costs incurred as a result of government-mandated security requirements

   (ii) trading comprises concessionaire rent and other charges received

   (iii) ground transport services comprises operation of public and leased car parks, car rental concessions, ground transport services and traffic management

   (iv) property revenue comprises income from owned terminals, buildings, and long-term leases of land and other leased assets. Rental income from investment properties is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned—see note (t) for the accounting policy for deferred revenue

   (v) recharge property service costs comprise recharged service and utility expenditure

   (vi) interest revenue comprises earnings on funds deposited with financial institutions and recognition is based on the effective interest rate method.

All revenue is stated net of the GST.

(d) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included with interest-bearing loans and borrowings in current liabilities on the balance sheet.

(e) Trade and other receivables

Trade receivables, which generally have 30- to 90-day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Recoverability of trade debtors is reviewed on an ongoing basis. Debts, which are known to be unrecoverable, are written off. A specific provision has been raised for debts where recoverability is deemed to be doubtful.

(f) Inventories

Inventories have been stated at the lower of cost and net realisable value. The basis of accounting for inventories is on a first-in-first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(g) Assets held for sale

Assets held for sale comprise investment properties designated for sale. Assets held for sale are stated at fair value in accordance with the company policy on investment property. They are not amortised or depreciated. Losses arising from changes in the fair value adjustments arising from independent revaluations are charged to the income statement.

(h) Prepaid rent

Under AASB 117 upfront payments for operational land under lease are recognised as prepaid rent and the gross value is amortised over the period of the lease (including the optional renewal term) on a straight-line basis. This is because title to the land does not pass to the company at the conclusion of the 99-year lease.

(i) Investment properties

AASB 140 allows for a property interest held under an operating lease to be accounted for as an investment property if it would otherwise meet the definition of an investment property in AASB 140.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in the income statement in the year in which they arise.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

For a transfer from investment property to owner -occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value as per the latest independent valuation that has been recognised in the accounts. If the property occupied by the company as an owner occupied property becomes an investment property, the company accounts for such property in accordance with the policy

stated under prepaid rent up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement. When the company completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement.

(j) Acquisition of assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition. Where shares are issued on acquisition, the value of the shares is determined by reference to the fair value of the assets acquired, including goodwill and other intangible assets where applicable.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(k) Infrastructure, plant and equipment

(i) Cost and valuation

The cost basis is used to attribute value to infrastructure, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

(ii) Depreciation and amortisation

Infrastructure, plant and equipment (including infrastructure assets under lease) have been depreciated using the straight-line method based upon the estimated useful life of the assets. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. No depreciation is charged until the asset has been completed and brought to use.

Depreciation and amortisation rates used are as follows:

	2007	2006
Plant and equipment	**5.00%–33.00%**	5.00%–33.00%
Buildings	**2.50– 15.00%**	2.50%–15.00%
Fixed plant and equipment	**5.00%–15.00%**	5.00%–15.00%
Runways, taxiways and aprons	**1.01%–6.67%**	1.01%–6.67%
Other infrastructure assets	**2.50%–20.00%**	2.50%–20.00%

(iii) Leasehold improvements

Leasehold improvements have been amortised over the shorter of the unexpired period of the lease and estimated useful life of the improvements.

(iv) Major repairs and maintenance

Major asset maintenance costs incurred on runways, taxiways and aprons are capitalised and are written off over the period between major asset maintenance projects. This recognises that the benefit is to future periods and also apportions the cost over the period of the related benefit.

(v) Non-current assets under construction

The cost of non-current assets constructed by the entity includes the cost of materials used in construction, direct labour on the project and consultancy and professional fees associated with the project.

(vi) Derecognition and disposal

An item of infrastructure, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

(l) Leases

Company as a lessee

Leases of fixed assets, where substantially all the risks and benefits are incidental to the ownership of the asset, but not the legal ownership transferred to the entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives—where it is likely that the entity will obtain ownership of the asset—or over the term of the lease.

Lease payments for operating leases—other than prepaid rent (refer to paragraph (h)—where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Company as a lessor

Leases in which the company retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income. Properties subject to operating leases are classified as investment properties.

(m) Intangibles—goodwill, contractual intangible assets and capitalised master plan costs

Goodwill acquired in a business combination is initially measured at cost—that is, the excess of the cost of the business combination over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities being acquired.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates.

When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

Contractual intangible assets are assessed to be finite and amortised over the period of the lease or expiry of the licence where applicable.

All fees and costs incurred in the development of the airport and property master plan have been capitalised and are amortised on a straight-line basis over five years. This represents the statutory period over which the master plan is required to be prepared.

Contractual intangible assets and capitalised master plan costs are reviewed for impairment if events or changes in circumstances indicate that the carrying value may be impaired. Write-downs arising from impairments are charged to the income statement.

(n) Impairment of non-financial assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the company before the end of the financial year which are unpaid and arise when the company becomes obliged to make future payments for the purchase of these goods and services. The amounts are unsecured (except for accrued interest on debt instruments) and are usually paid within 30 days of recognition.

(p) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in provision due to the passage of time is recognised as a borrowing cost.

(q) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer the settlement of the liability for at least 12 months after the balance sheet date.

(r) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The company designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge), or
- hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The company documents, at the inception of the hedging transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items. The fair values of various derivative financial instruments used for hedging purposes are disclosed in notes 15 and 20. Movements in the hedging reserve are shown in the statement of equity.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of the fair value hedge is recognised in the income statement within other income or other expense together with the gain or loss relating to the ineffective portion and changes in the fair value of the fair value hedge.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedge item for which the effective interest method is used is amortised to the income statement over the period to maturity.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense. Amounts accumulated in equity are recycled in the income statement in the period when the hedged item will affect the income statement.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(iii) Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement and are included in finance costs.

(s) Employee benefits

Provision has been made for long service leave and annual leave payable to employees on the basis of statutory and contractual requirements. Vested entitlements are classified as current liabilities.

Liabilities arising for wages and salaries, annual leave and other employee benefits expected to be settled within 12 months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

A liability for long service leave is measured as the present value of expected future payments to be made for services provided by employees up to the reporting date. When assessing the adequacy of the provision, consideration is given to the present value of these payments after assessing expected future wage and salary levels, experience of employee departure and period of service.

The company meets its superannuation guarantee and enterprise-bargaining obligations for employees' superannuation through contributions to resident complying accumulation superannuation funds selected by employees. If an employee makes no choice, then those contributions are sent monthly to the resident complying superannuation scheme operated by Westscheme Pty Ltd. Company contributions to these defined contributions plans are charged against profits as incurred.

(t) Deferred revenue

Rentals received in advance for investment properties leased to tenants under long-term operating leases are credited to a deferred revenue account and released to the income statement on a straight-line basis over the lease term. Rentals received in advance for investment properties leased to tenants under long-term finance leases are recognised upfront in the period when all attaching conditions pursuant to the sale transaction have been satisfied.

(u) Finance costs

Finance costs are recognised as expenses in the period in which they are incurred. Borrowing costs include:

- interest on bank overdraft and long-term borrowings
- interest on long-term subordinated debt
- interest on bonds payable (including capitalised interest component)
- ancillary costs incurred in connection with the ongoing conduct of borrowings
- losses arising from changes in the fair value of derivative financial instruments that do not qualify for hedge accounting
- discounting adjustments on provisions.

(v) Transaction costs—funding facilities

Fees and costs incurred in establishing funding facilities are offset against the principal liability and amortised over the term to maturity of the relevant debt using an effective interest basis. Fees and costs incurred on borrowings yet to be established are deferred and amortised over the term to maturity once the facilities have been put in place. Fees and costs on existing borrowings are expensed to the income statement.

(w) Maintenance and repairs

Maintenance, repair costs and minor renewals, excluding maintenance on runways, taxiways and aprons, are charged as expenses as incurred.

Maintenance on runways, taxiways and aprons is treated in accordance with paragraph (k)*(iv)*.

(x) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(y) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key estimates and assumptions

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. The assumptions used in this estimation, for recoverable amount and the carrying amount of goodwill, are discussed in note 14.

Independent valuations of investment property have been provided by Knight Frank, and the directors have relied on these valuations in determining the fair value of the investment property.

As discussed in paragraph (s), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made for all employees at balance date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Key judgments

For the purpose of recognising deferred tax assets created by deductible temporary differences and unused tax losses, the directors expect that there will be future taxable amounts that will be available to utilise those temporary differences and losses.

For the purpose of impairment testing of goodwill, the directors have relied on a valuation model that has been independently reviewed and believe that key assumptions used in the model are correct.

The estimation of the useful lives of infrastructure, plant and equipment has been based on historical experience. In addition, the condition of material assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation charges are noted in paragraph (k).

Where receivables are outstanding beyond the normal trading terms, the likelihood of the recovery of these receivables is assessed by management and a provision is made on a case by case basis.

(z) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the entity's functional and presentation currency.

(aa) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(bb) Rounding of amounts

The company is of a kind referred to in class order 98/0100, issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in the financial report. In accordance with this class order, amounts in the financial report have been rounded to the nearest thousand dollars.

(cc) New accounting standards and interpretations—statement of compliance

The Australian accounting standards and interpretations that have recently been issued or amended but which are not yet effective have not been adopted for the annual reporting period ending 30 June 2007.

The following amendments are applicable to the company but are not yet effective and have not been adopted for the annual reporting period ended 30 June 2007.

AASB Amendment	Affected standards	Nature of change to accounting policy and impact on the financial report	Application date of standard	Application date for company*
2005-10	Amendments to Australian Accounting Standards (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 123 & AASB 1038)	Amendments are a consequence of the issue of AASB 7 and ensure that all disclosures relating to financial instruments are removed from other standards and are all now within AASB 7 AASB 7 is a disclosure standard so will have no direct impact on the amounts included in the financial statements. However, the amendments will result in changes to financial instrument disclosures	1 January 2007	1 July 2007
AASB 7	Financial instruments: disclosures— AASB 7 replaces AASB 130 and the disclosure requirements of AASB 132	As above	1 January 2007	1 July 2007
2007-2	Amendments to Australian Accounting Standards arising from AASB Interpretation 12 (AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139)	AASB 1 is amended to allow a first time adopter which is adopting Interpretation 12 (see below) for the first time to only apply the requirements of Interpretation 12 to a service concession arrangement essentially from the start of the earliest period presented (rather than full retrospective application), if it is impracticable for the entity to apply the Interpretation retrospectively to that arrangement. The accounting then required is set out in Interpretation 12. Management, after a preliminary assessment, is of the opinion that Interpretation 12 will not have a material impact on future financial reports.	1 January 2008	1 July 2008
AASB 2007-6	Amendments to Australian Accounting Standards arising from AASB 123 (AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 and AASB 138 and interpretations 1 & 12)	Amending standard issued as a consequence of AASB 123 (revised) 'Borrowing costs'. Management will assess the impact and adopt the amendment in the 2009/10 financial year.	1 January 2009	1 July 2009

AASB Amendment	Affected standards	Nature of change to accounting policy and impact on the financial report	Application date of standard	Application date for company*
Interpretation 12	Service Concession Arrangements	This interpretation clarifies how operators recognise the infrastructure as a financial asset and/or an intangible asset – not as property, plant and equipment. Management will assess the impact and to the extent that the Interpretation is applicable, adopt the amendment in the 2008/09 financial year.	1 January 2008	July 2008
AASB Interpretation 129 (revised June 2007)	Service concession arrangements (disclosures)	The revised interpretation was issued as a result of the issue of Interpretation 12 and requires specific disclosures about service concession arrangements entered into by an entity, whether as a concession provider or a concession operator. Management will assess the impact and to the extent that the Interpretation is applicable, adopt the amendment in the 2008/09 financial year.		
AASB Interpretation 129 (revised June 2007)	Service concession arrangements (disclosures)	The revised interpretation was issued as a result of the issue of Interpretation 12 and requires specific disclosures about service concession arrangements entered into by an entity, whether as a concession provider or a concession operator. Management will assess the impact and to the extent that the Interpretation is applicable, adopt the amendment in the 2008/09 financial year.	1 January 2008	1 July 2008
AASB 101 (revised October 2006)	Presentation of financial statements	Many of the disclosures from previous GAAP and all of the guidance from previous GAAP are not carried forward in the October 2006 version of AASB 101. The revised standard includes some text from IAS 1 that is not in the existing AASB 101 and has fewer additional Australian disclosure requirements than the existing AASB 101. AASB 101 is a disclosure standard so will have no direct impact on the amounts included in the financial statements. However, the amendments will result in changes to financial instrument disclosures.	1 January 2007	1 July 2007

AASB Amendment	Affected standards	Nature of change to accounting policy and impact on the financial report	Application date of standard	Application date for company*
AASB 123 (revised June 2007)	Borrowing costs	cquisition, construction or production of a qualifying asset. The revised version of AASB 23 requires borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Management will assess the impact and adopt the amendment in the 2009/10 financial year.	1 January 2009	1 July 2009
Interpretation 9	Reassessment of embedded derivatives .	Clarifies when an entity should assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative under AASB 139 only when there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required. Unless arrangements are entered into that contain embedded derivatives in future reporting periods, these amendments are not expected to have any impact on the financial report.	1 June 2006	1 June 06

* designates the beginning of the applicable annual reporting period.

