Australian Competition & Consumer Commission

Airport prices monitoring and financial reporting guideline

Information Requirements under Part 7 of the Airports Act 1996 and Section 95ZF of the Trade Practices Act 1974

June 2009

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INTRODUCTION

SECTION 1: Background

This Airport prices monitoring and financial reporting guideline takes account of the amendments made to the *Airports Act 1996* (the Airports Act) in April 2007 and the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS). This Guideline replaces the previous Guideline issued in December 2007. This Guideline was amended in June 2009 to include airport car park prices, costs and profits monitoring information requirements.

This Guideline is drafted on the basis that a single report will henceforth be published by the ACCC incorporating both price monitoring and quality of service outcomes, in accordance with the Government's response to the PC's 2006 recommendation number 5.4. The Government found that publishing price and service quality outcomes in a single report will enable better analysis of the link between quality of service and the pricing and investment cycles.[1]

1.1 Purpose

The ACCC is responsible for airport monitoring, in particular:

- the monitoring of prices, costs and profits relating to aeronautical services and facilities by the five major airports—Adelaide, Brisbane, Melbourne (Tullamarine), Perth, Sydney (Kingsford Smith)
- the reporting of financial accounts by the same five major airports
- the monitoring of prices, costs and profits relating to the supply of car parking services at the same five major airports
- the monitoring of quality of service at the same five major airports (see the *Airport quality of service monitoring guideline October 2008* for information requirements).

This Guideline details the ACCC's information requirements for price monitoring and financial reporting of aeronautical and airport car parking services and facilities. The ACCC is responsible for the price monitoring of airports under the *Trade Practices Act 1974* (the TPA). The ACCC also has financial accounts reporting and quality of service responsibilities under the Airports Act.

[1] The Commonwealth Treasurer, Press Release – Productivity Commission Report – Review of Price Regulation of Airport Services, 30 April 2007, p. 13

The financial accounts reporting under Part 7 of the Airports Act and price monitoring arrangements under section 95ZF of the TPA apply to Adelaide, Brisbane, Melbourne, Perth and Sydney airports. The Parliamentary Secretary to the Treasurer issued Direction 29 on 28 June 2007 directing the ACCC to conduct monitoring of prices, costs and profits related to the supply of aeronautical services and facilities for these five airports, effective 1 July 2007. Direction 29 was issued under section 95ZF of the TPA.

A list of the services and facilities covered is given in section 2. Aeronautical services were previously monitored in accordance with Direction 27 issued under the *Prices Surveillance Act 1983* (PS Act) until June 2007. Prior to this, airports were declared for price surveillance under section 21 of the PS Act until October 2001 for Adelaide, Canberra and Darwin airports and until 30 June 2002 for Brisbane, Melbourne (Tullamarine), Perth and Sydney (Kingsford Smith) airports.

The PC released its Draft Report on Price Regulation of Airport Services in September 2006[2] and provided the Government with its Inquiry Report in January 2007. On 30 April 2007, the Government announced its response to the PC's Report. Following the Government's response to the PC's Inquiry Report, these regulatory arrangements are intended to be in place for a period of six years with an independent review to be undertaken in 2012 to ascertain the need for future airport price regulation.

On 7 April 2008, the Assistant Treasurer and Minister for Competition Policy and Consumer Affairs directed the ACCC to formally monitor prices, costs and profits relating to the supply of car parking at Adelaide, Brisbane, Melbourne, Perth and Sydney airports. This direction (Direction 31) also states that the ACCC must report to the Minister on the monitoring activities following the end of each financial year. This monitoring is done in accordance with section 95ZF of Part VIIA of the TPA. The direction came into effect on 7 April 2008.

The information provided under the regulations under Part 7 of the Airports Act and the monitoring direction under 95ZF of the TPA increases the transparency of Airport Operators' performance and provides continuity of data collection allowing general trends to be identified.

The purpose of this Guideline is to specify the ACCC's price monitoring and financial reporting information requirements for Airport Operators. The information collected by the

2 Productivity Commission, *Review of Price Regulation of Airport Services*, Draft Report, Canberra 1 September 2006, see http://www.pc.gov.au/inquiry/airportservices/draftreport/airportservices.pdf

ACCC will be used to report annually provided for under section 95ZF of the TPA and Part 7 of the Airports Act.

The statements required by this Guideline are listed in the Appendix. The attached pro forma statements indicate the required level of detail for each statement which are to be provided to the ACCC in accordance with the regulations under Part 7 of the Airports Act and the formal monitoring direction under section 95ZF of the TPA. For more detail see section 4.7.

1.2 Confidentiality

Information supplied to the ACCC for the purposes of Part 7 of the Airports Act may be published if it is within the disclosure requirements of the relevant parts of the *Corporations Act 2001* (Corporations Act) and accounting standards operating under Part 7 of the Airports Act and its regulations. Information supplied to the ACCC which falls outside these disclosure requirements will not be published without the agreement of the Airport Operator.

In preparing a price monitoring report under section 95ZF of the TPA, the ACCC is required by section 95ZF(2) to have regard to the need for commercial confidentiality. Furthermore, under section 147 of the Airports Act and section 95ZN of the TPA an Airport Operator can seek to have information treated as confidential. The ACCC will assess whether such claims are justified and whether disclosure of the relevant information is necessary in the public interest.

In addition to this guideline parties should refer to the ACCC's general information policy which is available in its publication, *Information Policy, the collection, use and disclosure of information (October 2008).*

1.3 Definitions

A number of terms are used throughout the Guideline. They are defined as follows:

Aeronautical	For the purposes of preparing reports pursuant to section 95ZF of the *Trade Practices Act 1974*, and Part 7 and 8 of the *Airports Act 1996*, 'aeronautical' has the same meaning as in regulations made pursuant to the *Airports Act 1996* (see Section 2 below).
Airside	The Airports Regulations 1997 state that, airside area and landside area have the respective meanings given in section 9 of the *Aviation Transport Security Act 2004*. Section 29

	of that Act defines airports' airside and landside areas by referring to notices published in the Commonwealth of Australia Gazette. These notices have maps showing the boundaries of the airside and landside areas.
Auditor	has the same meaning as that of Approved Auditor in Section 144 of the *Airports Act 1996.*
Australian Accounting Standards	accounting standards made by the Australian Accounting Standards Board (AASB).
Australian Equivalents of International Financial Reporting Standards (AIFRS)	accounting standards issued by the AASB that are equivalent to standards issued by the International Accounting Standards Board.
Australian Generally Accepted Accounting Principles (AGAAPS)	accounting standards issued by the AASB that were applicable prior to the transition to AIFRS.
Airport Operator	a business which operates an Australian airport which has been leased from the Australian Government. For the purposes of this Guideline, the appropriate reporting entity is that which encompasses all activities related to the operation of the airport being leased. This may not necessarily be reflected in an airport-lessee’s corporate structure.
Direct	in relation to account items, refers to those account items that can be directly identified as pertaining to a particular service or activity.
Directors	directors of a company which carries on the business of operating an Australian airport. The definition of a director is the same as in the Corporations Act.
Guideline	guidelines regarding the Information Requirements issued by the ACCC.
Indirect	in relation to account items, refers to those account items that can not be directly identified as pertaining to a

	particular service or activity and must therefore be classified according to some allocation principle.
Landside	See ‘airside’ above.
Non-Aeronautical	activities that are undertaken by an Airport Operator which do not fall within the definition of *Aeronautical* defined below.
Regulatory Accounting Statements	those statements required to be produced pursuant to the *Airports Act 1996* and the ACCC’s functions under the *Trade Practices Act 1974.* They include reports and notes to those statements.

SECTION 2:Aeronautical services definition

The following outlines the definition contained in the Airports Regulations (as amended on 1 July 2007) at Reg 7.02A

(1) For this Part, ***aeronautical services and facilities*** means those services and facilities at an airport that are necessary for the operation and maintenance of civil aviation at the airport, and includes each service or facility that is:

(a) mentioned in an item in Table 1 (aircraft-related); or

(b) mentioned in an item in Table 2 (passenger –related).

Table 1 Aircraft-related services and facilities

Item	Services and facilities
1	Runways, taxiways, aprons, airside roads and airside grounds
2	Airfield and airside lighting
3	Aircraft parking sites
4	Ground handling (including equipment storage and refuelling)
5	Aircraft refuelling (including a system of fixed storage tanks, pipelines and hydrant distribution equipment known as a Joint User Hydrant Installation or JUHI)
6	Airside freight handling and staging areas essential for aircraft loading and unloading
7	Navigation on an airfield (including nose-in guidance systems and other visual navigation aids)
8	Airside safety and security services and facilities (including rescue and fire-fighting services and perimeter fencing)
9	Environmental hazard control
10	Services and facilities to ensure compliance with environmental laws
11	Sites and buildings used for light or emergency aircraft maintenance

Table 2 Passenger-related services and facilities

Item	Services and facilities
1	Public areas in terminals, public amenities, lifts, escalators and moving walkways
2	Necessary departure and holding lounges, and related facilities[3]
3	Aerobridges and buses used in airside areas
4	Flight information and public-address systems
5	Facilities to enable the processing of passengers through customs, immigration and quarantine
6	Check-in counters and related facilities (including any associated queuing areas)
7	Terminal access roads and facilities in landside areas (including lighting and covered walkways)
8	Security systems and services (including closed circuit surveillance systems)

[3] In light of the note (2) attached to the aeronautical definition contained in the Airports Regulations 'necessary departure and holding lounges' does not include premium facilitation areas such as airline lounges or retail areas.

9	Baggage make-up, handling and reclaiming facilities
10	Space and facilities, whether in landside or airside areas, that are necessary for the efficient handling of arriving and departing aircraft (eg airline crew-rooms and airline operations centres)

(2) In this regulation, ***airside area*** and ***landside area*** have the respective meanings given in section 9 of the Aviation Transport Security Act 2004.

(3) To avoid doubt, ***aeronautical services and facilities*** does not include services or facilities:

(a) relating to the provision of a high-quality service to certain passengers; or

(b) that are not necessary for the efficient operation of civil aviation.

By operation of Regulation 7.03(1A), the definition of aeronautical services does not include a passenger-related service or facility that is located on premises in a passenger terminal if the premises are the subject of a lease (known as a 'Domestic Terminal Lease') that was in force when the airport lease was granted to the airport-lessee company.

