

Our Reference : 3/3/9
Date : 6 June 2005

Margaret Arblaster
General Manager
Transport and Prices Oversight
Regulatory Affairs Division
Australian Competition and Consumer Commission
GPO Box 520J
MELBOURNE VIC 3001

Dear Margaret

Re:- Draft Price Notification – Aviation Rescue and Fire Fighting services

I write in response to the Preliminary View in regard to the above referred notification and offer the following in respect of your invitation to comment.

In submitting these comments Adelaide Airport Limited (AAL) acknowledges that it does not directly utilize or buy ARFF services but their charges are an indirect factor in our business opportunity and marketing undertakings and being location specific place us at a competitive disadvantage to the eastern seaboard airports.

We would recommend that any future pricing reviews be cognizant of the competitive disadvantage to some airports of the location specific and weight related pricing policy. As this organization provides a rescue service in our view, the pricing focus should be on a network cost per passenger number basis.

Further to our earlier comment in regard to encouraging Airservices to a passenger based pricing regime, we are of the view that this structure is more equitable to all parties in that everyone shares in the rise and fall of the market base.

We do not agree with Airservices contention that “while traffic levels have recovered faster than anticipated, a corresponding correction could occur at any time of ensuing years” and offer by way of support the attached growth patterns at Adelaide which clearly refutes the short term view of AsA’s comment and in our view further supports the recommendation that AsA adopt a passenger based pricing regime to be more equitable with market trends.

We note that the ACCC has acknowledged that Airservices have advised they (AsA) “will consider entering into risk sharing arrangements etc”. As airports embark on market growth campaigns for example and factor in their respective pricing incentives, Airservices currently reap the rewards of this effort without any contribution. We would recommend that the ACCC direct Airservices to work with airports in risk sharing arrangements.

The future of Airservices as a Government Business Enterprise is in the hands of government and we look forward to some clear direction in that regard over the next few months. In the interim, and unless the intent is to fully privatize the service and make each airport tender for those services, it is our view that location specific charging is unfair and that a network pricing regime be re-introduced for the provision of this network service.

Thank you for the invitation to comment and we look forward to the outcome of your deliberations.

Yours sincerely

John McArdle
Manager Corporate Affairs
Adelaide and Parafield Airports

ADELAIDE AIRPORT PASSENGER MOVEMENTS