Note 1. Statement of significant accounting policies (continued)—New accounting standards and interpretations; statement of compliance

Sydney airport

Table 1.1.31 Statement of financial performance for the year ended 30 June 2007

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Revenue			
Aeronautical revenue	**357 821**	357 821	
Aeronautical-related revenue	100 708	17 346	83 362
Other non-aeronautical revenue	252 693		252 693
Other	139 837	98	139 739
Total revenue	*851 059*	*375 265*	*475 794*
Expenditure			
Salaries and wages	34 246	22 274	11 972
Depreciation	128 842	92 193	36 649
Impairment of non-current asset	1 488	1 206	282
Amortisation of intangibles	27 858	8 380	19 478
Services and utilities	37 494	18 580	18 914
Property maintenance	16 011	12 165	3 846
Security costs	37 081	36 776	305
Other costs	*17 406*	*11 149*	*6 257*
Total expenditure	**300 426**	**202 723**	**97 703**
Operating profit/(loss)	550 633	172 542	378 091
Abnormal items	0		
Earnings before interest and tax (EBIT)	550 633		
Interest	722 886		
Earnings before tax (EBT)	**(172 253)**		
Tax charge	9 163		
Profit/(loss) after tax	**(163 090)**		
Dividends paid	0		
Retained earnings	**(163 090)**		

Table 1.1.32 Statement of financial performance for the year ended 30 June 2006

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Revenue			
Aeronautical revenue	318 259	318 259	
Aeronautical-related revenue	95 929	16 796	79 133
Other non-aeronautical revenue	229 717		229 717
Other	82 484	85	82 399
Total revenue	*726 389*	*335 140*	*391 249*
Expenditure			
Salaries and wages	35 555	23 451	12 104
Depreciation	109 608	83 729	25 879
Amortisation of intangibles	27 759	8 312	19 447
Services and utilities	33 903	16 289	17 614
Property maintenance	15 149	11 320	3 829
Security costs	34 402	34 061	341
Other costs	16 087	10 566	5 521
Total expenditure	*272 463*	*187 728*	*84 735*
Operating profit/(loss)	**453 926**	**147 412**	**306 514**
Abnormal items	0		
Earnings before interest and tax (EBIT)	**453 926**		
Interest	720 209		
Earnings before tax (EBT)	**(266 283)**		
Tax charge	(40 579)		
Profit/(loss) after tax	**(225 704)**		
Dividends paid			
Retained earnings	**(225 704)**		

Table 1.1.33 Statement of financial position for the year ended 30 June 2007

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Current assets			
Cash	103 388		
Receivables	1 721 300	37 863	1 683 437
Inventories	0		
Accrued revenue	0		
Other	0		
Total current assets	*1 824 688*		
Non-current assets			
Receivables	1 980 537	26 544	1 953 993
Prepayment/prepaid rent	0		
Investment property	2 477 116		2 477 116
Property, plant and equipment	1 943 801	1 515 379	428 422
Capital works in progress	113 022		
Intangibles	2 521 920	764 356	1 757 564
Other	2 982		
Total non-current assets	*9 039 378*	*2 306 279*	*6 617 095*
Total assets	**10 864 066**		
Current liabilities			
Creditors	624 719		
Borrowings	2 342 863		
Other	37 435	6 755	30 680
Provisions	7 696	5 002	2 694
Total current liabilities	*3 012 713*	*11 757*	*33 374*
Non-current liabilities			
Borrowings	6 363 217		
Other			
Deferred tax liability	284 834		
Provisions	1 321	859	462
Total non-current liabilities	*6 649 372*		
Total liabilities	**9 662 085**		
Net assets	**1 201 981**		
Shareholder equity			
Share capital	2 044 149		
Reserves			
Accumulated profits/(losses)	(842 168)		
Total shareholder equity	**1 201 981**		
Accumulated profit/(loss) at start of year	**(680 556)**		
Profit/(loss) for the year	(163 090)		
Other	1 478		
Accumulated profit/(loss) at end of year	**(842 168)**		

Table 1.1.34 Statement of financial position for the year ended 30 June 2006

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000
Current assets			
Cash	86 196		
Receivables	193 573	24 810	168 763
Inventories	0		
Accrued revenue	20 297	10 987	9 310
Other	0		
Total current assets	*300 066*		
Non-current assets			
Receivables	650 352	21 440	628 912
Investments	995 000		
Property, plant and equipment	1 852 709	1 444 736	407 973
Intangibles	2 526 088	756 275	1 769 813
Other	185 543		
Total non-current assets	*6 209 692*		
Total assets	**6 509 758**		
Current liabilities			
Creditors	496 673		
Borrowings	2 342 863		
Other	22 919	9 134	13 785
Provisions	7 043	4 645	2 398
Total current liabilities	*2 869 498*		
Non-current liabilities			
Borrowings	1 990 000		
Other	285 267		
Provisions	1 400	923	477
Total non-current liabilities	*2 276 667*		
Total liabilities	**5 146 165**		
Net assets	**1 363 593**		
Shareholder equity			
Share capital	2 044 149		
Reserves			
Accumulated profits/(losses)	(680 556)		
Total shareholder equity	**1 363 593**		
Accumulated profit/(loss) at start of year	**(476 703)**		
Profit/(loss) for the year	(225 704)		
Other (adjustment on adoption of AIFRS)	19 903		
Other (actuarial gain on defined benefit plan)	2 844		
Other (recognition of deferred tax)	(896)		
Accumulated profit/(loss) at end of year	**(680 556)**		

Table 1.1.35 Statement of cash flows for the year ended 30 June 2006 and 2007

Description	Audited financial statements 2005–06	Audited financial statements 2006–07
	$'000	$'000
Cash flows from operating activities		
Inflows		
Receipts from customers	626 556	797 879
Interest received	6 898	9 267
Dividends received	79 796	133 360
Outflows		
Payments to suppliers and employees	(71 584)	(206 324)
Interest paid	(610 385)	(665 970)
Net cash flows provided by operating activities	*31 281*	*68 212*
Cash flows from investing activities		
Inflows		
Proceeds from sale of property, plant and equipment	85	162
Outflows		
Acquisition of property, plant and equipment	(218 246)	(174 302)
Other	(9 448)	(8 307)
Net cash flows used in investing activities	*(227 609)*	*(182 447)*
Cash flows from financing activities		
Inflows		
Proceeds from borrowings (from other group entities)	680 000	4 373 217
Other		
Outflows		
Loans to other group entities	0	0
Acquisition of debt from other group entities	0	0
Repayment of borrowings	(129 537)	(2 759 675)
Dividends paid	(340 000)	(1 482 115)
Net cash flows provided by financing activities	*210 463*	*131 427*
Net increase/(decrease) in cash held	**14 135**	**17 192**
Cash at beginning of reporting period	72 061	86 196
Cash at the end of the reporting period	86 196	103 388

Summary of significant accounting policies

Basis of preparation

This special purpose financial report has been prepared in accordance with the requirements of the regulatory information requirements under Part 7 of the *Airports Act 1996* and s. 95ZF of the *Trade Practices Act 1974*—as laid out in the airports reporting guideline revised June 2007.

The financial report has been prepared on the basis of historical costs, except for the derivative financial instruments that have been measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in Australian dollars.

Adoption of new and revised Accounting Standards

In the current year, there are no new or revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) which became effective for the current annual reporting period that are relevant.

At the date of authorisation of the financial report, the following standards and interpretations were on issue but not yet effective:

- AASB 101 'Presentation of financial statements'—revised standard (effective for annual reporting periods beginning on or after 1 January 2007).
- AASB Interpretation 12 'Service concession arrangements' (effective for annual reporting periods beginning on or after 1 January 2008).

Management have begun the process to assess whether AASB Interpretation 12 will be applicable to SACL and its operations as an airport operator.

Other than the matters noted above, the directors anticipate that the adoption of these standards and interpretations in future periods will have no material financial impact on the financial statements of the company or the group.

The application of AASB 101 (revised) will not effect any of the amounts recognised in the financial statements, but will change the disclosures presently made in the financial report.

These standards and interpretations will be first applied in the financial report of the company that relates to the annual reporting period beginning after the effective date of each pronouncement.

Going concern

The financial report has been prepared on the basis that the company is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As at the financial year ended 30 June 2007, the entity has net current liabilities of $1188 million (30 June 2006: $2569 million). An independent valuation by KPMG as at 30 June 2007 reflected an increase in the Southern Cross Airports Corporation Holdings (SCACH) equity value since acquisition of approximately $3655 million (2006: $2870 million). This valuation increment, if applied in the financial statements of the consolidated entity, would more than absorb the deficiency in net assets in Sydney Airport Corporation Limited (SACL) and other companies in the wholly-owned group. In addition, the consolidated entity successfully completed a $4.3 billion financing transaction during the year, including the refinance of some senior debt facilities and the establishment of new facilities for capital expenditure, liquidity and general working capital purposes. As at 30 June 2007, $2349 million in committed facilities remain undrawn. As part of the financing arrangements, the company has received an unconditional guarantee from the parent and other members of the SCACH group under the security trust deed. Under the security trust deed, each guarantor unconditionally and irrevocably guarantees the due and punctual payment of the external borrowings.

Accordingly, the going concern basis of accounting is considered to be appropriate in the preparation of the financial report.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk, liquidity risk and cash-flow interest-rate risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department under policies approved by the board of directors covering specific areas, such as foreign exchange risk, interest-rate risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity. Speculative trading is specifically prohibited by board policy. Treasury identifies, evaluates and hedges financial risks in close cooperation with the company's operating units.

Credit risk

The company has significant concentrations of credit risk. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. It is the company's policy that all financial institution counterparties must have a Standard & Poor's rating of at least 'A' or Moody's long-term rating of 'A2'. The company has policies limiting the amount of credit exposure to any financial institution by both volume and term.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed borrowing facilities and the ability to close out market positions. Due to the capital investment nature of the underlying business, group treasury aims to maintain flexibility in funding by maintaining committed borrowing lines available from a number of counterparties. A liquidity policy is in place to maintain liquidity including the following:

- working capital facility
- debt service cover, in the form of cash and an undrawn committed facility
- maintenance capital expenditure reserve.

Cash flow and fair value interest rate risk

The company's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company is a part of the SCACH group policy which is in place to ensure that, in the medium term a minimum of 75 per cent of the group senior debt is either issued at a fixed rate or hedged through the use of interest rate swaps. At 30 June 2007, in the SCACH Group, 98.3 per cent (2006: 88.0 per cent) of senior drawn borrowings (excluding Sydney Kingsford Smith airport interest earning securities) were either fixed rate or hedged through interest rate swaps.

Significant accounting policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Borrowings

Borrowings are recorded initially at fair value, net of issue costs associated with the borrowing. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest rate method. Amortised cost is calculated taking into account any issue costs and any discount or premium on inception and on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and through the amortisation process.

(b) Borrowings costs

Where borrowings are specifically incurred for qualifying assets, the actual borrowing costs are capitalised to those assets. Where borrowings are not specifically incurred for qualifying assets the capitalisation rate is determined as the proportion of the total borrowing costs which relate to the capital development. Borrowing costs are capitalised up to the date when the asset is substantially complete and ready for use and are subsequently amortised over the useful life of the asset. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. Revenue principally comprises:

Aeronautical revenue

Aeronautical revenue with the exception of international passenger flights is generated from:

(a) charges levied on aircraft runway movements (take-off and landing) where the invoiced amount is based on the maximum take-off weight of fixed wing aircraft (freight, regional and GA) and movements of rotary wing aircraft

(b) charges levied on arriving and departing passengers (excluding infants and positioning crew) for domestic runway movements and terminal 2

(c) time-based aircraft parking charges

(d) charges on exclusive first right use of gates.

Aeronautical revenue for international flights is derived from:

(a) a passenger service charge (incorporating runway, security and international terminal use charges) calculated per arriving and departing passenger, excluding transit and transfer passengers, infants and positioning crew

(b) time-based aircraft parking charges.

Aeronautical revenue is recognised on a straight-line basis or based on the completion of the rendering of the services listed above.

Aeronautical security recovery

Aeronautical security recoveries include charges for services provided on both international and domestic sectors. Security charges are not levied on regional passenger services (other than for terminal 2 passenger screening and checked bag screening services). Aeronautical security recoveries are for the following services:

(a) international services include checked bag screening, passenger screening, counter terrorist first response and additional security measures. All charges are levied on a per passenger basis

(b) domestic services include counter terrorist first response and additional security measures levied on a per passenger basis, and passenger screening and checked bag screening (terminal 2 only).

Aeronautical security recovery is recognised based on the completion of the rendering of the above-listed services.

Aeronautical-related revenue

'Aeronautical-related' includes revenue for:

- check-in counter services
- recovery relating to parking infringement notices)
- public and staff car-parking activities
- aircraft light and emergency maintenance sites and buildings
- taxi holding and feeder services.

Aeronautical-related revenue is recognised on a straight-line basis or based on the completion of the rendering of the above-listed services.

Other non-aeronautical revenue

Non-aeronautical revenue represents the following classes of revenue:

- Retail revenue—comprising rental from tenants whose activities include duty free, food and beverage, other retail, banking and currency, and advertising.
- Property revenue—recognised on the invoiced amount of rent due from airport property, including terminals, buildings and other leased areas (other than revenue already recognised as aero-related revenue referred above).
- Commercial trading revenue—revenue from all other commercial streams, excluding revenue for time based charges from public and staff car-parking. Commercial trading revenue also includes revenue relating to valet parking services and concession charges from car rental.

(d) Maintenance

Major periodic maintenance expenditure on runways, taxiways and aprons is capitalised and written off over the period between major repairs, to the extent the maintenance enhances the economic benefit associated with the asset or the relevant component has been depreciated. This recognises that major maintenance will increase the value of the asset and therefore the cost is apportioned over the period of related benefit. Other maintenance costs are expensed as incurred.

(e) Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Contingent rental income is recognised in the periods in which it is earned.

(f) Tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable for the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as result of a business combination) which affects neither taxable income nor accounting profit.

Deferred income tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are released or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax consolidation

The company and all the wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Southern Cross Airports Corporation Holdings Limited is the head entity of the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group.

The amounts recognised are calculated using the assumptions set out in the tax funding agreement, including the assumption that each member is not a member of the tax consolidated group. Current tax liabilities, assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the company.

Due to the existence of a tax-funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to, or receivable by, the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the GST incurred on a purchase of goods and services is not recoverable from the ATO, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and for receivables and payables, which are recognised inclusive of GST.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO, is classified as operating cash flows.

The net amount of GST recoverable from or payable to the ATO is included as part of receivables or payables. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in banks, money market investments readily convertible to cash within two working days and restricted short-term deposits, net of outstanding bank overdrafts.

(h) Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held to maturity investments', 'available for sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

At balance date SACL had one category of financial assets, 'loans and receivables'.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

Current receivables are allocated between aeronautical and non-aeronautical services based on the nature of the revenue streams that generate the receivables.