The amendments to the aeronautical definition made 1 July 2007 have several implications for the monitoring regime which are explained throughout this guideline. For instance, the change in the aeronautical definition has led to the dissolution of the aeronautical-related services and facilities characterisation and the Regulatory Accounting Statements have been amended accordingly.

PRICE MONITORING

SECTION 3: Principles of preparation

3.1 Introduction

The principles underlying the preparation of statements and reports pursuant to this Guideline are based on the requirement for Airport Operators to provide the ACCC with information which will enable the ACCC to perform its responsibilities under the Airports Act and the TPA.

Information collected pursuant to the Airports Act should allow the ACCC to gain reliable data relating to the financial performance of the airport as a distinct reporting entity and for aeronautical and non-aeronautical services for each airport. The financial information will be used to complement other information provided pursuant to the TPA.

The prices monitoring function of the ACCC represents a different exercise to the ACCC's requirements under the Airports Act.

Under the monitoring provisions of section 95ZF of the TPA, information on prices, costs and profits is required for each of the services monitored by the ACCC.

Airport Operators are expected to be capable of fully disclosing and explaining each item of information provided to the ACCC and all principles adopted in their calculation.

3.2 Accounting Principles and Policies

Airport Operators should include as part of any accounting information provided to the ACCC full and detailed documentation of the accounting principles and policies used to prepare that information. Airport Operators are also expected to include a statement affirming that the disclosed accounting principles and policies have been used to prepare the accounting information. The accounting principles and policies adopted by Airport Operators must comply with Australian Accounting Standards where applicable.

Airport Operators should also provide, by way of a report or notes to the Regulatory Accounting Statements, the following details:

(a) any change in accounting principles adopted; including any change in the rate or method of charging depreciation in the accounts of the Airport Operator company;

(b) any material changes in the method of asset valuation;

(c) any material item appearing in the accounts of the airport-operator company for the first time or not usually included in the accounts of the Airport Operator;

(d) any absence from the accounts of the Airport Operator of any material item usually included in the accounts of the Airport Operator; and

(e) the adequacy of provisions in the nature of reserves made in the accounts of the Airport Operator.

Where changes in accounting policies have taken place, the Airport Operator is expected to disclose the nature and effect of each change and the reasons for the change. The Airport Operator should also disclose the effect of and reasons for any adoption of accounting principles or policies which differ from Australian Accounting Standards.

The ACCC notes that the Australian Accounting Standards Board has implemented a policy of adopting International Accounting Standards Board (IASB) standards for application in Australia.

As a result, Australian accounting standards, which are legally binding under the Corporations Act, are equivalent to International Financial Reporting Standards. The Australian Securities and Investment Commission (ASIC) is responsible for enforcing compliance with the new standards.[4]

Australian equivalents to International Financial Reporting Standards (AIFRS) apply for financial years commencing on or after 1 January 2005.

For half-years and full years commencing before 1 January 2005, pre-AIFRS standards apply, and AASB No. 1047 (*Disclosing the Impacts of Adopting the Australian Equivalents to International Financial Reporting Standards*) requires financial reports to disclose information concerning the entity's management of the transition to AIFRS and the key differences in accounting policies on adopting AIFRS.[5]

For the purpose of the ACCC's price monitoring program, airports should provide the ACCC with details of any changes made to its reporting as a result of the application of AIFRS. Details of the effects of any changes should also be provided.

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4 Source: www.asic.gov.au.

5 *op. cit*.

The Regulatory Accounting Statements required by this Guideline are to represent a disaggregation and deconsolidation of the audited financial statements prepared by the Airport Operator. The audited financial statements of the Airport Operator form the basis from which the Regulatory Accounting Statements are to be prepared.

3.3 Accounting Period

For the purposes of preparing the Regulatory Accounting Statements, an accounting period is the financial year commencing 1 July and ending 30 June. Airport Operators must prepare consecutive reports on an annual basis.

3.4 Account Item Allocation Principles

In the preparation of the requested information, which should be submitted in the form of the attached pro-forma statements, the following principles for allocating account items between aeronautical and non-aeronautical services and activities need to be adopted. If an Airport Operator prepares information using principles other than those set out below, that Airport Operator must outline the relevant account item allocation principles used and explain the reasons for their adoption in preference to those prescribed by this Guideline.

All account items should be allocated on a causation basis by identifying the following relationships:

1. A directly traceable cause and effect relationship with the provision of the product or service; or
2. A verifiable relationship between the item and the output of the individual product or service; or
3. A cost having a direct causal relationship associated with a pool of common costs and allocation of that pool can be made using a relevant, reliable and verifiable factor such as relative use.

Account items which are directly attributable to aeronautical or non-aeronautical activities should be allocated accordingly. Account items not directly attributable should be classified as either aeronautical or non-aeronautical using an appropriate allocating factor. All account items are to be allocated unless stated in this Guideline, for example, the Cash Flow Statements do not require allocation between aeronautical and non-aeronautical services.

Account item allocation rules should apply to transfer pricing between the aeronautical and non-aeronautical segments. The key principle for cost items is that they should be allocated in relation to the way resources are consumed. Indirect costs that are directly consumed by or can be allocated to aeronautical or non-aeronautical activities which can in turn be related to a supply of an input, work or service on the basis of consumption of the activity, will be allocated using an appropriate indicator.

Indirect costs that cannot be related to supply, work or service will need to be allocated on a subjective but justifiable basis. It is recognised that some costs will not be driven by activities.

If a causal relationship cannot be established for an account item without undue cost and effort, the Airport Operator may effect an allocation of these items on a non-causal but defensible basis. Where this occurs, the Airport Operator should disclose by way of notes to the accounts:

- the rationale for selecting the basis of allocation; and
- a quantification of the allocating factor applied to the aeronautical and non-aeronautical segments.

In addition to the above, the allocation of account items between aeronautical and non-aeronautical should reflect all the principles contained within the Accounting Principles and Policies section (Section 3.2) of the Guideline.

As indicated in Section 1.2 above, information which falls outside the disclosure requirements of Part 7 (concerning the details of costs) would remain confidential and would not be published.

3.5 Commercial Substance to Prevail over Legal Form

The reports and statements required to be produced pursuant to this Guideline should report the commercial substance of transactions. Where commercial substance differs from legal form, it is the commercial substance that should be reported.

The commercial substance of a transaction will be determined by all of that transaction’s aspects and implications, and by the expectations and motivations which underlie the transaction. A group or series of transactions that achieves, or is designed to achieve, an overall commercial effect needs to be viewed in aggregate.

3.6 Related Party Transactions

Related party transactions refer to transactions or contracts occurring between businesses within the reporting structure of the Airport Operator. The ACCC requires information on related party transactions in order to assess whether they have been recorded on a fair, arm's-length basis and gain reasonable assurance that there is no unreasonable transfer of profits between those activities which are subject to prices monitoring and those which are not. Material transactions that have been recorded at other than a fair, arm's-length basis should be disclosed by way of notes to the financial accounts. Such notes should specify:

- the value and nature of the transaction;
- details of the related party; and,
- the basis of the price used in the transaction.

For the purposes of identifying related party transactions only, materiality is defined as the aggregate value of transactions in a financial year exceeding whichever is the greater of $100,000 or of 0.5 per cent of the turnover or the asset value of the Airport Operator. This rule must be read in conjunction with the Guideline's provisions for materiality detailed at 3.7, below.

3.7 Materiality

The following standard of materiality should be applied to Regulatory Accounting Statements provided by Airport Operators. An item is considered material if its omission, misstatement or non-disclosure has the potential to prejudice the understanding of the financial position and nature of the business activities of each of the aeronautical and non-aeronautical service segments gained by reading the Regulatory Accounting Statements.

In deciding whether an item or an aggregate of items is material, the nature and amount of the items need to be evaluated together and comparisons need to be made with recorded equity, the asset and liability class, operating result and the appropriate revenue and expense amount contained in the accounting statements and reports.

3.8 Audit Trail

Where disaggregation of aeronautical and non-aeronautical account items is required, the Airport Operator should ensure that such disaggregation is documented sufficiently to form an audit trail.

Auditors

Section 144 of the Airports Act defines an approved auditor as a person registered as an auditor under Part 9.2 of the Corporations Act or a company registered as an authorised audit company under Part 9.2A of the Corporations Act.

Regulations pursuant to the Airports Act require that an Auditor produce a certificate which reports on the degree to which the Airport Operator has complied with its requirements under the Airports Act and associated Regulations. Auditors are also required to offer an opinion as to whether the Airport Operator’s accounts and financial statements represent a true and fair view of that Airport Operator’s business.

Further, the Regulations require that an Auditor report any details which, in the opinion of the Auditor, the ACCC ought to be made aware. The ACCC expects to be advised in the event of an Airport Operator not complying with this Guideline in preparing the regulatory accounting statements.

An Auditor must supply the Airport Operator with an audit certificate within 90 days of the end of the accounting period.

Where Auditors are required to undertake audit work pursuant to this Guideline, they are encouraged to approach the ACCC in order to develop a view on the type of issues on which the ACCC would expect to be advised and the level of assurance the ACCC is seeking. Any meeting between the ACCC and the Auditor may be attended by the Airport Operator.

The ACCC expects that Auditors will report their opinion on whether:

- appropriate systems and records are in place to enable the Airport Operator to comply with this Guideline and, in particular, the Guideline’s requirements for disaggregation of aeronautical and non-aeronautical activities with any concerns which the Auditor has with the systems put in place being detailed; and

- information submitted to the ACCC pursuant to this Guideline complies with the policies and principles detailed in this Guideline and, where applicable, Australian Accounting Standards.

The Regulatory Accounting Statements are special purpose financial reports for the purposes of auditing. The Auditor is expected to comply with Australian auditing standard ASA 800 (*The Auditor’s Report on Special Purpose Audit Engagements*) and report an opinion as to the compliance of the statements prepared by the Airport Operator with the provisions of this Guideline.

If an Auditor is unable to give an unqualified opinion on the Regulatory Accounting Statements of an Airport operator, the Auditor will disclose in the Auditor's report the reason for the qualification and the effect that the accounting treatment in question has had on the accounts.

