



11 November 2022

## ACCC Consultation

To whom it may concern.

### **Airport monitoring – more detailed information on airport performance – RAAA Submission**

Thank you for the opportunity to provide feedback on this consultation into airport monitoring. The Regional Aviation Association of Australia (RAAA) has approximately 110 aviation organisation members and directly employ over 10,000 people, many in regional areas. On an annual basis, the RAAA's AOC members jointly turnover more than \$1.5b, carry well in excess of 2 million passengers and move over 23 million kilograms of freight. We represent most of Australia's regional airline companies who operate into Australia's monitored airports.

We would like to provide our general response to this consultation and allow our individual members to comment separately if they wish. Overall, we believe remaining with the status quo would be incredibly detrimental for the ability of the ACCC and Productivity Commission (PC) to understand the market power of the monitored airports and strongly urge the government to fulfill Recommendation 9.4.

The RAAA shares the PC and the Government's concerns over the quality and transparency of data provided by monitored airports in assessing their market power. In its response to the PC's recommendation 9.4 the Government stated:

*The Government considers that increasing the transparency of prices and performance will assist it to assess airports' market power over time, for aeronautical, car parking and landside access and services. This will benefit users of airports, both passengers and commercial users, and the broader community in the long-run.*

This was in line with the determination by the PC where they stated:

*Monitored airports should be required to report to the ACCC their revenues and costs from providing domestic and international aeronautical services to airlines. Separate reporting is needed to determine whether aeronautical charges are the result of an airport exercising its market power, or the higher costs of providing international services.*

Whilst the PC and the Government did not find enough evidence that strengthening economic regulations for airports was warranted, they did state that early intervention would occur if "airports were found to have systematically exercised their market power". Without further performance reporting requirements recommended by 9.4, the RAAA cannot see how the ACCC, the PC nor the Government would be able to ascertain what market power the airports actually have and whether this power is being exercised. This has been the inhibiting factor in numerous past PC reviews into the economic regulation of airports, where a lack of evidence has been cited as reasoning for not making recommendations for change.



### **Questions on the ACCC collecting disaggregated data**

The RAAA agrees with the ACCC Option 2 in providing the best balance in responding to this recommendation. It should also be made clear that further stringent reporting requirements would be introduced over time if the monitored airports fail to comply with this option, including developing a standardised cost allocation method as per Option 3.

### **Questions on the ACCC publishing disaggregated data**

The RAAA also believes that the collection and handling of commercial sensitive data can be adequately managed under current ACCC guidelines. In some circumstances whereby both the airport and affected airlines agree that the publishing of commercial in confidence information would be detrimental, it would be our position that the ACCC withhold the publishing of that information or do so only in aggregate form. This is consistent with practices already employed by the ACCC, as the consultation paper notes.

If any further information is required on this submission, please do not hesitate to contact me on the numbers below.

Best regards,

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