Impairment of financial assets

Financial assets, other than those at fair value through the profit and loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the profit and loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. Investments in subsidiaries are held at cost.

(i) Property, plant and equipment

All classes of property, plant and equipment are stated at cost less accumulated depreciation and impairment.

Cost

Assets acquired are recorded at the cost of acquisition (or deemed cost on the transition to AIFRS), being the purchase consideration plus costs incidental to the acquisition. Assets constructed include all direct costs incurred. These costs include materials, labour, borrowing costs and other directly related expenditure.

Depreciation and amortisation

Property, plant and equipment assets are depreciated on a straight-line basis at various rates, being the shorter of the average useful life for that asset type and, if relevant, over the remaining period of the lease. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

Depreciation periods of each class of asset are as follows.

	2007	2006
Leasehold buildings	5–60 years	5–60 years
Runways, taxiways and aprons	6–91 years	6–92 years
Other infrastructure	9–40 years	9–40 years
Operational plant and equipment	14–20 years	14–20 years
Other plant and equipment	3–60 years	3–60 years

Leases

Leases are classified at their inception as either operating or financial leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis.

(j) Intangible assets

Intangible assets acquired separately are initially capitalised at cost. The intangible assets from the acquisition as of 30 June 1998 (corporatisation) have been restated under AGAAP, resulting in the fair value recognition of leasehold land and the airport operator licence as at the date of the transition from AGAAP to AIFRS (i.e. 1 July 2004).

The useful lives of the intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on assets with finite lives, this expense is taken to the income statement.

Intangible assets are tested for impairment where an indicator of impairment exists, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

A summary of the policies applied to the company's intangible assets is as follows:

	Leasehold land	Airport operator licence
Nature	Right to use the land of Sydney airport	Right to operate Sydney airport
Useful lives	Finite	Finite
Amortisation method used	99 years from 28 June 1998 on straight-line basis	99 years from 28 June 1998 on straight-line basis
Impairment test	When an indicator of impairment exists	When an indicator of impairment exists

(k) Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in previous years. A reversal of an impairment loss is recognised in profit or loss immediately.

(l) Employee benefits

Provision is made for employee benefits and related on-costs accumulated when it is probable that settlement will be required and they are capable of being measured reliably. The benefits include wages and salaries, incentives, annual leave and long service leave. Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rates expected to apply at the time of settlement. Those not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows. In determining the present value of future cash outflows, the interest rates attached to government-guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

Provision for employees' incentives is made when the outflow of economic benefits is probable and the amount can be measured reliably. Incentives are included in directors' remuneration as applicable, once these benefits have vested with the employee.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

Defined benefit plans

For defined benefit superannuation plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each year end reporting date. Actuarial gains and losses are recognised in full, directly in retained earnings, in the period in which they occur, and are presented in the statement of recognised income and expense.

Past service cost is recognised immediately to the extent that the benefits are already vested—otherwise it is amortised on a straight-line basis over the average period until the benefits become vested.

The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service cost, net of the fair value of the plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

(m) Payables

Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

(n) Comparatives

Comparative information is not required under the regulatory information requirements Part 7 of the *Airports Act 1996* and s. 95ZF of *the Trade Practices Act 1974*, as set out in the airport reporting guideline.

1.2. Airport operational statistics

Adelaide airport

Table 1.2.1 Operational statistics for the years ended 30 June 1999 to 2007

Description	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Passengers									
Domestic passengers	3 798 598	3 983 376	4 212 961	3 874 178	4 145 966	4 643 199	5 028 303	5 395 241	5 787 704
International passengers[a]	245 100	263 098	275 948	239 465	215 306	255 283	324 866	358 135	452 985
International transit passengers	33 981	28 446	39 028	44 283	41 116	33 723	26 683	27 794	42 678
Domestic on-carriage	15 465	10 000	7 361	24 247	31 923	34 116	33 093	36 847	17 126
Total passengers	**4 093 144**	**4 284 920**[b]	**4 535 298**	**4 182 173**	**4 434 311**	**4 966 321**	**5 412 945**	**5 818 017**	**6 300 493**
Aircraft movements									
Regular public transport	74 172	76 392	76 450	67 367	69 012	65 075	70 932	70 284	72 228
General aviation	36 802	25 774	24 850	28 838	27 924	28 612	28 173	27 999	29 838
Total aircraft movements	**110 974**	**102 166**	**101 300**	**96 205**	**96 936**	**93 687**	**99 105**	**98 283**	**102 066**
Total tonnes landed	**1 672 105**	**1 693 913**	**1 789 851**	**1 642 507**	**1 623 480**	**1 702 939**	**1 885 001**	**2 033 522**	**2 142 489**
Average staff equivalents									
Aeronautical services	50	35	48	75	50	57	62	71	67
Non-aeronautical services	31	40	39	29	36	41	49	50	58
Total average staff equivalents	**81**	**75**	**87**	**104**	**86**	**98**	**111**	**121**	**125**
Area (hectares)									
Aeronautical services	468	468	506	506	506	506	506	506	506
Non-aeronautical services	317	317	279	279	279	279	279	279	279
Total area (hectares)	**785**	**785**	**785**	**785**	**785**	**785**	**785**	**785**	**785**

Notes: (a) Excludes transit passengers.

(b) This figure was previously incorrectly reported as 4 284 563.

Brisbane airport

Table 1.2.2 Operational statistics for the years ended 30 June 1999 to 2007

Description	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Passengers									
Domestic passengers	7 730 099	8 133 185	10 170 397	9 307 700	9 285 396	10 906 802	11 846 416	12 344 337	13 519 490
International passengers[(a)]	2 536 627	2 609 009	2 680 299	2 575 738	2 558 296	3 036 458	3 601 317	3 754 010	3 975 211
International transit passengers	279 181	253 347	232 626	237 597	299 616	250 506	249 628	204 487	232 162
Domestic on-carriage	166 922	205 854	201 102	199 079	196 978	179 359	187 056	110 629	116 703
Total passengers	**10 712 829**	**11 201 395**	**13 284 424**	**12 320 114**	**12 340 286**	**14 373 125**	**15 884 417**	**16 413 463**	**17 843 566**
Aircraft movements									
Regular public transport	131 316	130 714	143 468	128 768	127 014	133 406	148 242	150 616	154 002
General aviation	27 444	30 050	34 892	21 982	10 672	11 348	11 690	13 112	13 840
Total aircraft movements	**158 760**	**160 764**	**178 360**	**150 750**	**137 686**	**144 754**	**159 932**	**163 728**	**167 842**
Total tonnes landed	**5 020 245**	**5 069 217**	**5 659 109**	**5 126 455**	**4 987 386**	**5 472 674**	**6 118 498**	**6 158 473**	**6 321 908**
Average staff equivalents									
Aeronautical services	88	89	86	96	102	100	112	129	136
Non-aeronautical services	28	29	34	33	35	43	46	53	61
Total average staff equivalents	**116**	**118**	**120**	**129**	**137**	**143**	**158**	**181**	**197**
Area (hectares)									
Aeronautical services	2 195	2 195	1 840	1 840	1 840	1 840	1 912	1 755	1 986
Non-aeronautical services	505	505	860	860	860	860	788	945	714
Total area (hectares)	**2 700**	**2 700**	**2 700**	**2 700**	**2 700**	**2 700**	**2 700**	**2 700**	**2 700**

Note: (a) Excludes transit passengers.

Canberra airport

Table 1.2.3 Operational statistics for the years ended 30 June 1999 to 2007

Description	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Passengers								
Domestic passengers	1 979 872	2 114 173	1 825 754	1 920 991	2 306 622	2 484 032	2 555 846	2 690 218
International passengers[(a)]	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D
International transit passengers[(a)]	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D
Domestic on-carriage[(a)]	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D
Total passengers	**N/A**	**N/A**	**N/A**	**1 920 991**	**2 306 622**	**2 484 032**	**2 555 846**	**2 690 218**
Aircraft movements								
Regular public transport	38 870	47 924	N/A	N/A	N/A	N/A	34 488	35 312
Military/VIP							2 150	
General aviation	N/A	52 530	N/A	N/A	N/A	N/A	44 880	N/A[(b)]
Total aircraft movements	**N/A**	**100 454**	**101 374**	**N/A**	**N/A**	**N/A[(b)]**	**81 518**	**N/A**
Total tonnes landed	**N/A**	**N/A**	**N/A**	**N/A**	**855 432**	**N/A[(b)]**	**N/A[(b)]**	**N/A[(b)]**
Average staff equivalents								
Aeronautical services	15	21	25	30	28	26	31	41
Non-aeronautical services	7	6	11	12	17	22	26	34
Total average staff equivalents	**22**	**27**	**36**	**42**	**45**	**48**	**57**	**75**
Area (hectares)								
Aeronautical services	264	210	286	286	286	286	241	241
Non-aeronautical services	173	227	151	151	151	151	196	196
Total area (hectares)	**437**	**437**	**437**	**437**	**437**	**437**	**437**	**437**

Notes: (a) Not disclosed by airlines.
(b) Not reliably recorded.

Darwin airport

Table 1.2.4 Operational statistics for the years ended 30 June 1999 to 2007

Description	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Passengers									
Domestic passengers	831 821	N/A	N/A[b]	762 500	877 300	985 000	1 104 500	1 106 000	1 282 000
International passengers[a]	184 859	N/A	N/A[b]	195 600	152 600	137 000	159 600	183 000	178 000
International transit passengers	157 660	N/A	N/A[b]	95 200	56 500	60 000	121 400	152 000	194 000
Domestic on-carriage	45 192	N/A	N/A[b]	33 900	N/A	N/A	N/A	N/A	N/A
Total passengers	**1 219 532**	**N/A**	**N/A[b]**	**1 087 200[c]**	**1 086 400**	**1 182 000**	**1 385 500**	**1 441 000**	**1 654 000**
Aircraft movements									
Regular public transport	22 544	26 860	25 830	18 716	18 014	18 152	18 278	17 704	19 358
General aviation	58 844	57 760	59 664	49 044	40 590	44 312	48 726	53 630	55 906
Total aircraft movements	**81 388**	**84 620**	**85 494**	**67 760**	**58 604**	**62 464**	**67 004**	**71 334**	**75 264**
Total tonnes landed	**637 582**	**720 333**	**801 706**	**592 028**	**527 167**	**539 039**	**621 163**	**661 953**	**800 682**
Average staff equivalents									
Aeronautical services	16.5	17.4	17.7	17	24	27	30	30	40
Non-aeronautical services	12.5	13.1	13.3	13	12	14	12	12	15
Total average staff equivalents	**29**	**30.5**	**31.0**	**30**	**36**	**41**	**42**	**42**	**55**
Area (hectares)									
Aeronautical services	128.7	128.7	128.7	128.7	129	129	129	129	129
Non-aeronautical services	182.2	182.2	182.2	182.2	182	182	182	182	182
Total area (hectares)	**310.9**	**310.9**	**310.9**	**310.9**	**311**	**311**	**311**	**311**	**311**

Notes: (a) Excludes transit passengers.

(b) Darwin notes that passenger numbers have not been provided because of non-provision by the airlines and confidentiality requirements.

(c) Passenger numbers are estimated.

Melbourne airport

Table 1.2.5 Operational statistics for the years ended 30 June 1999 to 2007

Description	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Passengers									
Domestic passengers	11 568 545	12 266 238	13 442 022	12 705 588	13 367 053	15 107 351	16 186 488	16 804 490	17 754 569
International passengers	2 725 843	2 988 855	3 363 491	3 406 687	3 275 366	3 758 633	4 298 418	4 385 150	4 531 892
International transit passengers	213 351	238 145	318 904	265 959	163 251	166 179	181 509	170 067	156 946
Domestic on-carriage	75 607	77 536	120 504	106 539	112 042	126 856	109 843	70 418	51 703
Total passengers	**14 583 346**	**15 570 774**	**17 244 921**	**16 484 773**	**16 917 712**	**19 159 019**	**20 776 258**	**21 430 125**	**22 495 110**
Aircraft movements									
Regular public transport	154 332	163 118	185 030	155 682	156 298	163 972	179 180	178 156	178 880
General aviation	2 470	1 558	2 334	1 888	1 616	1 286	1 334	1 220	1 288
Total aircraft movements	**156 802**	**164 676**	**187 364**	**157 570**	**157 914**	**165 258**	**180 514**	**179 376**	**180 168**
Tonnes landed									
International					2 603 790	2 888 139	3 452 401		
Domestic					4 576 640	4 939 045	5 401 438		
Other					21 870	19 468	12 600		
Total tonnes landed	**7 262 427**	**7 775 976**	**8 324 969**	**7 679 935**	**7 202 300**	**7 846 652**	**8 866 439**	**8 875 844**	**8 784 114**
Average staff equivalents									
Aeronautical services	131	137	134	122	120	114	120	126	125
Non-aeronautical services	56	51	58	53	63	54	55	58	58
Total average staff equivalents	**187**	**188**	**192**	**175**	**183**	**168**	**175**	**184**	**183**
Area (hectares)									
Aeronautical services	1 742.76	1 742.76	1 742.76	1 753.97	1 753.97	1 753.97	1 753.97	1 753.97	1 709
Non-aeronautical services	624.54	624.54	624.54	624.54	624.54	624.54	624.54	624.54	669
Total area (hectares)	**2 367.30**	**2 367.30**	**2 367.30**	**2 378.51**	**2 378.51**	**2 378.51**	**2 378.51**	**2 378.51**	**2 379**

Perth airport

Table1.2.6 Operational statistics for the years ended 30 June 1999 to 2007

Description	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Passengers									
Domestic passengers	3 264 459	3 385 825	3 560 565	3 160 085	3 720 353	4 271 810	4 677 705	5 107 657	5 868 219
International passengers[(a)]	1 539 550	1 595 701	1 660 275	1 651 069	1 612 551	1 766 538	1 977 262	2 027 223	2 221 298
International transit passengers	124 946	124 679	28 065	21 833	40 906	21 286	302	3 596	1 809
Domestic on-carriage	39 363	49 141	15 706	4 238	3 221	2 989	N/A	0	0
Total passengers	**4 969 318**	**5 155 346**	**5 264 611**	**4 837 225**	**5 377 031**	**6 062 623**	**6 655 269**	**7 138 476**	**8 091 326**
Aircraft movements									
Regular public transport	61 046	60 868	57 680	49 494	49 451	51 230	56 118	56 820	59 273
General aviation	37 434	34 028	27 648	24 946	26 485	27 546	30 546	35 258	40 131
Total aircraft movements	**98 480**	**94 896**	**85 328**	**74 440**	**75 936**	**78 776**	**86 664**	**92 078**	**99 404**
Total tonnes landed	**2 560 638**	**2 740 651**	**2 682 492**	**2 412 934**	**2 533 222**	**2 643 859**	**2 877 588**	**3 121 022**	**3 635 782**
Average staff equivalents									
Aeronautical services	69	61	69	61	60	63	68	76	73
Non-aeronautical services	25	25	30	57	61	64	65	63	70
Total average staff equivalents	**94**	**86**	**99**	**118**	**121**	**127**	**133**	**139**	**143**
Area (hectares)									
Aeronautical services	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280
Non-aeronautical services	825	825	825	825	825	825	825	825	825
Total area (hectares)	**2 105**	**2 105**	**2 105**	**2 105**	**2 105**	**2 105**	**2 105**	**2 105**	**2 105**

Note: (a) Excludes transit passengers.