3.9 Directors' Responsibility Statement

A Directors' Responsibility Statement is to be attached to an Airport Operator's Regulatory Accounting Statements, stating that the Regulatory Accounting Statements and supporting schedules are fairly presented in accordance with this Guideline and with the Airports Act and regulations made pursuant to that Act.

The Directors' Responsibility Statement must be signed and dated by no less than two Directors of the Airport Operator company.

The Appendix sets out the minimum requirements of a Directors' Responsibility Statement. The Statement is also to comply with all the provisions of the Corporations Act.

SECTION 4: Information requirements

4.1 Delivery of Documents

The documents required to be prepared by this Guideline will be delivered to the ACCC within 90 days of the end of the financial year of the Airport Operator in accordance with reg. 7.06 of the Airports Regulations 1997. These documents comprise:

- the Regulatory Accounting Statements, including supporting schedules and notes;
- the signed Directors' Responsibility Statement; and,
- a signed Auditor's Report.

The ACCC encourages Airport Operators to supply a chart of accounts to the ACCC to assist the ACCC's understanding of these documents.

4.2 Costs of Repairs and Maintenance

The Regulatory Accounting Statements are to include a note that:

- allocates total cost of repairs and maintenance (R&M) among the asset or expense account item headings;
- disaggregates the R&M costs disclosed under the account item headings into either aeronautical or non-aeronautical classifications, depending on the statement being prepared;
- provides totals by account item heading and aeronautical or non-aeronautical classification;
- discloses the descriptions and amount for R&M costs that represent transactions between aeronautical and non-aeronautical areas; and,
- reconciles the total of the R&M costs reported in the note to the total R&M costs as reported in the audited financial statements.

R&M costs are to be classified as aeronautical or non-aeronautical according to the account item allocation principles and accounting policies and principles explained in Section 3 of this Guideline.

4.3 Provisions

Where the Regulatory Accounting Statements of an Airport Operator contain provisions, those provisions are to be separately classified with a supporting schedule explaining the movements in the provision accounts. A note is also expected to include:

- an explanation as to what the provision relates to;
- the reasons the provision has been made;
- the basis of calculation of the amount of the provision; and
- numeric quantification describing how the provision has been calculated.

4.4 Non-current aeronautical and total airport assets

For the purposes of monitoring other than the ‘line in the sand’ assets, the introduction of AIFRS resulted in significant changes to the value of non-current aeronautical assets reported by some Airport Operators. The application of AIFRS has highlighted the need for non-current aeronautical asset data to be provided to the ACCC in a sufficiently disaggregated form to enable an effective comparison of changes in non-current aeronautical asset values between periods and to provide a basis for valuation of non-current aeronautical assets across airports.

The provision of clear and disaggregated data, including detailed explanations of data where appropriate, is intended to reduce the need for the ACCC to clarify this information with Airport Operators after their reports have been provided.

Each year since 1997–98, the ‘Aeronautical non-current assets’ and ‘Total airport non-current assets’ charts in the ACCC’s airports price monitoring and financial reporting reports have shown the following four aeronautical and total airport non-current asset categories:

- land;
- property, plant and equipment (excluding land);
- intangibles; and
- other non-current assets.

For comparison purposes, the ACCC will continue to publish non-current asset charts showing these four asset categories. The following notes are aimed at assisting Airport

Operators to provide sufficient information that allows the ACCC to report these asset categories.

Land

As noted above, the ACCC's monitoring report separates land assets from property, plant and equipment assets.

For the purposes of monitoring other than the line in the sand asset base, the introduction of AIFRS, has meant reporting of land values has changed for leased land. Some values attributed to the use of leasehold land are now reported by Airport Operators as (for example) 'pre-paid rent', 'pre-payment', 'pre-paid operating lease' or 'prepaid lease'. Some Airport Operators report these values as tangible assets, while other Airport Operators report these values as intangible assets. Where the Airport Operator reported a value for pre-paid rent or similar asset as a tangible asset in its 2005–06 regulatory accounts, the ACCC has reported it as 'land' for the purposes of aeronautical non-current assets charts in the 2005–06 monitoring report. For instance, in 2005–06 Perth airport reported Prepaid Rent as an aeronautical (tangible) asset and this was represented in the ACCC monitoring report as a value for land.

Where the Airport Operator reported a value for land as an intangible asset, it has been included by the ACCC as 'land' in the aeronautical non-current assets in order to maintain consistency of treatment across airports. For example, as a result of the transition to AIFRS in 2005–06, Sydney airport reported a value for leasehold land as an intangible asset while all other airports treat this asset as tangible. This was represented in the ACCC monitoring report as 'land'. In order to ensure consistency in classifying this value into the future, Airport Operators are requested to make clear in the regulatory accounts whether the asset is regarded as a tangible or intangible asset. Where Airport Operators report a 'land' value as an intangible asset, the ACCC may disclose this in the commentary of the monitoring report.

The ACCC has observed that within the asset group 'investment property' Airport Operators include, in some instances, values (such as for freehold land) that could appropriately be categorised as 'land' for the purposes of the monitoring report. (Apart from land, it is expected that the ACCC would generally classify 'investment property' as 'other' non-current assets.) To assist the ACCC to accurately reflect the value of investment property in the aeronautical and total airport non-current asset charts, Airport Operators are requested to identify whether this asset could be appropriately classified as: land; property, plant and equipment; or 'other non-current asset'. Any changes in the value of an airport's investment property should be shown in the supporting Schedule 1.3.

For its reporting purposes, the ACCC considers the value of land to be the value that Airport Operators report in the 'Land/Prepaid rent/Pre-payment/Pre-paid' operating lease category while the 'Goodwill/Lease Premium' category will be considered intangible assets unless Airport Operators specify otherwise in notes to Schedules 1.2 and 1.3. As described in Section 5, the value of land for the purposes of the 'line in the sand' asset base, is the value of land as at 30 June 2005, rolled forward to account for depreciation, disposals and investment.

Property, Plant and Equipment (excluding land)

For the purpose of the aeronautical and total airport non-current assets charts for each airport, the figure for property, plant and equipment is sourced from *Statement 2.0: Balance Sheet*.

Intangibles

Another asset category shown in the aeronautical and total airport non-current assets charts is that of intangible assets.

As discussed above, the adoption of AIFRS for some Airport Operators, has led to the creation of a 'goodwill', 'lease premium', 'airport operator licence' or 'leasehold land' asset that is classified as intangible. To assist the ACCC in its reporting of non-current aeronautical and total airport assets, Airport Operators should identify those classes of assets that they regard as intangibles and which should be represented as 'intangibles' in the monitoring report.

Furthermore, in order to facilitate comparisons with previous years, Airport Operators are requested to explain, by way of note, any significant changes in the value of any of the main components of the intangible assets category. Airport Operators are also requested to show in the Supporting Schedules 1.2 and 1.3 any accumulated amortisation for all intangible assets. (This may be disclosed separately to Supporting Schedules 1.2 and 1.3 as an aggregate figure if Intangible Assets have not been allocated between aeronautical and non-aeronautical.)

Other non-current assets

Non-current aeronautical and non-aeronautical assets that can not be appropriately allocated to the asset categories listed in the Supporting Schedules 1.2 and 1.3 should be included in the 'Other non-current assets' category. As mentioned above, this may include a value for investment property. Airport Operators should provide information sufficient to allow the ACCC to allocate values reported by Airport Operators as 'Other non-current assets' into one of the four asset categories used in the monitoring report. Where significant change has

occurred in the value of other non-current assets, airports are also requested to provide a description of the items reported as an ‘Other non-current assets’ in the notes to their reports.

Changes in asset values

For the purposes of monitoring other than the ‘line in the sand’ asset base, the ACCC will also report on the change in tangible non-current assets for aeronautical and total airport assets. The adoption of AIFRS led to a change in the value of tangible non-current assets at most airports. In the 2005–06 monitoring report, this was reflected in the ‘AIFRS’ variable inserted into the ‘change in tangible non-current assets’ charts. These charts will continue to reflect the one off change in asset values as a result of the adoption of AIFRS in 2004–05 or 2005–06. These charts will also capture any ongoing asset value adjustments made as a result of AIFRS, should this be appropriate.

The change in tangible non-current assets charts also reflects the effect of transfers, re-allocations and adjustments on tangible asset values. Some Airport Operators reclassify assets between aeronautical and non-aeronautical where a review of the activities associated with the asset warrants a change in a prior year classification. Transfers also reflect assets shifting between asset classifications where the nature of the asset has changed, particularly in aeronautical assets. For example, transfers are also recorded by some Airport Operators as transfers from an ‘assets under construction’ categorisation to ‘buildings, plant and equipment’ or ‘other asset’ categories once construction is completed. In some cases, the ACCC has not been able to distinguish these transfers from total additions. This has resulted in an addition being recorded and a corresponding negative transfer within the same period. The ACCC’s preference is to show the net addition, by excluding the effects of transfers from ‘assets under construction’ or ‘works in progress’ to an operational asset account, such as ‘property, plant and equipment’. Therefore, the ACCC will regard a transfer from this category as a transfer to other asset categories and hence this will also be excluded from additions so a net additions value can be calculated and shown in the chart. Airport Operators should disclose such transfers or re-classifications through augmenting Supporting Schedules 1.2 and 1.3.

4.5 Account Items Not Requiring Disaggregation

Certain items are not required to be disaggregated into either aeronautical or non-aeronautical areas of activity. For items in the balance sheet, the shareholders equity section of the balance sheet will not require disaggregation except for any asset revaluation reserve which is included. It is also not necessary that creditors or borrowings be allocated as being either aeronautical or non-aeronautical. For items contained in the income statement, disaggregation

of amortisation of intangibles, interest cost, tax expense or dividend distribution is not necessary.

Disaggregation of the statement of cash flows into aeronautical and non-aeronautical activities is not required.

4.6 Additional Specific Requirements for Part 7 Information

Part 7 of the Airports Act requires airport-lessee companies to provide the ACCC with accounts and reports specified in the regulations. The intention is that the information provided to the ACCC will supplement that which is required under the Corporations Act. Accounts prepared pursuant to Part 7 of the Airports Act are required to be submitted to the ACCC within 90 days of the end of the accounting period.

