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Friday 9 April 2010

Ms Teresa Nowak  
Director  
Adjudication Branch  
Australian Competition and Consumer Commission  
GPO Box 3131  
Canberra ACT 2601  
Attention: Ms Jessica Buik

Dear Ms Nowak,

**Re. BARA Authorisation A91200 – Draft Determination**

Thank you for your letter of 24 March. Apologies for our late response on the draft determination.

We would however like to record a number of comments on the draft.

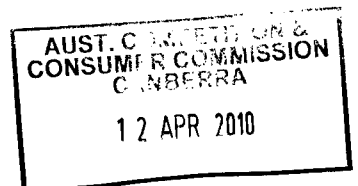
Firstly, we would like to make it clear that QAL does not oppose re-authorisation of the existing instrument. In fact QAL is fully supportive of it as it is our understanding that the Major International Airports included therein are generally supportive of the current arrangements. QAL does however oppose the inclusion of Gold Coast Airport as the only one of the eleven Restricted Use International Airports in Australia, within the new authorisation.

Secondly, QAL is of the view that BARA's submission has not demonstrated any public benefit arising from its desire to extend the authorisation beyond Major International Airports.

Thirdly, QAL is not in a position to question the ACCC's acceptance that "generally the major international airports have significant market power". However, as outlined in our submission, Gold Coast Airport operates in a fiercely competitive environment for airport services. From a competition perspective Gold Coast Airport is in a different category from the major international airports.

Finally, in its submission QAL demonstrated its need to work closely with its airline partners to develop highly efficient and cost effective services and facilities tailored to the needs of the Low Cost Carrier sector to sustain its business in this competitive scenario. In relation to Gold Coast Airport, BARA has not demonstrated how it would deliver any of the public benefits listed below as stated in the Draft Determination;

- “ • Meaningful improvement in commercial outcomes
- Transaction cost savings
- More efficient infrastructure investment”.



From the draft it would seem that BARA's case for including Gold Coast Airport in a revised authorisation is that " 're-authorisation' would allow BARA to participate in negotiations if it were to be viewed as beneficial by all parties in the future". Given that none of the parties involved with

Gold Coast Airport have ever considered having BARA involved in such negotiations clearly distinguishes that airport from the major international airports included in the current authorisation.

In summary, QAL is supportive of a renewal of the current authorisation but does not support a new authorisation which amends the current instrument to include Gold Coast Airport.

QAL representatives would appreciate the opportunity to participate in a pre-decision conference to further articulate its objections to inclusion of Gold Coast Airport in a revised authorisation.

Yours faithfully,



Dennis Chant  
Managing Director