Sydney airport

Table 1.2.7 Operational statistics for the years ended 30 June 1999 to 2007

Description	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Passengers									
Domestic passengers	14 162 607	15 405 739	17 304 786	15 454 981	15 832 168	17 452 860	18 644 314	19 268 550	20 829 068
International passengers[(a)]	7 407 506	8 048 190	8 722 667	8 037 750	7 817 003	8 550 355	9 234 583	9 533 633	9 968 614
International transit passengers	577 686	517 080	487 536	461 467	448 753	557 466	560 282	468 519	424 989
Domestic on-carriage	306 069	346 522	409 050	370 813	355 037	422 426	409 253	306 283	181 224
Total passengers	**22 453 868**	**24 317 531**	**26 924 039**	**24 325 011**	**24 452 961**	**26 983 107**	**28 848 432**	**29 576 985**	**31 403 895**
Aircraft movements									
Regular public transport	254 323	262 171	290 492	232 726	230 106	243 404	254 053	252 326	253 694
General aviation	26 978	30 939	26 847	22 003	22 410	23 342	32 431	30 323	27 840
Total aircraft movements	**281 301**	**293 110**	**317 339**	**254 729**	**252 516**	**266 746**	**286 484**	**282 649**	**281 534**
Total tonnes landed	**12 466**	**12 925**	**13 892**	**12 328**	**11 915 000**	**12 842 000**	**14 116 000**	**14 162 000**	**14 214 000**
Average staff equivalents									
Aeronautical services	338	352	346	300	283	204	209	202	211
Non-aeronautical services	89	122	136	108	118	84	77	80	83
Total average staff equivalents	**427**	**474**	**482**	**408**	**401**	**288**	**286**	**282**	**294**
Area (hectares)									
Aeronautical services	718.6	669.4	669.4	669.4	671	671	671	708	708
Non-aeronautical services	167.9	216.7	228.7	236.0	236	236	236	199	199
Total area (hectares)	**886.5**	**886.1**	**898.1**	**905.4**	**907**	**907**	**907**	**907**	**907**

Note: (a) Excludes transit passenger

1.3. Airport car-parking charges

Schedules of aeronautical and aeronautical-related charges are contained within individual airport results in sections 3 to section 9.

Adelaide airport

Table 1.3.1(a) Car-parking charges (public)

Public car park tariff	Duration	Charge per unit $ (incl. GST)
01/02/06 to 28/06/07		
Hourly rates – Short Term		
	0-60 minutes	4.00
	1 – 2 hours	7.00
	2–3 hours	9.00
	3–4 hours	12.00
	4–5 hours	14.00
	5–6 hours	16.00
	6–7 hours	18.00
	7–8 hours	20.00
	8–9 hours	22.00
	9–10 hours	24.00
	10–24 hours	25.00
Daily rates	1 day	15.00
	2 days	30.00
	3 days	40.00
	4 days	50.00
	5 days	60.00
	6 days	70.00
	7 days	80.00
	8 days	90.00
	9 days	110.00
	10 days	120.00

Table 1.3.1(b) Car-parking charges (public)

Public car park tariff	Duration	Short Term – Charge per unit $ (incl. GST)	Long Term – Charge per unit $ (incl. GST)
29/06/07 to 30/06/07			
Hourly rates	1 Hour	4.00	5.00
	2 Hours	7.00	8.00
	3 Hours	9.00	10.00
	4 Hours	12.00	13.00
	5 Hours	14.00	15.00
	6 Hours	16.00	17.00
	7 Hours	18.00	19.00
	8 Hours	20.00	20.00
	9 Hours	22.00	20.00
	10 Hours	24.00	20.00
	11 Hours	30.00	20.00
	12 Hours	30.00	20.00
	24 Hours	30.00	20.00
	48 Hours	60.00	35.00
	72 Hours	90.00	45.00
	96 Hours	120.00	55.00
	120 Hours	150.00	60.00
	144 Hours	180.00	70.00
	168 Hours	210.00	75.00
	192 Hours	240.00	80.00
	216 Hours	270.00	85.00
	240 Hours	300.00	90.00

Brisbane airport

Table 1.3.2(a) Car-parking charges (international)

From 01/07/06 to 30/06/07

Hours	Rate $ (incl. GST)
0 to 0.5	5.00
0.5 to 1	8.00
1 to 2	10.00
2 to 3	12.00
3 to 4	14.00
4 to 5	16.00
5 to 6	18.00
6 to 7	20.00
Maximum	22.00

Table 1.3.2(b) Car-parking charges (domestic–short term)

From 01/07/06 to 30/06/07

Hours	Rate $ (incl. GST)
0 to 0.5	5.00
0.5 to 1	8.00
1 to 2	10.00
2to 3	12.00
3 to 4	14.00
4 to 5	16.00
5 to 6	18.00
6 to 7	20.00
7 to 8	22.00
8 to 9	24.00
9 to 10	26.00
10 to 11	28.00
11 to 12	30.00
12 to 13	32.00
13 to 14	34.00
14 to 15	36.00
15+	36.00

Table 1.3.2(c) Car-parking charges (domestic—long term)

From 01/07/06 to 30/06/07

Hours	Rate $ (incl. GST)
1 day or part thereof	22.00
2 days or part thereof	39.00
3 days or part thereof	56.00
4 days or part thereof	73.00
5 days or part thereof	82.00
6 days or part thereof	91.00
7 days or part thereof	91.00
8 days or part thereof	100.00
9 days or part thereof	109.00
10 days or part thereof	118.00
11 days or part thereof	127.00
12 days or part thereof	136.00
13 days or part thereof	145.00
14 days or part thereof	145.00
15 days or part thereof	154.00
16 days or part thereof	163.00
17 days or part thereof	172.00
18 days or part thereof	181.00
19 days or part thereof	190.00
20 days or part thereof	199.00
21 days or part thereof	199.00
22 days or part thereof	208.00
23 days or part thereof	217.00
24 days or part thereof	226.00
25 days or part thereof	235.00
26 days or part thereof	244.00
27 days or part thereof	253.00
28 days or part thereof	253.00
29 days or part thereof	262.00
30 days or part thereof	271.00
31 days or part thereof	280.00
Every day thereafter	9.00
Every seventh day free	–

Table 1.3.2(d) Taxi holding and feeder services

Per vehicle trip

Vehicle categories	Size	Price $ (incl. GST)
Large bus	Above 30 passengers	8.00
Medium bus	13 to 29 passengers	6.00
Vans	6 to 12 passengers	4.00
Limousine	Below 6 passengers	2.00
Courtesy car	Below 6 passengers	2.00
Taxi fee	From 1 April 2003	2.00

Canberra airport

Table 1.3.3 Car-parking charges

From 01/12/06 to 30/06/07

Short stay car park rates	$/time/car space
0–½ hour	1.50
½–1 hour	2.00
1–1½ hours	3.00
1½–2 hours	4.00
2–3 hours	6.00
3–4 hours	7.500
4–5 hours	10.00
5–24 hours	22.00
24–48 hours	23.50 – 44.00
thereafter $15 per 24 hours	22.00
Long stay parking rates	
0–5 hours	As per short stay
5–24 hours	15.00
24–48 hours	17.00 – 30.00
48–72 hours	32.00 – 45.00
72–76 hours	45.00 – 52.00
thereafter $7 per 24 hours (from 23.06.05)	7.00
Weekend special	27.00

Darwin airport

Table 1.3.4 Car-parking charges

From 15/12/06 to 30/06/07

Service/infrastructure covered	Basis of charge (e.g. sq. metre)	Charge per unit $ (incl. GST)
Public car-parking	up to 30 minutes	2.00
	31–60 minutes	4.00
	1 hour to 2 hours	6.00
	2 hours to 3 hours	7.00
	3 hours to 4 hours	8.00
	4 hours to 5 hours	9.00
	5 hours to 24 hours	10.00
Daily rate	2 to 7 days	10.00
	>8 days per day	7.00

Melbourne airport

Table 1.3.5 Car-parking charges

From 01/07/06 to 30/06/07

Service/infrastructure covered	**Basis of charge** (e.g. sq. metre)	**Charge per unit** $ (incl. GST)
Public car-parking	up to 20 minutes	2
	21–40 minutes	6
	41–60 minutes	10
	1 hour to 2 hours	18
	2 hours to 3 hours	18
	3 hours to 4 hours	30
	4 hours to 10 hours	30
	10 hours to 24 hours	42
Long-term rate		
	1 day	25
	2 days	35
	3 days	40
	4 days	50
	5 days	60
	6 days	65
	7 days	69
	8 days	80
	9 days	85
	10 days	90
	11–15 days	95
	16 days plus	99
Undercover long term		
	day 1	40
	day 2	80
	day 3	85
	day 4	90
	day 5	95
	day 6	100
	day 7	110
	day 8	120
	day 9	130
	day 10	140
	day 11	150
	day 12	160
	day 13	170
	day 14	180
	day 15	190
	day 16	200

From 01/07/06 to 30/06/07

Service/infrastructure covered	**Basis of charge** (e.g. sq. metre)	**Charge per unit** $ (incl. GST)
	per day thereafter	10
Business parking		
	day 1	42
	day 2	84
	day 3	125
	day 4	155
	day 5	185
	day 6	215
	day 7	245
	day 8	275
	day 9	305
	day 10	335
	day 11	365
	weekend special	45

Perth airport

Table 1.3.6 Car-parking charges

From 01.07.06 to 30.06.07

Service/infrastructure covered	**Basis of charge** (e.g. sq. metre)	**Charge per unit** $ (incl. GST)
Public car-parking	first 5 minutes	free
	5 minutes to 30 minutes	3.70
	30 minutes to 1 hour	5.20
	1 hour to 2 hours	7.00
	2 hours to 3 hours	8.00
	3 hours to 4 hours	9.00
	4 hours to 5 hours	10.00
	5 hours to 6 hours	11.00
	over 6 hours	17.00
Daily rate—domestic		
	first 3 days–per day	17.00
	each day after 3 days	2.00
Daily rate—international		
	first 2 days–per day	17.00
	each day after 2 days	2.00

Sydney airport

Table 1.3.7 Car-parking rates

Public car park tariff	Duration	Charge per unit $ (incl. GST)
Domestic terminal public car park	First 30 minutes	7
	31–60 minutes	13
	1–2 hours	20
	2–3 hours	24
	3–4 hours	42
	4–5 hours	42
	5–24 hours	42
International terminal public car park		
	First 30 minutes	7
	31–60 minutes	13
	1–2 hours	20
	2–3 hours	24
	3–4 hours	27
	4–5 hours	30
	5–24 hours	40
	1-2 days	69
	2-3 days	79
	3-4 days	89
	4-5 days	99
	5-6 days	109
	6-7 days	119
	additional per day after 7 days	12
Domestic Long term carpark (c)	per day	24
	up to 7 days	104
	per day after 7 days	11

Notes: (a) Taxis $2; hire cars $2.50; buses (up to 14-seater), $3 ; buses (15–29 seater), $5; and buses (30+ seater), $10—all including GST). Charges are for arrivals only; no charge applies on departures.

(b) Annual rentals for leased sites and buildings are based on a commercially agreed rate per square metre (m2).

(c) $15/day surcharge applies for undercover parking.

2. Quality of service appendix

2.1. Indicators of airport quality of service

Objective measures

The ACCC requested the measures in the table below from airports and Airservices Australia, in light of the airports regulations and the government objectives for monitoring. The measures in column (1) are base data largely related to the size or scale of the airport, while the indicators in column (2) are derived from the base data to give a better indicator of relative adequacy of facilities—that is, relative to the number of passengers or aircraft.

Apart from the runway data which was sought from Airservices Australia, the data was sought from the airport operators. In some cases, it was not possible to obtain this data, as indicated in the relevant sections of this report.