Presently, the regulations under section 141(2) of the Airports Act state, inter alia, that *the airport-lessee company for a specified airport must prepare, for each relevant period:*

> (a) consolidated accounts and financial statements, in accordance with AASB Standard No. 127 ('Consolidated and Separate Financial Statements') as in force for that period for itself and all airport-management companies for the airport, as if those airport-management companies were subsidiaries of the airport-lessee company; and

(b) consolidated financial statements for the operations, in relation to the airport, of itself and all airport-management companies at the airport, that separately show financial details in relation to the provision of:

(i) aeronautical services and facilities; and

(ii) non-aeronautical services and facilities;

including the details of costs associated with maintenance (including repair) of those services and facilities.

'Aeronautical services' are defined in Regulation 7.02A to the Airports Act as described in Section 2.

The pro-forma statements and notes in the Appendix to this guideline provide the minimum requirements for the presentation of the Part 7 information.

Airport Operators should prepare non-current asset schedules which support and reconcile with the consolidated financial statements. Such schedules should, as a minimum, be presented in accordance with those appended as Supporting Schedules 1.2 and 1.3. Under each of the broad asset categories listed in these schedules, the Airport Operator is to further distinguish assets by function.

The Government's response to the PC's Report included supporting the PC's recommendation that under the new pricing regime, the value of an Airport Operator's asset base for monitoring purposes should not include revaluations of aeronautical assets. As such, the ACCC requires Airport Operators to provide additional information pertaining to the monitored asset base in Supporting Schedule 1.2a Reporting requirements concerning the 'line in the sand' approach is detailed further in Section 5 below.

Gains or losses on disposal of non-current assets are to be separately disclosed. The Airport Operator is expected to maintain records sufficient to allow the ACCC to identify the losses or gains incurred in respect of the disposal of particular non-current assets.

The balance sheet as appended at Statement 2.0 should separately disclose the asset revaluation reserve. The annual change in the amount disclosed in the asset revaluation reserve is to be reconciled with the asset revaluation information contained in Supporting Schedules 1.2 and 1.3.

Where financial statements produced by Airport Operators include costs, those costs (whether assets or expenses) will be classified according to function. Airport Operators should discuss proposed item classifications with the ACCC prior to implementation.

Where transactions between the aeronautical and non-aeronautical areas of activity have occurred, they should be recorded and disclosed in separate financial statements which are delineated by those areas. This means that each of the areas of activity should maintain:

- an accounting journal that follows the principles of double entry book keeping;
- descriptions of the item; and,
- identification of the area of activity to which the balancing accounting entry relates.

Such treatment of inter-area transactions is required so that the ACCC is informed as to:

- the basis on which the audited financial statements have been disaggregated;
- the principal sources of revenues, costs and profits for the aeronautical and non-aeronautical areas of activity;
- the likelihood that the Regulatory Accounting Statements reasonably present the financial position of each area of activity.

4.7 Specific Requirements for Section 95ZF Information

Direction 29, issued by the Minister under section 95ZF of the TPA, directs the ACCC to formally monitor aeronautical services as defined in Regulation 7.02A to the Airports Act as described above.

The pro-forma statements and working papers in the Appendix indicate the required level of detail for the presentation of the section 95ZF information. Not all line items may be required by all Airport Operators. Where line items are not required, a "0" should be entered. Any change to the templates is expected to be discussed with the ACCC prior to implementation.

4.8 Specific Requirements for airport car park prices, costs and profits monitoring

The ACCC requires data on the monitored airports' car park prices, costs and revenues. This includes price lists for the various car park facilities.

The ACCC also requires that airports provide the number of sales at each of the price points at each of the car park facilities over the financial year. This allows for the construction of a price index measuring changes in revenues each year that are attributable to price changes at the various car park facilities. The price index allows the ACCC to make additional observations on changes in overall price levels.

The total revenue and costs (including depreciation) of the airport's car parking facilities are to be provided. These figures must also be broken down into public and staff car parking.

For the list of airport car park prices, costs and profits monitoring information requirements see the Appendix.

SECTION 5: 'Line in the sand' aeronautical asset base

5.1 Introduction

The Government's response to the PC Inquiry Report – Review of Price Regulation of Airport Services, included supporting the PC's recommendation 4.2 –

> Under the new price monitoring regime, the value of an airport's asset base for monitoring purposes should be:
>
> - The value of tangible (non-current) aeronautical assets reported to the Australian Competition and Consumer Commission (ACCC) as at 30 June 2005, adjusted as necessary to reflect the proposed service coverage of the new regime;
> - Plus new investment;

- less depreciation and disposals.

Further, the Government supported the PC's recommendation 4.3 –

> In giving effect to this basis for valuation, the ACCC should consult with airports and airlines on how best to accommodate difference in statutory and regulatory reporting requirements within the new price monitoring regime.

The PC Inquiry Report stated the airport price monitoring regime required a 'circuit breaker' on asset valuation. As the Government did not put an explicit value on the airport asset at the time of sale, the value of such assets has been determined for most airports and adopted from those values inherited from the Federal Airports Corporation.[6] These assets did not always reflect the 'economic worth of the infrastructure and land involved.'[7] The Inquiry Report noted this has lead to some airports revaluing assets for a range of non-price reasons however the PC recognised that the intention of revaluations is 'to provide a justification for higher charges at some stage in the future.'[8]

The PC Inquiry Report found that the asset revaluation issue is primarily a distributional one. As such, the PC stated that it was inappropriate to base increases in aeronautical charges on asset revaluations.[9] The PC proposed that a 'line in the sand' be established for future monitoring purposes to help eliminate the effect of revaluations by airports. The PC Inquiry Report argued that 'if [revaluations are] not removed from the bargaining table, it will continue to frustrate the further development of commercial relationships and thereby the effectiveness of the light handed approach.'[10]

The PC Inquiry Report noted that

> … any line in the sand [measure] … will inevitably involve some rough justice. That said, it is important to recognise that such a line in the sand [measure] is not intended to prescribe a methodology or a set of asset values that must be used by airports and airlines when negotiating charges.[11]

The rate of return measure based on the 'line in the sand' asset values would then be used to help inform the Government as to the reasonableness of aeronautical pricing and whether a more detailed investigation is required. The date of 30 June 2005 was chosen by the PC primarily because it was early enough to ensure airports were not involved in a 'rush to revalue' but late enough to recognise the 'compromise deliberately inherent' in accepting

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[6] At Sydney airport, the regulatory determination of charges by the ACCC in 2001 put a definitive value on the airport's aeronautical asset base around the time of sale.

[7] Productivity Commission, Review of Price Regulation of Airport Services, Final Report, p.69 see http://www.pc.gov.au/inquiry/airportservices/finalreport/airportservices.pdf

[8] Ibid. p. 70.

[9] Ibid. p. 76.

[10] Ibid. p. 77.

[11] Ibid.

arguments from opposing points of view.[12] The Government supported the PC's recommendation, noting that:

> The Government recognises that the valuation of some airports' asset bases for the purpose of negotiating aeronautical charges has acted as a significant impediment to developing sound commercial relationships between these airport operators and their customers.
>
> The Government will ask the ACCC to determine an aeronautical asset base value as at 30 June 2005 at each of the monitored airports. The values determined by the ACCC will be used to assist with monitoring trends in rates of return - thereby better informing the Government on whether pricing outcomes going forward reflect the Government's expectations regarding aeronautical pricing. The Government will ask the ACCC to have regard to the sensitivities associated with adopting this 'line in the sand' approach when annually reporting on price outcomes.
>
> The Government will also ask the ACCC to provide guidance to the monitored airports on a range of related asset valuation issues that were raised in submissions to the inquiry and/or at the inquiry's public hearings, some of which are global in nature and some specific to individual airports.

Additionally, the Government directed that

> the ACCC [is] to have regard to the sensitivities associated with adopting the 'line in the sand' approach when annually reporting on price outcomes.

These sensitivities presumably entail the 'rough justice' the PC identified.

The PC Inquiry Report also stated:

> It is important to recognise that such a line in the sand is not intended to prescribe a methodology or a set of asset values that must be used by airports and airlines when negotiating charges. Rather, its purpose is simply to establish asset values to facilitate the monitoring of rates of return – and thereby help inform the Government on the reasonableness of charging outcomes and whether more detailed investigation might be required.[13]

In this respect the Government's Aeronautical Pricing Principles are relevant. One of these Principles is:

> …that aeronautical asset revaluations by airports should not generally provide a basis for higher aeronautical prices, unless customers agree;[14]

The more meaningful use of measures based on the 'line in the sand' asset base are likely to be in changes in the measure over time. The ACCC also recognises that care needs to be exercised in drawing comparisons across airports using 'line in the sand' measures. The 'line in the sand' values reflect the airports' tangible (non-current) aeronautical assets as at 30 June 2005 which may have included revaluations in asset values booked prior to that date.

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[12] Ibid.

[13] Productivity Commission, Review of Price Regulation of Airport Services, Final Report, p.77.

[14] The Commonwealth Treasurer, Press Release – Productivity Commission Report – Review of Price Regulation of Airport Services, 30 April 2007, p. 9

The ACCC further notes that any ‘line in the sand’ asset base figure that is applied for monitoring purposes should not necessarily be regarded as an appropriate asset value for any other regulatory decision the ACCC may be required to make (for example, in an arbitration conducted by the ACCC under Part IIIA of the TPA).

5.2 ACCC Approach[15]

The purpose of this section is to outline the ACCC’s approach to estimating the ‘line in the sand’ aeronautical asset base in accordance with the request by the Government in relation to monitoring of airport services.[16]

The following general principles underlie the ACCC’s approach:

- to minimise the cost of divergence between statutory and regulatory accounts (which implies that the ‘line in the sand’ asset base is to be distinguished from the aeronautical asset base as reported under AIFRS);
- the ‘line in the sand’ asset base must be capable of being audited, and of being reconciled with the aeronautical asset base as reported under AIFRS;
- the ‘line in the sand’ asset base will be based on a number that has previously been reported to the ACCC – it does not allow for a revisiting or revaluation of a previously-reported number;
- the cost incurred by Airport Operators in complying with the ACCC’s approach should be no greater than necessary.

5.3 Regulatory Accounting Statements and the ‘line in the sand’ aeronautical asset base

In order to report on the ‘line in the sand’ measure while also maintaining consistency of data over time and promoting transparency, Airport Operators are required to continue to report

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[15] The ACCC has not received formal guidance from the Government in the form of a Direction or otherwise concerning the ‘line in the sand’ aeronautical asset base.

