



**Australian
Competition &
Consumer
Commission**

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6 March 2012

Ms Elizabeth Henderson
Senior Corporate Lawyer
Sydney Airport Corporation Limited
Locked Bag 5000
Sydney International Airport
NSW 2020

Dear Ms Henderson

**Third line forcing notification N95716 lodged by
Sydney Airport Corporation Limited**

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on DD Month 2008. The notification has been placed on the ACCC's public register.

Sydney Airport Corporation Limited (Sydney Airport) proposes to provide a discount from the standard rate price of parking at Sydney Airport car parks on condition the customer is a member of National Roads and Motorists' Association Limited (NRMA).

Legal immunity conferred by the notification commenced on 23 February 2012.

On the basis of the information that you have provided, it is not intended that further action be taken in this matter at this stage.

However, I note that Sydney Airport defined the relevant markets as '*the market for the provision of motor vehicle parking and the market for the provision of motoring services, which includes, for example, roadside assistance, motoring advice and other services.*' The ACCC does not agree with this definition of the relevant markets, particularly in relation to the absence of any geographic description or market boundary with respect to motor vehicle parking. For example, on page 65 of its Airport Monitoring Report 2009–10, the ACCC states that:

Market power issues in airport car parking arise because the airports can control access to airport land by off-airport parking operators and other transport modes as a bottleneck... This monopoly position allows the airports

to earn additional revenue resulting from prices that are higher than those reflecting locational advantages.

As with any notification, please note that the ACCC may act to remove the immunity afforded by the notification at a later stage if it is satisfied that the likely benefit to the public from the conduct will not outweigh the likely detriment to the public from the conduct.

This assessment has been made on the basis that Sydney Airport and NRMA will disclose all relevant terms and conditions to prospective clients.

A copy of this letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Luke Griffin on (02) 6243 1114.

Yours sincerely



Dr Richard Chadwick
General Manager
Adjudication Branch