Facility	(1) Base data	(2) Objective indicators
Runway system	Number of arrivals/departures per hour: morning peak evening peak monthly average day of week average Runway system capacity Arriving/departing aircraft delay: morning peak evening peak monthly average day of week average Number of arriving/departing aircraft delayed by length of delay	
Aerobridges for arrivals	Number of aerobridges international terminal domestic terminal Number of passengers arriving from international aircraft via aerobridges Number of arriving international aircraft using aerobridges	per cent of international passengers arriving via aerobridges
for departures	Number of passengers departing in international aircraft via aerobridges	per cent of international passengers departing via aerobridges
Apron System Parking for aircraft	Number of aircraft parking bays Number of aircraft parking bays per arriving aircraft at peak hour	
Check-in	Number of hours with more than 80 per cent of desks in use Number of hours any desks are open Number of desks	per cent of hours with more than 80 per cent of desks in use
Government inspection (at international terminals)	Number of inbound immigration desks	Number of inbound immigration desks per arriving passenger during peak hour
… inbound	Number of baggage inspection desks	Number of baggage inspection desks per arriving passenger during peak hour
… outbound	Number of outbound immigration desks	Number of outbound immigration desks per departing passenger during peak hour
Security clearance	Number of security clearance systems	Number of security clearance systems per departing passenger during peak hour
Gate lounges	Number of seats in gate lounge Square metres of lounge area	Lounge area per departing passenger during peak hour
	Seats per departing passenger during peak hour	

Facility	(1) Base data	(2) Objective indicators
Baggage processing … outbound baggage systems	Capacity of outbound baggage handling system Number of bags handled Number of hours system is in use Number and duration of planned/unplanned interruptions to outbound baggage handling system	Average throughput of the outbound baggage system
inbound baggage systems	Capacity of inbound baggage handling system Number and duration of planned/unplanned interruptions to inbound baggage handling system **Baggage trolleys**	
Baggage trolleys	Number of baggage trolleys	Number of baggage trolleys Number of baggage trolleys per [arriving/departing] passenger during peak hour
Signage and wayfinding	Number of FID screens	Number of information points Number of FID screens per [arriving/departing] passenger during peak hour
Other—traffic	Total number of arriving passengers from international aircraft Total number of departing passengers in international aircraft Number of arriving/departing passengers during peak hour[4]	Average number of arriving/departing passengers during peak hour
Car-parking	Number of days car park is open Number of parking spaces available to the public Total annual throughput of car park Average daily throughput of car park Number of parking spaces available to staff	Average daily throughput/number of spaces

Note on peak hour: Advice provided to the ACCC by airport operators recommended the use of an average peak measure as a quality of service performance indicator, which is recommended to be defined as the peak hour in the average day of the peak month. The ACCC also recognises that there are other peak measures such as thirtieth busiest hour per month or ninety-fifth percentile traffic levels that may be used by airports to approximate peak hour passenger traffic levels in airport terminals.

Passenger perception surveys

Airports were expected to conduct passenger surveys eliciting passengers' satisfaction with each of the facilities in the following table at each terminal managed by the airport operator.

Service	Satisfaction with …
Check-in	Check-in waiting time
	Average waiting time per passenger during peak hour (number of minutes)
Government inspection	
Inbound	Waiting time in inbound immigration area
	Waiting time in inbound baggage inspection area
Outbound	Waiting time in outbound immigration area
Security clearance	Quality of security search process
Gate lounges	Quality and availability of seating in lounge area
	Crowding in lounge area
Baggage processing	Waiting time for inbound baggage arrival
	Information display regarding inbound baggage location
	Circulation space for baggage pick up
Baggage trolleys	Findability of baggage trolleys
Signage and wayfinding	FID (flight information display) screens
	Signage and wayfinding
Washrooms	Standard of washroom facilities
Car-parking	Standard of car park facilities
	Availability of car-parking spaces
	Time taken to enter car park
Airport access	Congestion at kerbside taxi drop-off and pick-up
	Facilities for kerbside taxi drop-off and pick-up
Taxis	Standard of facilities for taxis
	Waiting time to get a taxi

Airline user survey

The ACCC's survey of airlines using monitored airports asked questions about each airline's satisfaction with the following items:

Facility	Satisfaction with …
Airside	
Runways	1. Standard; 2. Availability
Taxiways	1. Standard; 2. Availability
Apron system	1. Standard; 2. Availability
Gates (including hardstand)/aircraft facilities (including parking bays)	1. Standard; 2. Availability
Ground service equipment storage sites	1. Standard; 2. Availability
Terminal	
Aerobridges	1. Standard; 2. Availability
Check-in facilities	
including counters, IT systems and queuing areas	1. Standard; 2. Availability
Baggage processing facilities	1. Standard; 2. Availability
Management	
Overall system for addressing quality of service concerns	

Notes: 1. Standard—the standard/condition of the facility supplied, and condition in which it is generally maintained.

2. Availability: the amount of the service made available to an airline relative to demands for the service. May include whether facilities are available or restricted due to congestion, positioning, maintenance, or repairs, the accessibility or usefulness of the facility/service provided, and the efficiency of the system to allocate usage.

3. Management and consultation provided by airport operator for the listed services—relates to airport operator's responsiveness and approach when dealing with quality of service issues with the airline, including addressing new and recurring quality concerns, and keeping airlines informed of imminent changes.

2.2 Base data for objective indicators

This appendix sets out the base data for objective indicators. The indicators of adequacy derived from the base data are shown earlier in each airport's section.

Airport traffic

Table 2.2.1 sets out the key traffic figures at price-monitored airports. The table shows the average peak hour times at each airport, number of passengers at peak hour, and the total number of passengers for the year. Owing to the flexibility in determining what the average peak hour is, the measures may not be strictly comparable between airports.

Table 2.2.1 Number of passengers at peak hour, and total annual number of passengers, 2006–07

Airport	Terminal	Arriving/ departing	Peak hour time	Number of passengers in peak hour	Year total passengers, 2006–07
Adelaide	International	Arriving	1900–2000	500	238 103
		Departing	0600–0700	620	214 882
	Domestic	Arriving	1900–2000	720	2 659 201
		Departing	0600–0659	900	
Brisbane	International	Arriving	0700–0759	1 679	2 285 151
		Departing	0900–0959	1 448	2 271 087
	Domestic	Arriving	1800–1859	516	991 014
		Departing	0600–0659	476	
Canberra	Domestic	Arriving	1700–1800	N/P	N/P
		Departing	0630–0730	N/P	
Darwin	International	Arriving	0430–0530	364	92 000
		Departing	0700–0800	277	840 000
	Domestic	Arriving	0015–0115	592	625 000
		Departing	1300–1400	601	
Melbourne	International	Arriving	0803–0902	1 427	2 330 725
		Departing	0019–0118	1 410	2 252 870
	Domestic	Arriving	1514–1613	975	3 600 710
		Departing	2049–2148	1 129	
Perth	International	Arriving	1400–1459	886	1 132 056
		Departing	1600–1659	719	1 083 114
	Domestic	Arriving	2200–2259	499	746 073
		Departing	2300–2359	473	N/P
Sydney	International	Arriving	0600–0659	2 803	5 847 277
		Departing	1100–1159	1 725	5 736 457
	Domestic	Arriving	1800–1859	2 008	10 414 500
		Departing	2000–2059	1 640	

Airport scale of provision of service

The following table shows some indicators of the number or size of key facilities at each airport. This data indicates the scale of provision of service, but cannot be taken as indicators of the adequacy or quality of facilities. The adequacy of facilities depends on the level of demand which they are required to meet. Quality is also a reflection of the condition of facilities, wear and tear and so on.

Airside facilities

Table 2.2.2 shows the provision of aircraft parking bays and aerobridges at terminals operated by the airport.

Table 2.2.2 Airside facilities, 2006–07

Airport	Terminal	Number of aircraft parking bays	Number of aerobridges
Adelaide	International/Domestic[(a)]	27	14
Brisbane	International	13	10
	Domestic	9	2
Canberra	Domestic	13	2
Darwin	International/Domestic	12 RPT	3
	Other	90 GA	0
Melbourne	International	20	11
	Domestic	20	11
Perth	International	9	5
	Domestic	15	2
Sydney	International	44	30
	Domestic	31	13

Note: (a) Adelaide airport advised aerobridges are available for all international and domestic departure and arrival with the use of 'swing gates' to isolate international operations. The balance of the time, the whole terminal is available for domestic and regional operations. Given the passenger mix at Adelaide airport is approximately 5 per cent international and 90 per cent domestic, Adelaide airport have only reported the figures for domestic use unless otherwise specified.

Terminal facilities

Table 2.2.3 The number of terminal facilities available at each terminal operated by the airport

Airport	Terminal	Number of check-in desks	Number of security clearance systems	Number of seats in gate lounges	Area of gate lounges, square metres	Number of outbound bags handled	Number of baggage trolleys	Number of FIDs	Number of information points
Adelaide[a]	International	46	2	1610	9890	276 199	700	94	3
	Domestic		3			2 219 060			
Brisbane	International	63	10	1 522	8 600	2 431 148	2 000	211	9
	Domestic	12	2	427	3 522	731 478	400	31	4
Canberra	Domestic	10	1	440	1 591	N/P	109	19	1
Darwin[b]	International	24	1	225	729	airline operated	250	70	52
	Domestic		2	366 up to 591	566 up to 1 053[b]	airline operated			
Melbourne	International	72	6	2 180	5 231	2 558 628	2 400	76	1
	Domestic	33	5	1 142	3 195	N/A	150	40	0
Perth	International	39	13	536	5 474	1 047 173	940	59	1
	Domestic	16	5	436	2 400	737 163	190	28	1
Sydney	International	192	16	4 259	6 785	6 365 356	4 932	697	5
	Domestic	44	9	1 689	4 457	4 462 947	500	305	1

Notes: (a) Adelaide airport opened a multi-user integrated terminal, T1, in 2005–06 with international and regional operations transferring to T1 in October and December respectively. Domestic operations transferred in February 2006. T1 has common outbound check-in, baggage handling and security screening to international, domestic and regional passenger services. Arriving international passengers are separately processed through the border agency mandated procedures.

(b) During 2004–05 Darwin airport completed the construction of its ‘swing lounge’, which operates such that during peak domestic periods where there are no international flights, the entire terminal facility (including the international area) is opened up for domestic passengers. Therefore, during domestic peak hours, the international setting and lounge area is opened up for domestic use.

Car-parking

Table 2.2.4 shows the number of short and long-term car-parking spaces at each airport. Some are identified as terminal specific.

Table 2.2.4 Car-parking facilities, price monitored airports, 2006–07

Airport	Terminal	Number of short-term car park spaces	Number of long- term car park spaces	Number of staff car park spaces
Adelaide	Total airport	829	450	1 138
Brisbane	International	951	N/A	968
	Domestic	842	4 100	1 755
Canberra	Domestic	409	1 012	186
Darwin	Total airport	555	N/A[a]	240
Melbourne	Total airport	3 315	11 913	1 676
Perth	International	1 077	N/A	446
	Domestic	1 072	1 442	545
Sydney	International	1 374	N/A	N/A
	Domestic	3 433	N/A	N/A
	Long term	N/A	4 577	N/A
	Staff	N/A	N/A	1 256

Note: (a) Darwin airport advised that long-term car-parking is available in the short-term car park.

Adelaide airport

As a phase II airport, Adelaide airport has provided quality of service information since 2000–01.

Table 2.2.5 (see the following page) shows the objective measures at the international terminal at Adelaide airport for 2000–01 to 2006–07, where available.

Table 2.2.5 Objective measures for the international terminal at Adelaide airport

Indicator	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Number of aircraft parking bays		5	5	5	4	0	0
Number of aerobridges		1	1	0	0	0	0
Number of passengers arriving from international aircraft via aerobridges			84 741	112 317	0	142 141	238 103
Total number of arriving passengers from international aircraft			112 988	149 576	168 168	205 113	238 103
Number of arriving passengers			112 988	149 576	168 168	205 113	238 103
Number of arriving international aircraft using aerobridges			858	624	0	900	1 528
Number of passengers departing in international aircraft via aerobridges			76 738	132 718	0	135 865	214 882
Total number of departing passengers in international aircraft			102 318	176 958	156 698	189 869	214 882
Total number of check-in desks	12	12	12	12	12	0	0
Number of hours with more than 80 per cent of check-in desks staffed			821	585	585	0	0
Total number of hours any check-in desks are open			3 285	2 340	2 340	0	0
Number of inbound immigration desks			10	10	10	12	12
Number of inbound baggage inspection desks	1	1	12	12	12	14	14
Number of outbound immigration desks			5	5	5	8	8
Number of security clearance systems	1	2	2	2	2	1	2
Number of seats in gate lounges		333	333	340	340	0	0
Square metres of lounge area			608	610	610	0	0
Capacity of outbound baggage handling system, bags per hour			360	360	360	0	0
Number of outbound bags handled			141 447	171948	266 387	322 777	276 199
Number of hours outbound baggage system is in use			3 285	2 340	2 340	0	0
Number of planned interruptions to outbound baggage system			0	0	0	0	0
Total number of hours of planned interruption to outbound baggage system			0	0	0	0	0
Number of unplanned interruptions to outbound baggage system			0	0	0	0	0
Number of hours of unplanned interruption to outbound baggage system			0	0	0	0	0
Number of hours inbound baggage handling system is in use			1 326	1 326	1 326	0	0
Number of planned interruptions to inbound baggage system			0	0	0	0	0
Total number of hours of planned interruption to inbound baggage system			0	0	0	0	0
Number of unplanned interruptions to inbound baggage system			0	0	0	0	0
Total number of hours of unplanned interruption to inbound baggage system			0	0	0	0	0

Indicator	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Number of working accessible baggage trolleys[(b)]			230	240	240	800	700
Number of FID (flight information display) screens[(b)]	3	7	6	6	6	94	94
Number of information points[(b)]	3	7	2	1	1	3	3
Time of average peak hour for arriving passengers			0700	0600–0700	N/P	0900–0959	1900–2000
Time of average peak hour for departing passengers			0930	1400–1500	N/P	1200–1259	0600–0700
Total number of passengers arriving during average peak hour			460	481	480	171	500
Total number of passengers departing during average peak hour			460	431	430	195	620

Notes: (a) Adelaide airport opened a multi-user integrated terminal, T1, in 2005–06 with international and regional operations transferring to T1 in October and December respectively. Domestic operations transferred in February 2006. T1 has common outbound check-in, baggage handling and security screening to international, domestic and regional passenger services. Arriving international passengers are separately processed through the border agency mandated procedures.

(b) International and domestic passengers both have access to these facilities as part of the operation of T1 and as such this represents the total services and facilities for the airport from 2005–06 onwards.

Table 2.2.6 shows the objective measures at Adelaide airport for the domestic terminal for 2002–03 to 2006–07.