[16] For information on the ACCC’s price monitoring role see ACCC, Airport Price Monitoring and Financial Reporting 2005–06 available at http://www.accc.gov.au/content/item.phtml?itemId=781192&nodeId=8ca349c79a4167e5a90dfe21498919ff&fn=Airport_price%20monitoring%20.pdf

their Regulatory Accounting Statements as a separation of the accounts allocated between aeronautical and non-aeronautical services based on Australian Accounting Standards. The information that pertains to the ‘line in the sand’ asset base represents an additional measure that will run parallel to, but not replace, the Regulatory Accounting Statements based on Australian Accounting Standards.

The ACCC expects that compliance with this approach could involve an Airport Operator using two parallel asset registers. One register could be maintained based on the asset base that supported the balances reported to the ACCC as at 30 June 2005 and adjusted for depreciation, additions (or new investment), and disposals for subsequent reporting periods. The other asset register will continue under AIFRS accounting (including any revaluations recorded since 30 June 2005), and will essentially represent a continuation of the approach that the Airport Operator used to prepare the 2005–06 Regulatory Accounting Statements. Irrespective of the actual approach adopted, the Airport Operator’s auditor must provide an opinion as to whether appropriate systems and records are in place to enable the Airport Operator to comply with the requirements of this Guideline.

The ACCC expects that Airport Operators would need to be able to generate the asset register with sufficient detail to enable revaluations to be attributed and reversed on a specific asset basis, to reconstruct the 30 June 2005 asset register for the ‘line in the sand’ asset base. This would require detailed asset records as a starting point for the reconstruction. Also, it is appreciated that the monitored asset base approach would result in different balance sheets and profit and loss statements for regulatory and statutory purposes. The differences would be reflected in different values of assets, capital invested and annual depreciation charges. The ACCC proposes to accommodate this difference by augmenting the annual Regulatory Accounting Statements to disclose these differences within each statement rather than introducing several new statements. See the Appendix for the amended annual Regulatory Accounting Statements.

The ACCC also expects that Airport Operators will carry out balance sheet reconciliations regularly (under regulatory and statutory reporting methodologies) on aeronautical assets (taking into account all additions and disposals) and accumulated depreciation. Accurate and well-documented reconciliations between the two methodologies should enable the adjustments to be rolled forward every period. To ensure that a sufficient audit trail is being maintained, Airport Operators are required to provide the ACCC with a concise and meaningful description of the differences between the asset values reported under the ‘line in the sand’ provisions and the Regulatory Accounting Statements.

The ACCC understands the new regulatory regime will require additional work with regard to Airport Operator reporting requirements in establishing and rolling forward the ‘line in the

sand' asset base. Further, the ACCC acknowledges that this burden will be greater for some airports relative to others depending on the accounting systems employed.

5.4 Establishing the 'line in the sand' asset base as at 30 June 2005

The starting points for the 'line in the sand' asset bases for the five monitored airports have been established. See section 5.6 for the starting values. This section explains, for information purposes, how those values were established.

The starting values for the 'line in the sand' asset base are the values of assets as reported to the ACCC for the purposes of preparing the 2004–05 ACCC monitoring report. This Section sets out which groups of assets should be included in the 'line in the sand' asset base and notes the effect of the transition to AIFRS as a source of divergence from the remainder of the Regulatory Accounting Statements.

Which assets are to be included

The starting value for the 'line in the sand' aeronautical asset base should include the value of property, plant and equipment (including land) (herein PP&E) to the exclusion of all other non-current assets. In the past, the ACCC has used the total of tangible aeronautical non-current assets. This value includes property, plant and equipment as well as receivables, investment property[17], and an undefined 'other' asset. Receivables represent amounts due to the company from the sale of goods and services on credit while investment property is property that is held in order to generate income or for capital appreciation and can be land and/or buildings. Limited information is available from airports on what 'other' assets consists of. By limiting the asset base to property, plant and equipment (including land), the values for receivables, investment property and 'other' assets will be excluded from the 'line in the sand' asset base.

Accounting standards

The establishment of a 'line in the sand' asset base as at 30 June 2005 raises the issue of which set of accounting standards is appropriate.

AGAAPS was the relevant Australian Accounting Standards Board (AASB) accounting standard required under the Corporations Act for Airport Operators' financial accounts up to 30 June 2005. Following the 2004–05 financial year, the AASB implemented a policy of adopting International Accounting Standards Board (IASB) standards for application in

[17] The ACCC notes that only Adelaide airport reported aeronautical investment property in 2005–06 in its regulatory accounts and this represented less than 1 per cent of total aeronautical non-current assets.

Australia. As a result, AIFRS applied for financial years commencing on or after 1 January 2005.

The ACCC reported on the basis of AIFRS in the 2005–06 price monitoring report. The effect of the transition to AIFRS differed across airports. In particular, two of the new standards led to significant changes to the value of assets classified as aeronautical in the regulatory accounts of some of the airports. AASB1 (First-time adoption of Australian equivalents to International Financial Reporting Standards) provides, among other things, that firms prepare a new opening balance sheet under AIFRS. The values for assets in that new opening balance sheet can include revalued assets. Some Airport Operators have adopted asset values at 'deemed cost' which include upward revaluations to aeronautical assets (particularly property, plant and equipment) that have not previously been recognised. Other Airport Operators noted in their accounts that revaluations have been undertaken but have not been incorporated into the Regulatory Accounts. Further, some Airport Operators provided the ACCC with a restatement of their regulatory accounts for 2004–05 under AIFRS.

The Government expects that the values of the starting point for the 'line in the sand' assets will not be affected by changes in valuations that were adopted by Airport Operators upon their transition to AIFRS. As such, the value of the 'line in the sand' assets will be that as reported under AGAAPS.

Tangible and intangible assets – inclusion of 'land' assets

Under AGAAPS, the value for land includes any revaluations the airport has conducted in the past of that land. This is in contrast to the treatment under AIFRS where the 'land' is treated as a leased asset, which can be reflected by airports as a prepayment in the asset base but cannot be revalued. Therefore, any revaluation to land that has previously occurred under AGAAPS has been reversed under AIFRS.

In defining the 'line in the sand' asset base, this Guideline provides for a value for 'land' to be added to PP&E at the value reported under AGAAPS. In adopting AIFRS, Adelaide, Brisbane, Melbourne and Perth airports categorised a value for land as a tangible asset. Sydney airport however recognised a value for land as an intangible asset namely, 'leasehold land'. For the purposes of line in the sand monitoring, this value will be reflected as a tangible non-current asset and the value of land for the purposes of the line in the sand asset base, is the value of land as at 30 June 2005, rolled forward to account for depreciation, disposals and investment.

In the past, the ACCC has excluded intangibles from the asset bases when reporting rates of return for the price monitored airports. This is because of concerns that such intangibles may reflect an expectation at the time of sale for scope to earn monopoly rents. The PC's recommendation accepted by the Government maintains that the current treatment of intangibles should continue. The conflict here is whether an intangible value for the leasehold land should be included in Sydney airport's starting asset base. For monitoring purposes other than line in the sand,[18] the ACCC's view is that it is appropriate for this figure to be included, as there appears to be slight differences in interpretation that have lead to the differences in reporting.

5.5 Rolling forward the 'line in the sand' aeronautical asset base

Airport Operators are required to roll forward the 'line in the sand' asset register based on the starting points outlined above. The adjustments made to the statutory asset register would need to be documented separately to form a sufficient audit trail as detailed in Section 3 of this Guideline (see 3.8).

(Opening value of PP&E (including land) as at 30 June 2005) + (Additions) - (Disposals) +/- (Transfers) - (Depreciation) = (Closing value of PP&E (including land) 30 June 2006)

The current definition of 'aeronautical services and facilities' is set out in the Regulations made under the Airports Act. In 2007 these Regulations were varied such that a different definition of 'aeronautical services' became effective as at 1 July 2007. It is appropriate that the 'line in the sand' asset base also be adjusted over time to reflect the definition of aeronautical services and facilities that applied to each period. For example, the definition of aeronautical services and facilities was changed as at 1 July 2007 to include 'aircraft refuelling services and facilities (including pipelines to and from the JUHI[19])'. Where a change to the definition of aeronautical services and facilities has occurred, Airport Operators must provide an explanation of the effect on the value of the 'line in the sand' asset base.

Divergence between statutory and regulatory accounts

Under the approach set out in this Guideline, the implementation of the 'line in the sand' aeronautical asset base provisions will not of itself contribute to a divergence between the

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[18] As discussed for the purposes of 'line in the sand', the value of land will be reflected as a tangible non-current asset and the value is as at 30 June 2005, rolled forward to account for depreciation, disposals and investment.

[19] JUHI – Joint User Hydrant Installation.

statutory and regulatory accounts of airports. There may however be a divergence between the aeronautical asset values used to prepare the statutory and regulatory accounts and the aeronautical asset values prepared according to the particular provisions applying to the 'line in the sand' asset base. Such divergence could result, for example, from any revaluations that are recognised under the statutory accounts and regulatory accounts but not in the 'line in the sand' asset base after 30 June 2005. For some Airport Operators, another source of divergence will arise due to the difference in asset values adopted as part of the transition from AGAAPS to AIFRS.

Transfers

As described at Section 4.4 above, transfers are a shift of aeronautical assets either within the aeronautical asset category or between aeronautical and non-aeronautical and are performed by airports for various reasons. The main reasons for transfers include:

- when sourced from works in progress, a transfer represents the reallocation of completed assets to buildings, plant and equipment, other infrastructure and other assets;
- in other asset categories, a transfer represents a reclassification between aeronautical and non-aeronautical where a review of the activities associated with the asset warrants a change in a prior year classification;
- movement of assets between property, plant and equipment and investment properties where the use of the asset has changed.