Table 2.2.6 Objective measures for the domestic terminal at Adelaide airport

Indicator	2002–03	2003–04	2004–05	2005–06	2006–07
Number of aircraft parking bays	13	13	13	27	27
Number of aerobridges	0	0	0	14	14
Number of arriving passengers	438 678	2 295 585	2 628 690	2 488 110	2 659 201
Total number of check-in desks	12	12	15	46	46
Number of hours with more than 80 per cent of check-in desks staffed	3 285	3 395	3 395	1 512	1 512
Total number of hours any check-in desks are open	5 475	5 658	5658	6 205	6 205
Number of security clearance systems	2	2	2	3	3
Number of seats in gate lounges	240	240	240	1 600	1 610
Square metres of lounge area	1 200	1 200	1 200	9 890	9 890
Capacity of outbound baggage handling system, bags per hour	360	360	360	3 000	3 000
Number of hours outbound baggage system is in use	5 475	5 658	5 658	6 205	6 205
Number of planned interruptions to outbound baggage system	0	0	0	0	0
Number of unplanned interruptions to outbound baggage system	0	0	0	1	12
Number of hours of unplanned interruption to outbound baggage system, including extra hours where interruptions longer than planned	0	0	0	1.5	82.7
Number of hours inbound baggage handling system is in use	4 927	4 927	4 927	6 205	6 205
Number of planned interruptions to inbound baggage system	0	0	0	0	0
Number of unplanned interruptions to inbound baggage system	0	0	0	0	1
Number of working accessible baggage trolleys	110	110	110	800	700
Number of FID (flight information display) screens	7	25	17[(a)]	94	94
Number of information points	1	2	2	3	3
Time of average peak hour for arriving passengers	0	1900–2000	1900–2000	1800–1859	1900–2000
Time of average peak hour for departing passengers	0	0600–0700	0600–0700	0600–0659	0600–0700
Total number of passengers arriving during average peak hour	500	507	546	621	720
Total number of passengers departing during average peak hour	500	465	501	837	900

Notes: (a) In 2004–05 there were 25 FID screens operating in the domestic terminal; however, only 17 are managed by the airport.

(b) Adelaide airport opened a multi-user integrated terminal, T1, in 2005–06 with international and regional operations transferring to T1 in October and December respectively. Domestic operations transferred in February 2006. T1 has common outbound check-in, baggage handling and security screening to international, domestic and regional passenger services. Arriving international passengers are separately processed through the border agency mandated procedures.

Table 2.2.7 shows the number of short and long-term car-parking spaces at Adelaide airport.

Table 2.2.7 Objective measures for car-parking at Adelaide airport

Short-term car park—international terminal	**2002–03**	**2003–04**	**2004–05**	**2005–06**	**2006–07**
Number of days short-term car park is open	365	365	365	365	365
Number of spaces available[(a)]	450	430	450	N/A	N/A
Total annual throughput	108 000	144 701	197 739	N/A	N/A
Short-term car park—domestic terminal					
Number of days short-term car park is open	365	365	365	365	365
Number of spaces available	740	740	815	860	829
Total annual throughput	800 000	910 831	941 579	1 182 374	1 116 908
Long-term—total airport					
Number of days long-term domestic car park is open				365	365
Number of spaces available				420	450
Total annual throughput				**19 320**	**60 976**
Staff car-parking					
Number of parking spaces for staff				1 265	1 138

Brisbane airport

Table 2.2.8 (see next page) shows the objective measures for the international terminal at Brisbane airport for the period 1997–98 to 2006–07, where available.

Table 2.2.8 Objective measures for the international terminal at Brisbane airport

Indicator	1997–98	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Number of aircraft parking bays	11	11	11	13	13	13	13	13	13	13
Number of aerobridges	8	8	8	8	10	10	10	10	10	10
Number of passengers arriving from international aircraft via aerobridges						1 640 770	1 858 143	2 137 062	2 133 609	2 252 446
Total number of arriving passengers from international aircraft						1 789 641	1 859 853	2 145 203	2 139 778	2 285 151
Number of arriving passengers						1 789 641	1 859 853	2 145 203	2 139 778	2 285 151
Number of arriving international aircraft using aerobridges						N/P	9 564	11 348	11 417	12 015
Number of passengers departing in international aircraft via aerobridges						1 581 981	1 859 603	2 141 617	2 125 394	2 243 861
Total number of departing passengers in international aircraft						1 728 424	1 861 049	2 142 426	2 133 835	2 271 087
Total number of check-in desks	54	54	54	54	54	54	54	63	63	63
Number of hours with more than 80 per cent of check-in desks staffed						3	9	236	101	117
Total number of hours any check-in desks are open						6 575	7 394	7 461	7 468	8 181
Number of inbound immigration desks	26	26	26	26	26	26	26	26	26	22
Number of inbound baggage inspection desks	19	19	19	20	24	24	26	30	28	28
Number of outbound migration desks	20	20	20	20	20	20	20	20	20	20
Number of security clearance systems	3	3	3	3	4	4	9	10	10	10
Number of seats in gate lounges	1 216	1 246	1 246	1 246	1 522	1 522	1 522	1 522	1 522	1 522
Square metres of lounge area						N/P	9 667	8 600	8 600	8 600
Capacity of outbound baggage handling system, bags per hour	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000
Number of outbound bags handled						1 527 901	1 855 937	2 264 353	2 334 161	2 431 148
Number of hours outbound baggage system is in use						5 840	6 022	6 205	5 775	6 205

Indicator	1997–98	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Number of planned interruptions to outbound baggage system						N/P	0	0	0	0
Total number of hours of planned interruption to outbound baggage system						N/P	0	0	0	0
Number of unplanned interruptions to outbound baggage system						N/P	3 619	2 226	8 368	7 717
Number of hours of unplanned interruption to outbound baggage system						N/P	302	186	235	117
Capacity of inbound baggage handling system, bags per hour	9 000	9 000	9 000	9 000	9 000	9 000	9 000	9 000	9 000	9 000
Number of inbound bags handled								1 962 255	1 950 095	2 073 671
Number of hours inbound baggage handling system is in use						N/P	2 493	2 628	5 626	5 767
Number of planned interruptions to inbound baggage system						N/P	0	0	0	0
Number of unplanned interruptions to inbound baggage system						N/P	331	370	1 037	1 275
Total number of hours of unplanned interruption to inbound baggage system						N/P	27.6	31	31	48
Number of working accessible baggage trolleys						N/P	1 500	1 432	1 600	2 000
Number of FID (flight information display) screens						N/P	211	211	211	211
Number of information points						N/P	9	9	9	9
Time of average peak hour for arriving passengers						0700–0800	0700–0800	0700–0759	0700–0759	0700–0759
Time of average peak hour for departing passengers						0800–0900	0800–0900	0800–0859	0800–0859	0900–0959
Total number of passengers arriving during average peak hour						1 116	1 347	1 297	1 419	1 679
Total number of passengers departing during average peak hour						859	873	1 033	1 104	1 448

Table 2.2.9 shows the objective measures for the international and domestic terminals at Brisbane airport for 2003–04 to 2006–07.

Table 2.2.9 Objective measures for domestic terminal facilities at Brisbane airport

Indicator	2003–04	2004–05	2005–06	2006–07
Number of aircraft parking bays	9	9	9	9
Number of aerobridges	2	2	2	2
Number of arriving passengers	234 268	1 753 450	816 734	991 014
Total number of check-in desks	12	12	12	12
Number of security clearance systems	2	2	2	2
Number of seats in gate lounges	427	427	427	427
Square metres of lounge area	3 744	3 522	3 522	3 522
Capacity of outbound baggage handling system, bags per hour	3 000	3 000	3 000	3000
Number of outbound bags handled			555 286	731 478
Number of hours outbound baggage system is in use		4 927	5 062	5 183
Number of planned interruptions to outbound baggage system	0	0	0	0
Number of unplanned interruptions to outbound baggage system	9	405	2 861	5 450
Number of hours of unplanned interruption to outbound baggage system, including extra hours where interruptions longer than planned	4	34	57	154
Capacity of inbound baggage handling system, bags per hour	1 700	1 700	1 700	1 700
Number of inbound baggage handling systems in use		2 190	2 325	2 628
Number of planned interruptions to inbound baggage system	0	0	0	0
Number of working accessible baggage trolleys	40	350	350	400
Number of FID (flight information display) screens	29	31	31	31
Number of information points	4	4	4	4
Time of average peak hour for arriving passengers	1800–1900	1800–1859	1800–1859	1800–1859
Time of average peak hour for departing passengers	0800–0900	0800–0859	1800–1859	0600–0659
Total number of passengers arriving during average peak hour	380	551	445	516
Total number of passengers departing during average peak hour	337	522	400	476

Table 2.2.10 shows the objective measures for the car park facilities at Brisbane airport for 2002–03 to 2006–07.

Table 2.2.10 Objective measures for car-parking at Brisbane airport

Short-term car park—international terminal	**2002–03**	**2003–04**	**2004–05**	**2005–06**	**2006–07**
Number of days short-term car park is open	365	365	365	365	365
Number of spaces available	1 000	950	950	950	951
Total annual throughput	612 740	661 163	752 553	751 727	707 119
Short-term car park—domestic terminal					
Number of days short-term car park is open	365	365	365	365	365
Number of spaces available	985	938	938	938	842
Total annual throughput	1 160 903	1 157 220	1 176 229	1 141 060	1 156 324
Long-term car park—domestic terminal					
Number of days long-term domestic car park is open	365	365	365	365	365
Number of spaces available	2 350	1 500	3 600	4 100	4 100
Total annual throughput	142 621	189 828	213 685	315 239	378 167
Staff car-parking					
Number of parking spaces for staff	2 263	2 277	2 349[a]	2 723	2 723

Note: In 2004–05 this figure was incorrectly reported as 1641 as it excluded international staff car-parking spaces.

Canberra airport

Table 2.2.11 (see next page) shows the objective measures for the domestic terminal at Canberra airport for the period 2000–01 to 2006–07, where available.

Table 2.2.11 Objective measures for domestic terminal at Canberra airport

Indicator	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Number of aircraft parking bays	12	13	13	13	13	13	13
Number of aerobridges			2	2	2	2	2
Number of arriving passengers			960 496	Unknown	Unknown	Unknown	Unknown
Total number of check-in desks	4	4	8	10	10	10	10
Number of hours with more than 80 per cent of check-in desks staffed			Unknown	Unknown	Unknown	Unknown	Unknown
Total number of hours any check-in desks are open			Unknown	Unknown	Unknown	Unknown	Unknown
Number of security clearance systems	1	1	1	0	1	1	1
Number of seats in gate lounges	64	332	356	376	440	440	440
Square metres of lounge area			1 591	1 591	1 591	1 591	1 591
Number of planned interruptions to outbound baggage system			0	0	0	0	0
Total number of hours of planned interruption to outbound baggage system			0	0	0	0	0
Number of unplanned interruptions to outbound baggage system			0	0	2	1	0
Number of hours of unplanned interruption to outbound baggage system			0	0	1.5	1	0
Number of planned interruptions to inbound baggage system			0	0	0	0	0
Total number of hours of planned interruption to inbound baggage system			0	0	0	0	0
Number of unplanned interruptions to inbound baggage system			0	0	0	0	0
Total number of hours of unplanned interruption to inbound baggage system			0	0	0	0	0
Number of working accessible baggage trolleys			100	100	100	99	109
Number of FID (flight information display) screens	5	7	9	19	19	19	19
Number of information points	1	1	1	1	1	1	1
Time of average peak hour for arriving passengers			0750–0845	0750–0845	0750–0850	1700–1800	1730–1830
Time of average peak hour for departing passengers			0815–0915	0815–0915	0815–0915	0630–0730	0630–0730
Total number of passengers arriving during average peak hour			Unknown	Unknown	Unknown	Unknown	Unknown
Total number of passengers departing during average peak hour			Unknown	Unknown	Unknown	Unknown	Unknown

Table 2.2.12 shows the objective measures for car-parking at Canberra airport for 2002–03 and 2006–07.

Table 2.2.12 Objective measures for car-parking at Canberra airport

Short-term car park	**2002–03**	**2003–04**	**2004–05**	**2005–06**	**2006–07**
Number of days short-term car park is open, financial year	365	365	365	365	365
Number of short-term parking spaces available to the public, 30 June	266	359	377	347	409
Total annual throughput of short-term car park, financial year	Unknown	487 847	511 169	493 705	498 710
Long-term car park					
Number of days long-term car park is open, financial year	365	365	365	365	365
Number of long-term parking spaces available to the public, 30 June	790	697	687	847	1 012
Total annual throughput of long-term car park, financial year	Unknown	91 242	85 816	98 119	115 232
Staff car park					
Number of parking spaces for staff	122	136	155	156	186

Darwin airport

Table 2.2.13 (see next page) shows the objective measures for the international terminal at Darwin airport for 1999–2000 to 2006–07. Please note that Darwin airport is a single integrated terminal catering for both international and domestic traffic. Some objective measures noted below apply to the terminal as a whole.

Table 2.2.13 Objective measures for the international terminal at Darwin airport

Indicator	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Number of aircraft parking bays (international and domestic)	10	10	10	10	10	10	12	12
Number of aerobridges (international and domestic)	3	3	3	3	3	3[(a)]	3	3
Total number of arriving passengers from international aircraft				77 000	68 400	80 100	92 800	92 000
Number of arriving passengers				77 000	68 400	80 100	92 800	92 000
Total number of departing passengers in international aircraft				75 000	68 300	78 400	89 000	84 000
Total number of check-in desks (international and domestic)				22	24	24	24	24
Number of hours with more than 80 per cent of check-in desks staffed				N/P	N/P	N/P	N/P	N/P
Total number of hours any check-in desks are open		4	4	N/P	N/P	N/P	N/P	N/P
Number of inbound immigration desks				8	8	8	8	8
Number of inbound baggage inspection desks	1	1	1	11	11	11	8	8
Number of outbound migration desks				6	5	5	5	5
Number of security clearance systems	1	1	1	1	1	1	1	1
Number of seats in gate lounges	224	224	224	225	225	225	225	225
Square metres of lounge area				707	707	729	729	729
Number of working accessible baggage trolleys (international and domestic)				150	165	173	250	250
Number of FID (flight information display) screens		5	7	2	2	39	39	70
Number of information points		1	1	1	1	18	18	52
Time of average peak hour for arriving passengers				0400–0500	0400–0500	0400–0500	0400–0500	0430–0530
Time of average peak hour for departing passengers				0500–0600	0500–0600	0500–0600	0430–0530	0700–0800
Total number of passengers arriving during average peak hour				220	160	260	315	364
Total number of passengers departing during average peak hour				220	160	200	390	277

Note: Darwin airport advised that it has always had three aerobridges. In the past, it has reported separately for international and domestic terminals. Darwin airport now considers it more appropriate to report the number of aerobridges based on a single terminal facility where most, if not all, facilities are available and utilised for both international and domestic services.

Table 2.2.14 shows the objective measures for the domestic terminal at Darwin airport for 2002–03 to 2006–07.

Table 2.2.14 Objective measures for the domestic terminal at Darwin airport

Indicator	2002–03	2003–04	2004–05	2005–06	2006–07
Number of arriving passengers	425 000	475 800	535 700	531 200	625 000
Number of hours with more than 80 per cent of check-in desks staffed	Airline operated	Airline operated	Airline operated	Airline operated	Airline operated
Total number of hours any check-in desks are open	Airline operated	Airline operated	Airline operated	Airline operated	Airline operated
Number of security clearance systems	1	2	2	2	2
Number of seats in gate lounges	397	397	285 to 591[(a)]	285 to 591[(a)]	366 to 591[(a)]
Square metres of lounge area	922	1 053	1 053 to 1 598[(a)]	1 053 to 1 598[(a)]	1 053 to 1 598[(a)]
Capacity of outbound baggage handling equipment, bags per hour	N/P	1 100	1 100	2 400	2 400
Number of outbound bags handled	Airline operated	Airline operated	Airline operated	Airline operated	Approx 760 000
Number of hours outbound baggage system is in use	Airline operated	Airline operated	Airline operated	Airline operated	Approx 7 600
Capacity of inbound baggage handling equipment, bags per hour	N/P	N/P	N/P	1 200	1 200
Number of inbound bags handled	Airline operated	Airline operated	Airline operated	Airline operated	Airline operated
Number of hours inbound baggage system is in use	Airline operated	Airline operated	Airline operated	Airline operated	Airline operated
Number of FID (flight information display) screens	20	20	39[(b)]	39[(b)]	70[(b)]
Number of information points	17	17	18[(b)]	18[(b)]	52[(b)]
Time of average peak hour for arriving passengers	0010–0110	0030–0130	0010–0110	0030–0130	1215–1315
Time of average peak hour for departing passengers	0100–0200	0130–0230	0100–0200	0110–0210	1300–1400
Total number of passengers arriving during average peak hour	470	675	675	678	592
Total number of passengers departing during average peak hour	470	675	675	678	601

Notes: (a) During 2004–05, Darwin airport completed the construction of its 'swing lounge'. This means that during peak domestic periods, when there are no international flights, the entire terminal facility (including the international area) is opened up for domestic passengers. Therefore, during domestic peak hours, the international seating and lounge area is opened up for domestic use.

(b) Total for the international and domestic terminal.

Table 2.2.15 shows the objective measures for car-parking at Darwin airport for 2002–03 and 2006–07.

Table 2.2.15 Objective measures for car-parking at Darwin airport

Short-term car park	**2002–03**	**2003–04**	**2004–05**	**2005–06**	**2006–07**
Number of days short-term car park is open	365	365	365	365	365
Number of short-term parking spaces available to the public	556	556	556	444	555
Total annual throughput of short-term car park	220 000	245 300	281 700	300 000	236 788
Long-term car park[(a)]					
Number of days long-term car park is open	365	365	365	365	365
Number of long-term parking spaces available to the public	12	12	12	0	0
Total annual throughput of long-term car park	N/P	N/P	N/P	N/P	N/P
Staff car-parking					
Number of parking spaces for staff	177	177	177	177	240

Note: Refers to the locked compound available for dedicated long-term car-parking. Darwin airport advised that long-term car-parking is also available in the short-term car park.

Melbourne airport

Table 2.2.16 (see next page) shows the objective measures for the international terminal at Melbourne airport for the period between 1997–98 and 2006–07.

Table 2.2.16 Objective measures for the international terminal at Melbourne airport

Indicator	1997–98	1999–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Number of aircraft parking bays	14	14	15	14	14	14	14	20	20	20
Number of aerobridges	10	10	10	10	10	10	11	11	11	11
Number of passengers arriving from international aircraft via aerobridges						1 730 118	1 966 293	2 241 630	2 226 977	2 323 732
Total number of arriving passengers from international aircraft						1 737 067	1 969 899	2 264 826	2 272 426	2 330 725
Number of arriving passengers						1 737 067	1 969 899	2 264 826	2 272 426	2 330 725
Number of arriving international aircraft using aerobridges						9 941	11 243	13 120	11 853	11 197
Number of passengers departing in international aircraft via aerobridges						1 645 389	1 911 057	2 115 030	2 152 578	2 246 111
Total number of departing passengers in international aircraft						1 650 341	1 915 590	2 143 435	2 183 142	2 252 870
Total number of check-in desks	72	72	72	72[(a)]	72[(a)]	72	72	72	72	72
Number of hours with more than 80 per cent of check-in desks staffed						8	23	43	13	26
Total number of hours any check-in desks are open						7 859	7 221	7 256	7 382	7 546
Number of inbound immigration desks	26[(b)]	26	26	26	26	26	26	24	24	24
Number of inbound baggage inspection desks	16	16	16	16	16	16	16	16	20	20
Number of outbound migration desks	18	18	18	18	18	18	18	18	18	18
Number of security clearance systems	6	6	6	6	7[(c)]	3[(d)]	3	4	5	6
Number of seats in gate lounges	2 289	2 363	2 172	1 984	2 034	2 323	2 110	2 079	2 263	2 180
Square metres of lounge area						4 031	4 031	4 031	5 231	5 231
Capacity of outbound baggage handling system, bags per hour	3 060	3 060	3 060	3 060	3 060	3 060	3 060	3 060	3 060	3 060
Number of outbound bags handled						1 963 094	2 121 317	2 383 091	2 510 273	2 558 628
Number of hours outbound baggage system is in use						7 665	7 686	7 686	7 665	7 665

Indicator	1997–98	1999–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Total number of hours of planned interruption to outbound baggage system						226	244	328	408	531
Number of hours of unplanned interruption to outbound baggage system						269	135	171	90	46
Capacity of inbound baggage handling system, bags per hour	N/A	2 720	2 720	2 720	2 720	2 720	2 720	2 720	2 720	3 400
Number of hours inbound baggage handling system is in use						N/P	5 983	5 983	4 754	4 754
Number of planned interruptions to inbound baggage system						N/P	N/A	N/A	N/A	N/A
Total number of hours of planned interruption to inbound baggage system						N/P	19.5	21.3	35	15
Total number of hours of unplanned interruption to inbound baggage system						N/P	9.3	8.8	15	2
Number of working accessible baggage trolleys						1 500	1 500	2 350	2 365	2 400
Number of FID (flight information display) screens						67	67	67	73	76
Number of information points						1	1	1	1	1
Time of average peak hour for arriving passengers						0700	0748–0848	0653–0752	0605–0704	0803–0902
Time of average peak hour for departing passengers						0900	1740–1840	0917–1016	1452–1551	0019–0118
Total number of passengers arriving during average peak hour						986	1 383	1 484	1 662	1 427
Total number of passengers departing during average peak hour						1 155	1 277	1 655	1 452	1 410

Notes: (a) This figure has been mistakenly reported in previous *ACCC Quality of service—price monitored airports monitoring reports* as 84, which included 12 service desks. Melbourne airport advised that the correct figure is 72.

(b) This figure has been mistakenly reported in previous *ACCC Quality of service—price monitored airports monitoring reports* as 16. Melbourne airport advised that the correct figure is 26.

(c) This figure was mistakenly reported as six in the *ACCC Quality of service—price monitored airports monitoring report 2002–03*. Melbourne airport advised that the correct figure is seven.

(d) This figure was mistakenly reported as six in the *ACCC Quality of service—price monitored airports monitoring report 2002–03*. Melbourne airport advised that the correct figure is three.

Table 2.2.17 shows the objective measures for the domestic terminal at Melbourne airport for 2002–03 and 2006–07.

Table 2.2.17 Objective measures for the domestic terminal at Melbourne airport

Indicator	2002–03	2003–04	2004–05	2005–06	2006–07
Number of aircraft parking bays	10	16	20	20	20
Number of aerobridges	8	8	10	11	11
Number of arriving passengers	1 989 876	2 695 391	3 140 295	3 333 946	3 600 710
Total number of check-in desks	22	27	33	38	33
Number of security clearance systems	2	4	4	4	5
Number of seats in gate lounges	853	851	963	963	1 142
Square metres of lounge area	2 325	3 195	3 195	3 195	3 195
Total number of hours of planned interruption to inbound baggage system	20	N/P[(a)]	N/P	N/P	N/P
Total number of hours of unplanned interruption to inbound baggage system, including extra hours where interruptions longer than planned	5	N/P[(a)]	N/P	N/P	N/P
Number of working accessible baggage trolleys	150	150	150	159	150
Number of FID (flight information display) screens	38	38	38	38	40
Time of average peak hour for arriving passengers	N/P	1712–1812	1859–1958	1910–2009	N/P
Time of average peak hour for departing passengers	N/P	0743–0843	1904–2003	2001–2100	N/P
Total number of passengers arriving during average peak hour	N/P	999	1 039	1 214	975
Total number of passengers departing during average peak hour	N/P	923	991	1 220	1 129

Note: (a) Melbourne airport advised that the number of hours of planned and unplanned interruptions to the inbound baggage system was not collected in 2003–04 due to in-line check bag screening works.

Table 2.2.18 (see next page) shows the objective measures for car-parking at Melbourne airport from 1997–98 to 2006–07.

Table 2.2.18 Objective measures for car-parking at Melbourne airport

Short-term car-parking	**1997–98**	**1998–99**	**1999–2000**	**2000–01**	**2001–02**	**2002–03**	**2003–04**	**2004–05**	**2005–06**	**2006–07**
Number of days short-term car park is open, financial year	365	365	365	365	365	365	365	365	365	365
Number of short-term parking spaces available to the public, 30 June	2 729	2 763	2 760	3 100	3 100	3 088	2 522	3 553	3 744	3 315
Total annual throughput of short-term car park, financial year		2 472 875	2 553 540	2 645 520	2 377 610	2 481 173	2 667 214	2 718 507	2 752 085	2 594 081
Long-term car-parking										
Number of days long-term car park is open, financial year	365	365	365	365	365	365	365	365	365	365
Number of long-term parking spaces available to the public, 30 June	3 439	3 439	4 189	4 789	4 789	4 928	5 623	6 859	11 077	11 913
Total annual throughput of long-term car park, financial year		247 835	266 815	303 315	327 040	349 737	412 973	417 667	511 680	539 416
Staff car-parking										
Number of parking spaces for staff						1 092	1 300	1 300	1 410	1 676

Perth airport

Table 2.2.19 shows the objectives measures for the international terminal at Perth airport for the period between 1997–98 and 2006–07, where available.

Table 2.2.19: Objective measures for the international terminal at Perth airport

Indicator	1997–98	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Number of aircraft parking bays	7	7	7	7	7	7	9	9	9	9
Number of aerobridges	5	5	5	5	5	5	5	5	5	5
Number of passengers arriving from international aircraft via aerobridges						930 506	896 814	1 000 184	1 030 151	1 132 056
Total number of arriving passengers from international aircraft						959 883	902 093	1 005 870	1 035 814	1 138 090
Number of arriving passengers						959 883	902 093	1 005 870	1 036 836	1 138 090
Number of arriving international aircraft using aerobridges						5 129	4 678	5 167	5 147	5 564
Number of passengers departing in international aircraft via aerobridges						880 669	858 938	966 044	984 848	1 077 091
Total number of departing passengers in international aircraft						911 765	864 445	971 392	990 271	1 083 114
Total number of check-in desks	24	24	24	24	24	30	30	29	39	39
Number of hours with more than 80 per cent of check-in desks staffed						179	67	160	1	2.16
Total number of hours any check-in desks are open						52 097	52 743	66 708	100 684	107 937
Number of inbound immigration desks	16	16	16	16	16	16	18	18	18	18
Number of inbound baggage inspection desks	20	20	20	20	20	28	28	28	28	28
Number of outbound migration desks	10	10	10	10	10	10	10	10	10	10
Number of security clearance systems	2	2	2	3	3	3[(a)]	3[(a)]	4	3[(b)]	3
Number of seats in gate lounges	435	359	357	355	355	445	445	512	536	536
Square metres of lounge area						1 921	1 850	3 186	4 792	5 474
Capacity of outbound baggage handling system, bags per hour	5 760	5 760	5 760	5 760	5 760	5 760	5 760	5 760	2 400	2 400
Number of outbound bags handled						1 045 623	1 005 084	1 214 529	N/A[(c)]	1 047 173
Number of hours outbound baggage system is in use						8 823	8 828	8 648	7 300	7 300
Number of planned interruptions to outbound baggage system						N/P	8	8	0	1
Total number of hours of planned interruption to outbound baggage system						N/P	90	60	0	2

Indicator	1997–98	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Number of unplanned interruptions to outbound baggage system						N/P	2	3	4	3
Number of hours of unplanned interruption to outbound baggage system						N/P	8	30.2	10	2.5
Capacity of inbound baggage handling system, bags per hour	N/A	N/A	8 640	8 640	8 640	8 640	8 640	8 640	8 640	962
Number of inbound bags handled						N/P	N/A	N/A	N/A	N/A
Number of hours inbound baggage handling system is in use						N/P	1 956	3 098	3 012	3 588
Number of planned interruptions to inbound baggage system						N/P	12	4	3	12
Total number of hours of planned interruption to inbound baggage system						N/P	66	22	216	216
Number of unplanned interruptions to inbound baggage system						N/P	1	0	1	0
Total number of hours of unplanned interruption to inbound baggage system						N/P	24	0	8	0
Number of working accessible baggage trolleys						700	750	650	568	940
Number of FID (flight information display) screens						58	58	74	59	59
Number of information points						1	1	1	1	1
Time of average peak hour for arriving passengers						1500–1600	1400–1500	1400–1459	1500–1559	1400–1459
Time of average peak hour for departing passengers						0700–0800	1500–1600	1600–1659	1600–1659	1600–1659
Total number of passengers arriving during average peak hour						708	782	956	829	886
Total number of passengers departing during average peak hour						794	790	972	684	719

Notes: (a) Perth airport advised the ACCC that it incorrectly reported the number of security clearance systems in the international terminal in 2002–03 and 2003–04 as being two. This has now been corrected to three.