Transfers do however raise potential concerns with respect to the 'line in the sand' asset base. It is clear that, for the purpose of rolling forward the 'line in the sand' asset base, revaluations to aeronautical assets are not to be recognised. It is therefore appropriate that Airport Operators maintain an accurate record of those assets that are transferred out of aeronautical and into the non-aeronautical asset base and vice versa. In particular, it would not be appropriate for Airport Operators to transfer assets from the aeronautical asset base to the non-aeronautical asset base, revalue the asset in the non-aeronautical classification and then transfer the assets back into the aeronautical asset category. It is essential airports thoroughly explain the rationale for the shift in asset categories, the specifics of the asset involved, the history of any previous categorisations and if the asset has been revalued under the non-aeronautical asset category, a reversal of the revaluation may be necessary for the purposes of a monitored asset base adjustment as part of the roll forward.

Disposals and Additions

As with the principle outlined in the above discussion of *Transfers*, assets that formed part of the 'line in the sand' asset base as at 30 June 2005 which are disposed of and are subsequently re-acquired must be recorded at the same value that they were recorded at as at

30 June 2005. It would, for example, not be appropriate for Airport Operators to dispose assets from the ‘line in the sand’ asset base and then to subsequently include those assets in the ‘line in the sand’ asset base at the value they were reacquired at. For clarity, this applies whether or not the transactions are conducted at arms length.

Impairment

AASB 136 Impairment of Assets deals with downward adjustments to asset values. This raises the question of how they would be accounted for with respect to the ‘line in the sand’ asset base. The ACCC proposes that such transactions be excluded from the ‘line in the sand’ asset base in the same manner as positive revaluations are excluded. That is, the monitored asset base consists of a bundle of assets as at 30 June 2005. This bundle of assets remains constant, with the exceptions of additions through new investment, disposal of assets in the bundle, transfers between aeronautical and non-aeronautical assets and depreciation. As impairment reflects a change in the accounting value of an asset and not a physical change in the ownership or use of the asset, impaired assets will not have their value lowered in the ‘line in the sand’ asset base. As such, Airport Operators must reconcile any impaired asset transactions recorded in the statutory and regulatory accounts with the ‘line in the sand’ asset base in a similar manner as a positive revaluation.

5.6 Information requirements

The starting points for the ‘line in the sand’ asset bases for the five monitored airports as at 30 June 2005 are:

Airport	**Land ($)**	**Property, plant and equipment ($)**	**Total line in the sand asset base ($)**
Adelaide	72,594,000	233,194,000	305,788,000
Brisbane	32,113,000	531,465,000	563,578,000
Melbourne	49,190,000	424,359,000	473,549,000
Perth	41,564,000	154,629,000	196,193,000
Sydney	425,632,000	1,161,777,000	1,587,409,000

Using these values as opening values as at 30 June 2005, Airport Operators must provide year-by-year explanations of the changes to the ‘line in the sand’ asset base using Supporting Schedule 1.2a. In reporting ‘line in the sand’ information for the 2007–2008 year and subsequent years, Statements 1.0 (a), 2.0 (a), 5.2 (a) and Supporting Schedules 1.1 (a), 1.2 (a) (see the Appendix) set out the disclosure requirements.

APPENDIX: Part 7 Pro-forma Statements and Notes

List of Disclosure Requirements

TYPE	STATEMENT	STATEMENT NO.
Regulatory Accounting Statements	**Income Statement**	**1.0**
	Line in the sand Income Statement	**1.0 (a)**
	Balance Sheet	**2.0**
	Line in the sand Balance Sheet	**2.0 (a)**
	Cash Flow Statement	**3.0**
Supporting Schedules to Regulatory Accounting Statements	**Expense Allocations**	**1.1**
	Line in the sand Expense Allocations	**1.1 (a)**
	Aeronautical Assets	
	- Schedule of Assets	**1.2**
	- Schedule of line in the sand assets	**1.2 (a)**
	Non-Aeronautical Assets	
	- Schedule of Assets	**1.3**
Operational Statement	**Operational Statistics**	**4.0**
Monitoring of Aeronautical Services: Section 95ZF Schedules	**Aeronautical Revenue**	**5.1.1**
	Schedule(s) of Aeronautical Charges	**5.1.2**
	Aeronautical Cost Allocations	**5.2**
	Line in the sand Aeronautical Cost Allocations	**5.2 (a)**
Airport car park prices, costs and profits monitoring	**Revenue**	**6.1**
	Cost allocations	**6.2**
	Schedule of charges	**6.3**

X Airport
Regulatory accounts under the Airports Act
Statement 1.0: Income statement
year ended 30 June 2009

Please enter data in cells shaded yellow

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000	Supporting schedule ref
Revenue				
Aeronautical revenue	0			
Non-aeronautical revenue	0			
Other revenue	0			
Total revenue	*0*	*0*	*0*	
Expenditure				
Salaries and wages	0			
Depreciation/amortisation of land/pre-paid rent/pre-paid operating lease (2)	0			
Depreciation (other)	0			
Amortisation (other - of intangibles)	0			
Services and utilities	0			
Property/leasing maintenance	0			
Security costs	0			
Consultants and advisors	0			
General administration	0			
Other costs	0			
Total expenditure	*0*	*0*	*0*	
Operating profit/(loss)	**0**	**0**	**0**	
Abnormal items (please specify)	0			
Earnings before interest and tax (EBIT)	**0**	**0**		
Interest				
Earnings before tax (EBT)	**0**			
Tax charge				
Profit/(loss) after tax	**0**			
Dividends paid				
Retained earnings	**0**			

Notes:

(1) This information will be presented in the ACCC regulatory reports with comparative information from previous financial years.

(2) Depreciation/amortisation relates to land/pre-paid rent/pre-paid operating lease at Adelaide, Brisbane, Melbourne and Perth airports where the asset is classified as tangible and leasehold land at Sydney airport where the asset is classified as intangible.

X Airport
Regulatory accounts under the Airports Act
Statement 1.0(a): Income statement under the line in the sand (LIS)
year ended 30 June 2009

Please enter data in cells shaded yellow

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000	Supporting schedule ref
Revenue - LIS				
Aeronautical revenue	0			
Non-aeronautical revenue	0			
Other revenue	0			
Total revenue - LIS	*0*	*0*	*0*	
Expenditure - LIS				
Salaries and wages	0			
Depreciation/amortisation of land/pre-paid rent/pre-paid operating lease (2)	0			
Depreciation (other)	0			
Amortisation (other - of intangibles)	0			
Services and utilities	0			
Property/leasing maintenance	0			
Security costs	0			
Consultants and advisors	0			
General administration	0			
Other costs	0			
Total expenditure - LIS	*0*	*0*	*0*	
Operating profit/(loss) - LIS	**0**	**0**	**0**	
Abnormal items (please specify)	0			
Earnings before interest and tax (EBIT) - LIS	**0**	**0**		
Interest				
Earnings before tax (EBT) - LIS	**0**			
Tax charge				
Profit/(loss) after tax - LIS	**0**			
Dividends paid				
Retained earnings - LIS	**0**			

Notes:

(1) This information reflects the values adjusted under the line in the sand approach. This information will be presented in the ACCC regulatory reports with comparative information from previous financial years.

(2) Depreciation/amortisation relates to land/pre-paid rent/pre-paid operating lease at Adelaide, Brisbane, Melbourne and Perth airports where the asset is classified as tangible and leasehold land at Sydney airport where the asset is classified as intangible.

X Airport
Regulatory accounts under the Airports Act
Statement 2.0: Balance sheet
year ended 30 June 2009

Please enter data in cells shaded yellow

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000	Supporting schedule ref
Current assets				
Cash	0			
Receivables	0			
Inventories	0			
Accrued revenue	0			
Other	0			
Total current assets	*0*	*0*	*0*	
Non-current assets				
Receivables	0			
Investments	0			
Property, plant and equipment	0			
Investment property	0			
Pre-payment/pre-paid rent	0			
Goodwill	0			
Other financial assets	0			
Deferred tax assets	0			
Intangibles	0			
Other	0			
Total non-current assets	*0*	*0*	*0*	
Total assets	**0**	**0**	**0**	
Current liabilities				
Creditors				
Borrowings				
Provisions				
Other				
Total current liabilities	*0*			
Non-current liabilities				
Borrowings				
Provisions				
Deferred tax liability				
Other (describe if applicable)				
Total non-current liabilities	*0*			
Total liabilities	**0**			
Net assets	0			
Shareholders' equity				

Share capital		
Reserves (2)		
Accumulated profits/(losses) (3)		
Total shareholders' equity/(deficiency)	**0**	
Accumulated profit/(loss) at start of year (3)		
Movements		
Profit/(loss) for the year (3)		
Other (describe if applicable)		
Accumulated profit/(loss) at end of year	**0**	

Notes:

(1) This information will be presented in the ACCC regulatory reports with comparative information from previous financial years.

(2) If Reserves relate to asset revaluation, they must be allocated between aeronautical and non-aeronautical within this statement.

(3) Enter losses as negative numbers with the minus sign (eg. -2000). Negative numbers will automatically convert into bracketed numbers by these templates (eg. -2000 will be shown as (2000)).

X Airport
Regulatory accounts under the Airports Act
Statement 2.0(a): Balance sheet under the line in the sand (LIS)
year ended 30 June 2009

Please enter data in cells shaded yellow

Description	Audited financial statements $'000	Aeronautical services $'000	Non-aeronautical services $'000	Supporting schedule ref
Current assets - LIS				
Cash	0			
Receivables	0			
Inventories	0			
Accrued revenue	0			
Other	0			
Total current assets - LIS	*0*	*0*	*0*	
Non-current assets - LIS				
Receivables	0			
Investments	0			
Property, plant and equipment	0			
Investment property	0			
Pre-payment/pre-paid rent	0			
Goodwill	0			
Other financial assets	0			
Deferred tax assets	0			
Intangibles	0			
Other	0			
Total non-current assets - LIS	*0*	*0*	*0*	
Total assets - LIS	**0**	**0**	**0**	
Current liabilities - LIS				
Creditors				
Borrowings				
Provisions				
Other				
Total current liabilities - LIS	*0*			
Non-current liabilities - LIS				
Borrowings				
Provisions				
Deferred tax liability				
Other (describe if applicable)				
Total non-current liabilities - LIS	*0*			
Total liabilities - LIS	**0**			
Net assets - LIS	0			

Shareholders' equity - LIS		
Share capital		
Reserves [2]		
Accumulated profits/(losses) [3]		
Total shareholders' equity/(deficiency) - LIS	**0**	
Accumulated profit/(loss) at start of year [3] - LIS		
Movements - LIS		
Profit/(loss) for the year [3]		
Other (describe if applicable)		
Accumulated profit/(loss) at end of year - LIS	**0**	

Notes:

(1) This information reflects the values adjusted under the line in the sand approach. This information will be presented in the ACCC regulatory reports with comparative information from previous financial years.