(b) In 2006–07 Perth airport revised this figure in light of clarification of the definition of a security clearance system

(c) Perth airport advised that a newly installed baggage screening system does not currently record this information.

Table 2.2.20 shows the objective measures for the domestic terminal at Perth airport for the year 2006–07.

Table 2.2.20 Objective measures for the domestic terminal at Perth airport[129]

Indicator	2003–04	2004–05	2005–06	2006–07
Number of aircraft parking bays	7	15	15	15
Number of aerobridges	2	2	2	2
Number of arriving passengers	587 417[(a)]	658 513	667 900	746 073
Total number of check-in desks	16	16	16	16
Number of hours with more than 80 per cent of check-in desks staffed	183	24	79	134
Total number of hours any check-in desks are open	10 669	36 179	48 823	29 222
Number of security clearance systems	1	3	2[(b)]	2
Number of seats in gate lounges	510	431	357	436
Square metres of lounge area	1 877	2 900	1 653	2 400
Capacity of outbound baggage handling system, bags per hour	4 230	4 230	4 230	660
Number of outbound bags handled	772 950	782 533	702 859	737 163
Number of hours outbound baggage system is in use	6 752	6 752	5 840	6 307
Number of planned interruptions to outbound baggage system	4	4	4	9
Total number of hours of planned interruption to outbound baggage system	60	30	35	35
Number of unplanned interruptions to outbound baggage system	20	6	1	0
Number of hours of unplanned interruption to outbound baggage system, including extra hours where interruptions longer than planned	70	30	5	0
Capacity of inbound baggage handling system, bags per hour	4 013	4 013	4 013	720
Number of inbound bags handled	753 942	575 235	N/A[(c)]	N/A
Number of hours inbound baggage handling system is in use	1 449	1 882	1 860	2 733
Number of planned interruptions to inbound baggage system	4	4	4	4
Total number of hours of planned interruption to inbound baggage system	60	22	25	35
Number of unplanned interruptions to inbound baggage system	2	4	0	0
Total number of hours of unplanned interruption to inbound baggage system, including extra hours where interruptions longer than planned	55	60	0	0
Number of working accessible baggage trolleys	300	385	210	190
Number of FID (flight information display) screens	16	24	26	28
Number of information points	1	1	1	1
Time of average peak hour for arriving passengers	1400–1500	2200–2259	2200–2259	2200–2259
Time of average peak hour for departing passengers	1400–1500	2300–2359	2300–2359	2300–2359
Total number of passengers arriving during average peak hour	414	714	494	499
Total number of passengers departing during average peak hour	366	608	460	473

Notes: (a) Perth airport advised the ACCC that it incorrectly reported the number of arriving passengers in 2003–04 as being 1 182 492. This has now been corrected to 587 417.

(b) In 2006–07 Perth airport revised this figure in light of clarification of the definition of a security clearance system

(c) Figures are unavailable as Virgin Blue and Skywest do not keep records for this information. Figures provided in 2004–05 were based on an estimation of sample week/day.

129 Perth airport leases operating space and facilities to Qantas Airways and therefore the facilities provided in that domestic terminal airline is not included in this table.

Table 2.2.21 shows the objective measures for car-parking at Perth airport for 2002–03 to 2006–07.

Table 2.2.21 Objective measures for car-parking at Perth airport

Short-term car park—international terminal	**2002–03**	**2003–04**	**2004–05**	**2005–06**	**2006–07**
Number of days short-term car park is open, financial year	365	365	365	365	365
Number of short-term parking spaces available to the public, 30 June	1 077	1 077	1 077	1 077	1 077
Total annual throughput of short-term car-park, financial year	685 316	640 673	679 657	667 143	666 008
Short-term car park—domestic terminal					
Number of days short-term car park is open, financial year	365	365	365	365	365
Number of short-term parking spaces available to the public, 30 June	1 030	1 195	1 645	1 072	1 072
Total annual throughput of short-term car park, financial year	916 494	1 002 611	949 879	947 025	996 837
Long-term car park					
Number of days long-term car park is open, financial year			365	365	365
Number of long-term parking spaces available to the public, 30 June			614	1 542	1 462
Total annual throughput of long-term car park, financial year			N/A	74 986	86 682
Staff car-parking					
Number of car-parking spaces for staff		927	931	991	991

Sydney airport

Table 2.2.22 (see next page) shows the objective measures reported for the international terminal at Sydney airport for 1998–99 to 2006–07 where available.

Table 2.2.22 Objective measures for the international terminal at Sydney airport

Indicator	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Number of aircraft parking bays	24	39	39	39	39	39	39	44	44
Number of aerobridges	8	27	27	27	32	27	27	26	30
Number of passengers arriving from international aircraft via aerobridges					4 177 487	4 380 135	5 535 045	4 893 689	5 724 072
Total number of arriving passengers from international aircraft					4 241 104	4 446 838	5 559 921	4 917 356	5 847 277
Number of arriving passengers					4 241 104	4 446 838	5 559 921	4 917 356	5 847 277
Number of arriving international aircraft using aerobridges					22 481	24 402	26 859	27 732	26 953
Number of passengers departing in international aircraft via aerobridges					3 934 138	4 458 054	5 346 987	4 765 406	5 593 900
Total number of departing passengers in international aircraft					3 994 049	4 525 943	5 367 150	4 922 560	5 736 457
Total number of check-in desks	130	192	214	214	194	194	192	192	192
Number of hours with more than 80 per cent of check-in desks staffed					0	N/P	0	0	N/P
Total number of hours any check-in desks are open					507 480	589 649	464 038	468 072	565 798
Number of inbound immigration desks	62	62	62	62	62	62	64	64	64
Number of inbound baggage inspection desks	35	45	62	114	87	26	46	46	46
Number of outbound migration desks	54	54	54	54	54	54	54	54	**50**
Number of security clearance systems	7	11	12	12	20	20	17	17	16
Number of seats in gate lounges	2 167	3 196	4 109	4 109	4 109	4 109	4 109	4 259	4 259
Square metres of lounge area					6 335	6 335	6 335	6 785	6 785
Capacity of outbound baggage handling system, bags per hour	4 940	6 270	6 270	6 270	6 270	6 270	6 270	6 270	6 270
Number of outbound bags handled					5 224 192	5 818 744	6 032 949	6 935 442	6 365 356
Number of hours outbound baggage system is in use					6 570	6 588	6 570	6 570	6 935
Number of planned interruptions to outbound baggage system					0	0	0	0	0

Indicator	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
Number of unplanned interruptions to outbound baggage system					63	34	37	33	25
Number of hours of unplanned interruption to outbound baggage system					52	104	97	85.8	123.7
Capacity of inbound baggage handling system, bags per hour	7 350	11 325	11 325	11 325	11 340	11 340	11 340	11 340	11 340
Number of inbound bags handled					5 215 366	4 471 546	4 630 269	4 398 756	5 265 624
Number of hours inbound baggage handling system is in use					6 570	6 588	6 570	6 570	6 205
Number of planned interruptions to inbound baggage system					0	0	0	0	0
Number of unplanned interruptions to inbound baggage system					10	23	4	5	0
Total number of hours of unplanned interruption to inbound baggage system					8	69	51	16.8	8.7
Number of working accessible baggage trolleys					3 980	3 400	4 725	4 932	4 932
Number of FID (flight information display) screens					1 050	1 050	870	790	697
Number of information points					4	4	5	5	5
Time of average peak hour for arriving passengers					0800–0900	0700	0600	0600	0600
Time of average peak hour for departing passengers					0900–1000	0900	0900	0900	1100
Total number of passengers arriving during average peak hour					2 432	2 154	2 750	2 019	2 803
Total number of passengers departing during average peak hour					1 597	1 458	1 651	2 240	1 725

Table 2.2.23 shows the objective measures for the domestic terminal which Sydney airport operates for 2002–03 to 2006–07.

Table 2.2.23 Objective measures for the domestic terminal at Sydney airport

Indicator	2002–03	2003–04	2004–05	2005–06	2006–07
Number of aircraft parking bays	27	27	27	27	31
Number of aerobridges	13	13	13	13	13
Number of arriving passengers	7 974 100	8 727 230	9 322 157	9 634 275	10 414 500
Total number of check-in desks	33	39	39	44	44
Number of hours with more than 80 per cent of check-in desks staffed	N/A	N/P	6 207	7 013	N/A
Total number of hours any check-in desks are open	N/A	240 597	244 289	276 046	250 325
Number of security clearance systems	6	10	10	10	9
Number of seats in gate lounges	1 630	1 630	1 630	1 689	1 689
Square metres of lounge area	4 457	4 457	4 457	4 457	4 457
Capacity of outbound baggage handling system, bags per hour	3 500	3 500	3 500	3 500	3 500
Number of outbound bags handled	1 391 101	3 276 885	3 470 462	4 217 575	3 996 998
Number of hours outbound baggage system is in use	4 794	6 588	6 570	6 570	6 935
Number of planned interruptions to outbound baggage system	N/A	N/A	0	0	0
Number of unplanned interruptions to outbound baggage system	40	27	33	29	27
Number of hours of unplanned interruption to outbound baggage system	23	15	29.5	75.4	137.7
Capacity of inbound baggage handling system, bags per hour	3 533	3 533	3 533	3 533	3 533
Number of inbound bags handled	1 380 000	1 183 183	3 470 462	4 217 575	4 462 947
Number of hours inbound baggage handling system is in use	4 794	6 588	6 570	6 570	6 205
Number of planned interruptions to inbound baggage system	N/P	N/P	0	0	0
Number of unplanned interruptions to inbound baggage system	11	6	1	0	1
Total number of hours of unplanned interruption to inbound baggage system	6	3	0.1	0	3.1
Number of working accessible baggage trolleys	300	300	590	500	500
Number of FID (flight information display) screens	450	450	430	421	305
Number of information points	N/P	N/P	1	1	1
Time of average peak hour for arriving passengers	1800	1800	1800	1500	1800
Time of average peak hour for departing passengers	0800	0800	0800	1200	2000
Total number of passengers arriving during average peak hour	N/P	1 038	1 000[(a)]	1 390	2 008
Total number of passengers departing during average peak hour	N/P	1 038	1 100[(a)]	1 192	1 640

Note: (a) This figure has been mistakenly reported in previous *ACCC Quality of service—price monitored airports monitoring reports* as not provided.

Table 2.2.24 shows the objective measures for car-parking at Sydney airport for 1998–99 to 2006–07.

Table 2.2.24 Objective measures for car-parking at Sydney airport

Short-term car-parking—international terminal	**1998–99**	**1999–2000**	**2000–01**	**2001–02**	**2002–03**	**2003–04**	**2004–05**	**2005–06**	**2006–07**
Number of days short-term car park is open	365	365	365	365	365	365	365	365	365
Number of short-term parking spaces available to the public[(a)]	4 127	4 539	4 935	5 039	2 000	1 700	1 560	1 817	1 374
Total annual throughput of short-term car park[(b)]	1 838 112	2 883 865	2 804 809	1 803 883	1 477 661	1 603 263	1 659 294	1 629 107	1 626 235
Short-term car park—domestic terminal									
Number of days short-term car park is open					365	365	365	365	365
Number of short-term parking spaces available to the public					2 678	2 700	3 045	3 366	3 433
Total annual throughput of short-term car park					1 093 745	1 123 178	1 164 731	1 140 253	1 174 823
Long-term car park									
Number of days long-term car park is open	365	365	365	365	365	365	365	365	365
Number of long term parking spaces available to the public	1 320	1 867	2 692	2 692	2 688	2 688	4 361	4 593	4 577
Total annual throughput of long-term car park	59 564	70 445	81 046	80 582	90 278	142 264	169 410	168 698	180 155
Staff car park									
Number of parking spaces for staff					1 698	1 485	1 202	1 256	1 256

Notes: Please note annual throughput refers to paid public exits only and does not include staff exits.

(a) For 1998–99 to 2001–02, the number of short-term parking spaces relates to a total figure for the international and domestic terminal.

(b) For 1998–99 to 2001–02, the annual throughput of short-term car-parking refers to a total figure for the international and domestic terminal.

ACCC contacts

For all business and consumer inquiries

Infocentre: 1300 302 502

Website: www.accc.gov.au

Callers who are deaf or have a hearing or speech impairment can contact the ACCC through the National Relay Service **www.relayservice.com.au**

TTY or modem users—phone 1333 677 and ask for 1300 302 502.

Voice only (speak and listen) users—phone 1300 555 727 and ask for 1300 302 502.

ACT (national office)

GPO Box 3131
CANBERRA ACT 2601

Tel: (02) 6243 1111
Fax: (02) 6243 1199

New South Wales

GPO Box 3648
SYDNEY NSW 2001

Tel: (02) 9230 9133
Fax: (02) 9223 1092

Victoria

GPO Box 520
MELBOURNE
VIC 3001

Tel: (03) 9290 1800
Fax: (03) 9663 3699

Western Australia

PO Box 6381
EAST PERTH WA 6892

Tel: (08) 9325 0600
Fax: (08) 9325 5976

South Australia

GPO Box 922
ADELAIDE SA 5001

Tel: (08) 8213 3444
Fax: (08) 8410 4155

Queensland

PO Box 10048
Adelaide Street Post Office
BRISBANE QLD 4000

Tel: (07) 3835 4666
Fax: (07) 3832 0372

North Queensland

PO Box 2016
TOWNSVILLE QLD 4810

Tel: (07) 4729 2666
Fax: (07) 4721 1538

Tasmania

GPO Box 1210
HOBART TAS 7001

Tel: (03) 6215 9333
Fax: (03) 6234 7796

Northern Territory

GPO Box 3056
DARWIN NT 0801

Tel: (08) 8946 9666
Fax: (08) 8946 9600