(2) If Reserves relate to asset revaluation, they must be allocated between aeronautical and non-aeronautical within this statement.

(3) Enter losses as negative numbers with the minus sign (eg. -2000). Negative numbers will automatically convert into bracketed numbers by these templates (eg. -2000 will be shown as (2000)).

X Airport
Regulatory accounts under the Airports Act
Statement 3.0: Cash flows
year ended 30 June 2009

Please enter data in cells shaded yellow

Description	Audited financial statements
	$'000
Cash flows from operating activities	
Inflows	
Receipts from customers	
Interest received	
Outflows (2)	
Payments to suppliers and employees	
Interest paid	
Income tax paid	
Net cash flows from operating activities	*0*
Cash flows from investing activities	
Inflows	
Proceeds from sale of property, plant and equipment	
Other	
Outflows (2)	
Acquisition of property, plant and equipment	
Other	
Net cash flows from investing activities	*0*
Cash flows from financing activities	
Inflows	
Proceeds from borrowings	
Loans from associated entities	
Dividends received from associated entities	
Other	
Outflows (2)	
Repayment of borrowings	
Dividends paid	
Loans to associated entities	
Other	
Net cash flows from financing activities	*0*
Net increase/(decrease) in cash held	**0**
Cash at beginning of the reporting period	
Cash at end of the reporting period	0

Notes:

(1) This information will be presented in the ACCC regulatory reports.

(2) Disaggregation between aeronautical and non-aeronautical is not required for cash flows.

(3) Enter cash outflows as negative numbers with the minus sign (eg. -2000). Negative numbers will automatically convert into bracketed numbers by these templates (eg. -2000 will be shown as (2000)).

X Airport
Regulatory accounts under the Airports Act
Supporting schedule 1.1: Expense allocations
year ended 30 June 2009

Please enter data in cells shaded yellow

Expense item [1] (specify)	**Basis of allocation** (specify cost driver used (eg. time spent))	**Aero services** **$'000**	**Non-aero services** **$'000**	**Supporting schedule ref**
Salaries and wages				
…				
…				
Total salaries and wages		*0*	*0*	
Depreciation and amortisation				
…				
…				
Total depreciation and amortisation		*0*	*0*	
Services and utilities				
…				
…				
Total services and utilities		*0*	*0*	
Property/leasing maintenance				
…				
…				
Total property/leasing maintenance		*0*	*0*	
Security costs				
…				
…				
Total security costs		*0*	*0*	
Consultants and advisors				
…				
…				
Total consultants and advisors		*0*	*0*	
General administration				
…				
…				
Total general administration		*0*	*0*	
Other costs				
…				
…				
Total other costs		*0*	*0*	
Total expenses [2]		**0**	**0**	St1.0

Notes:

(1) Expense allocations should be disaggregated to at least the level of expenditure disaggregation presented in Statement 1.0: Income statement.

(2) The Total expenses figures must reconcile with the Total expenditure figures presented in Statement 1.0: Income statement.

Supporting documentation:

Detailed documentation on the basis for allocating expenses (allocation rules) between aeronautical and non-aeronautical services is expected to be kept by airport operators. The ACCC may review these rules and their application on a periodic basis.

Australian Competition & Consumer Commission

X Airport
Regulatory accounts under the Airports Act
Supporting schedule 1.1(a): Expense allocations under the line in the sand (LIS)
year ended 30 June 2009

Please enter data in cells shaded yellow

Expense item [1] (specify)	Basis of allocation (specify cost driver used (eg. time spent))	Aero services $'000	Non-aero services $'000	Supporting schedule ref
Salaries and wages - LIS				
…				
…				
Total salaries and wages - LIS		*0*	*0*	
Depreciation and amortisation - LIS				
…				
…				
Total depreciation and amortisation - LIS		*0*	*0*	
Services and utilities - LIS				
…				
…				
Total services and utilities - LIS		*0*	*0*	
Property/leasing maintenance - LIS				
…				
…				
Total property/leasing maintenance - LIS		*0*	*0*	
Security costs - LIS				
…				
…				
Total security costs - LIS		*0*	*0*	
Consultants and advisors - LIS				
…				
…				
Total consultants and advisors - LIS		*0*	*0*	
General administration - LIS				
…				
…				
Total general administration - LIS		*0*	*0*	
Other costs - LIS				
…				
…				
Total other costs - LIS		*0*	*0*	
Total expenses - LIS [2]		**0**	**0**	St1.0(a)

Notes:

(1) Expense allocations should be disaggregated to at least the level of expenditure disaggregation presented in Statement 1.0(a): Income statement under the line in the sand.

(2) The Total expenses figures must reconcile with the Total expenditure figures presented in Statement 1.0(a): Income statement under the line in the sand.

Supporting documentation:

Detailed documentation on the basis for allocating expenses (allocation rules) between aeronautical and non-aeronautical services is expected to be kept by airport operators. The ACCC may review these rules and their application on a periodic basis.

X Airport
Regulatory accounts under the Airports Act
Supporting schedule 1.2: Schedule of aeronautical assets
year ended 30 June 2009

Please enter data in cells shaded yellow

Fixed assets	Opening value (1) $'000	Additions (2) $'000	Disposals (3) $'000	Transfers (4) $'000	Revaluation gains (5) $'000	Revaluation losses (6) $'000	Depreciation expenses (7) $'000	Closing value (8) $'000
Investment property (land/buildings)								0
Total investment property (land/buildings)								*0*
Land/pre-paid rent/pre-paid operating lease								0
Accum. depreciation								0
Total land/pre-paid rent/pre-paid operating lease								*0*
Buildings								0
Accum. depreciation								0
Total buildings								*0*
Land improvement								0
Accum. depreciation								0
Total land improvement								*0*
Plant and machinery								0
Accum. depreciation								0
Total plant and machinery								*0*
Goodwill/lease premium								0
Accum. depreciation								0
Total goodwill/lease premium								*0*
Other intangible assets								0
Accum. depreciation								0
Total other intangible assets								*0*
Other assets								0
Accum. depreciation								0
Total other assets								*0*
Work in progress/assets under construction								0
Total work in progress/assets under construction								*0*
Total fixed assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Notes:

(1) Numbers representing reductions in value (such as Disposals (3), Revaluation losses (6) and Depreciation expenses (7) must be entered as negative numbers with the minus sign (eg. -2000). Negative numbers will automatically convert into bracketed numbers by these templates (eg. -2000 will be shown as (2000)).

(2) For asset items: Closing value (8) = Opening value (1) *plus* Additions (2) *less* Disposals (3) *plus* any increase following Transfers of assets to aeronautical (4) *plus* any increase resulting from a Revaluation (5) *less* any decrease resulting from a Revaluation (6).

(3) For accumulated depreciation items: Closing value (8) = Opening value (1) less the amount charged to the income statement as Depreciation expense (7).

(4) For total asset items: Closing value (8) = Closing value of asset item (8) *less* Closing value of accumulated depreciation item (8).

(5) Total fixed assets = Sum of closing values for total asset items (ie. sum of closing value of asset items *less* sum of closing value of accumulated depreciation items.

Supporting documentation:

Detailed documentation of the method used to value each class of asset, or where the basis of valuation differs within a class of assets, for each item are expected to be kept by airport operators. The ACCC may review these details and application of the valuation methodology on a periodic basis.

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X Airport
Regulatory accounts under the Airports Act
Supporting schedule 1.2(a): Schedule of aeronautical assets under the line in the sand
year ended 30 June 2009

Please enter data in cells shaded yellow

Fixed assets	**Opening value (1)**	**Additions (2)**	**Disposals (3)**	**Transfers (4)**	**Depreciation expenses (5)**	**Closing value (6)**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Investment property (land/buildings)						0
Total investment property (land/buildings)						*0*
Land/pre-paid rent/pre-paid operating lease						0
Accum. depreciation						0
Total land/pre-paid rent/pre-paid operating lease						*0*
Buildings						0
Accum. depreciation						0
Total buildings						*0*
Land improvement						0
Accum. depreciation						0
Total land improvement						*0*
Plant and machinery						0
Accum. depreciation						0
Total plant and machinery						*0*
Goodwill/lease premium						0
Accum. depreciation						0
Total goodwill/lease premium						*0*
Other intangible assets						0
Accum. depreciation						0
Total other intangible assets						*0*
Other assets						0
Accum. depreciation						0
Total other assets						*0*
Work in progress/assets under construction						0
Total work in progress/assets under construction						*0*
Total fixed assets	**0**	**0**	**0**	**0**	**0**	**0**

Notes:

(1) Numbers representing reductions in value (such as Disposals (3) and Depreciation expenses (5) must be entered as negative numbers with the minus sign (eg. -2000). Negative numbers will automatically convert into bracketed numbers by these templates (eg. -2000 will be shown as (2000)).

(2) For asset items: Closing value (6) = Opening value (1) *plus* Additions (2) *less* Disposals (3) *plus* any increase following Transfers of assets to aeronautical (4).

(3) For accumulated depreciation items: Closing value (6) = Opening value (1) less the amount charged to the income statement as Depreciation expense (5).

(4) For total asset items: Closing value (6) = Closing value of asset item (6) *less* Closing value of accumulated depreciation item (6).

(5) Total fixed assets = Sum of closing values for total asset items (ie. sum of closing value of asset items *less* sum of closing value of accumulated depreciation items.

Supporting documentation:

Detailed documentation of the method used to value each class of asset, or where the basis of valuation differs within a class of assets, for each item are expected to be kept by airport operators. The ACCC may review these details and application of the valuation methodology on a periodic basis.

X Airport
Regulatory accounts under the Airports Act
Supporting schedule 1.3: Schedule of non-aeronautical assets
year ended 30 June 2009

Please enter data in cells shaded yellow

Fixed assets	**Opening value (1)** **$'000**	**Additions (2)** **$'000**	**Disposals (3)** **$'000**	**Transfers (4)** **$'000**	**Revaluation gains (5)** **$'000**	**Revaluation losses (6)** **$'000**	**Depreciation expenses (7)** **$'000**	**Closing value (8)** **$'000**
Investment property (land/buildings)								0
Total investment property (land/buildings)								*0*
Land								0
Accum. depreciation								0
Total land								*0*
Buildings								0
Accum. depreciation								0
Total buildings								*0*
Land improvement								0
Accum. depreciation								0
Total land improvement								*0*
Plant and machinery								0
Accum. depreciation								0
Total plant and machinery								*0*
Goodwill/lease premium/ pre-paid rent								0
Accum. depreciation								0
Total goodwill/lease premium/pre-paid rent								*0*
Other intangible assets								0
Accum. depreciation								0
Total other intangible assets								*0*
Other assets								0
Accum. depreciation								0
Total other assets								*0*
Work in progress/assets under construction								0
Total work in progress/assets under construction								*0*
Total fixed assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Notes:

(1) Numbers representing reductions in value (such as Disposals (3), Revaluation losses (6) and Depreciation expenses (7) must be entered as negative numbers with the minus sign (eg. -2000). Negative numbers will automatically convert into bracketed numbers by these templates (eg. -2000 will be shown as (2000)).

(2) For asset items: Closing value (8) = Opening value (1) *plus* Additions (2) *less* Disposals (3) *plus* any increase following Transfers of assets to aeronautical (4) *plus* any increase resulting from a Revaluation (5) *less* any decrease resulting from a Revaluation (6).

(3) For accumulated depreciation items: Closing value (8) = Opening value (1) less the amount charged to the income statement as Depreciation expense (7).

(4) For total asset items: Closing value (8) = Closing value of asset item (8) *less* Closing value of accumulated depreciation item (8).

(5) Total fixed assets = Sum of closing values for total asset items (ie. sum of closing value of asset items *less* sum of closing value of accumulated depreciation items.

Supporting documentation:

Detailed documentation of the method used to value each class of asset, or where the basis of valuation differs within a class of assets, for each item are expected to be kept by airport operators. The ACCC may review these details and application of the valuation methodology on a periodic basis.

Australian Competition & Consumer Commission

X Airport
Statement 4.0: Operational statistics
year ended 30 June 2009

Please enter data in cells shaded yellow

Description	**Number**
Passengers	
Domestic passengers	
International passengers (excluding transit passengers)	
International transit passengers	
Domestic on-carriage	
Total passengers	*0*
Aircraft movements	
Regular public transport aircraft movements	
Domestic	
International	
General aviation aircraft movements	
Total aircraft movements	*0*
Tonnes landed	
Domestic	
International	
Total tonnes landed	*0*
Average staff equivalents	
Aeronautical services	
Non-aeronautical services	
Total average staff equivalents	*0*
Area (hectares)	
Aeronautical services	
Non-aeronautical services	
Total area (hectares)	*0*

X Airport
Monitoring data under Part VIIA of the Trade Practices Act
Statement 5.1.1: Aeronautical revenue
year ended 30 June 2009

Please enter data in cells shaded yellow

Description	**Basis of charge** (specify eg. MTOW)	**Number of units provided**	**Aeronautical revenue** $’000
AERONAUTICAL SERVICES			
Aircraft-related services and facilities (specify specific charges)			
…			
…			
…			
…			
…			
Total aircraft-related services and facilities			*0*
Passenger-related services and facilities (specify specific charges)			
…			
…			
…			
…			
…			
Total passenger-related services and facilities			*0*
Total aeronautical revenue			**0**

X Airport
Monitoring data under part VIIA of the Trade Practices Act
Statement 5.1.2: Schedule of aeronautical charges
year ended 30 June 2009

Please enter data in cells shaded yellow

Schedule of aeronautical charges effective from … to …	**[enter date from]**	**[enter date to]**
Service/Infrastructure covered	**Basis of charge** (eg. MTOW)	**Amount of charge per unit** **$**
Aircraft-related services and facilities (specify specific charges)		
…		
…		
…		
…		
…		
…		
…		
…		
…		
…		
…		
…		
…		
Passenger-related services and facilities (specify specific charges)		
…		
…		
…		
…		
…		
…		
…		
…		
…		
…		
…		
…		
…		

Notes:

(1) Airport operators are to provide schedule(s) of charges that applied at the commencement and end of the reporting period and any other schedules that may have been operative during the period (including the duration for which those schedules applied).

(2) Specify whether charges include or exclude GST.

X Airport
Monitoring data under part VIIA of the Trade Practices Act
Statement 5.2: Aeronautical cost allocations
year ended 30 June 2009

Please enter data in cells shaded yellow

Description **Expense item** (specify)[(2)]	**Basis of allocation** (specify cost driver used (eg. time spent))	**Aircraft-related services and facilities** **$'000**	**Passenger-related services and facilities** **$'000**	**Total aeronautical costs** **$'000**	**Supporting schedule ref**
Salaries and wages					
…				0	
…				0	
Total salaries and wages		*0*	*0*	*0*	
Depreciation and amortisation					
…				0	
…				0	
Total depreciation and amortisation		*0*	*0*	*0*	
Services and utilities					
…				0	
…				0	
Total services and utilities		*0*	*0*	*0*	
Property/leasing maintenance					
…				0	
…				0	
Total property/leasing maintenance		*0*	*0*	*0*	
Security costs					
…				0	
…				0	
Total security costs		*0*	*0*	*0*	
Consultants and advisors					
…				0	
…				0	
Total consultants and advisors		*0*	*0*	*0*	
General administration					
…				0	
…				0	
Total general administration		*0*	*0*	*0*	
Other costs					

…			0
…			0
Total other costs	*0*	*0*	*0*
Total aeronautical costs[(3)]	**0**	**0**	**0**

Notes:

(1) Airport operators are to provide information pertaining to Statement 5.2 as outlined above where the airport operator separately charges for these services and facilities

(2) Expense allocations should be disaggregated to at least the level of disaggregation presented in Statement 1.0: Income statement.

(3) The Total aeronautical costs figures must reconcile with the Total expenditure figures presented in Statement 1.0: Income statement.

Supporting documentation:

Detailed documentation on the basis for allocating expenses (allocation rules) between aeronautical and non-aeronautical services is expected to be kept by airport operators. The ACCC may review these rules and their application on a periodic basis.

X Airport
Monitoring data under part VIIA of the Trade Practices Act
Statement 5.2(a): Aeronautical cost allocations under the line in the sand (LIS)
year ended 30 June 2009

Please enter data in cells shaded yellow

Description **Expense item** (specify)[(2)]	**Basis of allocation** (specify cost driver used (eg. time spent))	**Aircraft-related services and facilities** **$'000**	**Passenger-related services and facilities** **$'000**	**Total aeronautical costs** **$'000**	**Supporting schedule ref**
Salaries and wages - LIS					
…				0	
…				0	
Total salaries and wages - LIS		*0*	*0*	*0*	
Depreciation and amortisation - LIS					
…				0	
…				0	
Total depreciation and amortisation - LIS		*0*	*0*	*0*	
Services and utilities - LIS					
…				0	
…				0	
Total services and utilities - LIS		*0*	*0*	*0*	
Property/leasing maintenance - LIS					
…				0	
…				0	
Total property/leasing maintenance - LIS		*0*	*0*	*0*	
Security costs - LIS					
…				0	
…				0	
Total security costs - LIS		*0*	*0*	*0*	
Consultants and advisors - LIS					
…				0	
…				0	
Total consultants and advisors - LIS		*0*	*0*	*0*	
General administration - LIS					
…				0	
…				0	
Total general administration - LIS		*0*	*0*	*0*	
Other costs - LIS					

…			0
…			0
Total other costs - LIS	*0*	*0*	*0*
Total aeronautical costs[3] - LIS	**0**	**0**	**0**

Notes:

(1) Airport operators are to provide information pertaining to Statement 5.2 as outlined above where the airport operator separately charges for these services and facilities

(2) Aeronautical cost allocations should be disaggregated to at least the level of disaggregation presented in Statement 1.0(a): Income statement under the line in the sand.

(3) The Total aeronautical costs figures must reconcile with the Total expenditure figures presented in Statement 1.0(a): Income statement
under the line in the sand.

Supporting documentation:

Detailed documentation on the basis for allocating expenses (allocation rules) between aeronautical and non-aeronautical services is expected to be kept by airport operators. The ACCC may review these rules and their application on a periodic basis.

X Airport
Monitoring data under Part VIIA of the Trade Practices Act
Statement 6.1: Car parking revenue
year ended 30 June 2009

Please enter data in cells shaded yellow

Description	**Basis of charge** (specify eg. per hour)	**Number of units provided** (as at 30 June)	**Revenue** **$'000**
Public car parking			
Staff car parking			
Total car parking revenue			**0**

X Airport
Monitoring data under part VIIA of the Trade Practices Act
Statement 6.2: Car parking cost allocations
year ended 30 June 2009

Please enter data in cells shaded yellow

Description	**Basis of allocation**	**Total costs (incl. depreciation)**
Expense item	(specify cost drivers used)	**$'000**
Public car parking		
Staff car parking		
Total car parking costs		**0**

X Airport
Monitoring data under part VIIA of the Trade Practices Act
Statement 6.3: Car parking schedule of charges
year ended 30 June 2009

Please enter data in cells shaded yellow

Schedule of car parking charges effective from … to …	**[enter date from]**	**[enter date to]**	
Car parking facility (eg. International short-term car park)	**Price point** (eg. 1-2 hours)	**Charge per unit** $ (incl. GST)	**Number of sales for the period at the price point**

Directors' Responsibility Statement

In the opinion of the Directors of (name of Airport Operator), the Regulatory Accounting Statements set out on pages ... to ... are drawn up in accordance with the requirements of the Regulatory Information Requirements issued by the Australian Competition and Consumer Commission, dated (version date) and comply with the provisions of the *Airports Act 1996* and regulations made pursuant to that *Act*. The Regulatory Accounting Statements present a true and fair view of the results of the business of the Airport Operator for the period ended (period end), and information concerning the state of affairs at (period end).

The terms and definitions used in this statement accord with the definitions set out in the Regulatory Information Requirements referred to above.

Signed

____

(Name of Director)Dated

Director

____

(Name of Director)Dated

Director