Airport Regulation Inquiry Productivity Commission PO Box 1428 Canberra City ACT 2601

My submission relates to the following 4 references included in the terms of reference stated in Scope of Inquiry

- -The inquiry is to focus on the provision of passenger transport services at and surrounding main passenger airports operating in Australia's major cities.
- -the provision and quality of land transport facilities providing access to the this. This includes access roads and facilities in landside areas.
- -whether the existing regime is effective in appropriately deterring potential abuses of market power by airport operators and
- -whether the existing range of remedies is effective in dealing with potential and suspected abuses of market power.

My comments will be related to Melbourne airport only as my experience is not sufficient to allow me to make statements in relation to the others airports.

For a number of years I have been concerned with apparently unregulated actions of the Melbourne Airport Authorities in dealing with car parking, very temporary such as awaiting for an incoming passenger) as well as short term and long term, for air passengers arriving and departing from the terminals.

It has been my experience as a former Director of Consumer Affairs and as a former Ombudsman for Victoria that a monopoly often uses its unregulated powers to use oppressive or unconscionable actions to gain benefits, It would not be able to do in a properly competitive or regulated environment. Effective and honest "Self regulation" is a myth. I have never known it to work satisfactorily.

One of the areas of concern is in relation to the use of private Motor vehicles to drop off or collect passengers from Melbourne Airport terminals. It seems to me that unreasonable measures have been taken to force car drivers to use the airport's expensive car facilities.

The dropping off of passengers is reasonable, except for the small amount of kerbside space allocated for this and any possible airport charges involved in doing this. The departure time of their flights is generally known, and if the departure time of the flights is deferred, travellers can still be dropped off and move into the terminal. It is not necessary for the driver to wait or the vehicle to be parked or just standing..

However the collection of arriving passengers is a different matter. This particularly applies to the picking up of passengers where there is an uncertainty of the time taken for a passenger to pass through immigration, collect their baggage, go through customs and get to the appropriate footpath area ready for pickup.

From the time an aircraft lands and the time a passenger is ready to be picked up can vary tremendously. If a number of international flights arrive a few minutes apart, the immigration and customs staff will be overloaded,, as will the quarantine section especially where passengers are returning from countries where souvenirs are wooden, are shells, or made of other declarable items. Baggage availability can also be delayed.

To overcome this it has become common practice for persons picking up passengers to wait some distance from the airport terminal until their intending passengers phone them on a mobile to say they are ready for collection.

At one time there were streets in the Airport complex away from the arrival departure area, which provided a waiting area. These streets now have "no parking" signs which I suggest was purely to push vehicles into the paid parking facilities. There were no safety or congestion problems warranting the 24 hour "No Parking" signs.

With the present situation where the mobile connection is not available, drivers of the pickup vehicle have to park in the expensive carparks, before going to the terminal arrival point to wait, for their passenger then go back to their parked car. Flight delays or delays in collecting baggage from the carousel becomes very profitable for Melbourne airport

There was another area in which drivers could wait and that was alongside the access road from the Tullarmarine freeway and I and many others have waited there.

Vic Roads have announced that to reduce possible accidents it is intended to place barriers to prevent motorists parking in this area. I have been unable to establish that accidents have been a problem and believe that this action by Vic Roads was prompted by The Airport management to again force motorists to use their parking facilities.

An Airport should not in any way stop or reduce competition of off airport parking facilities by any means whether it is denying use of access roads or persuading councils or other controlling authorities to use planning or other devices to prevent potential competitors from starting up an off airfield parking service. An Airport should not impose levies on these "off parking" companies for conveying passengers to and from terminals, I believe that all passengers have a right to be dropped of or collected from a terminal without charge. It was a failure of the Commonwealth in the privatising of Airports not to have provided for this right of free entry and exit from the terminal.

In the course of researching this aspect I came across a situation which greatly disturbs me. An owner of land close to the airport, which was eminently suitable for "off airfield parking" was denied doing this by a number of questionable strategies used by the airport management, and the Commonwealth government and others.

It is a case which highlights the hopelesness of a person, a small entity, of limited means, gaining justice. It is a case where the collective efforts of a number of related parties were able to use their superior resources in apparently unconscionable and unfair ways to deny a competitor establishing an "off field" car parking area which would give an alternate to the on airfield parking completely controlled by the Airport Management.

I suggest that these actions by the Melbourne Airport Managers and the Commonwealth were primarily to prevent a potential competitor from engaging in a legitimate business activity. The net effect is that some passengers using the Melbourne airport will be financially disadvantaged and reasonable free competition has been stymied.

It is a case which highlights that courts and other similar bodies are often courts of decision and not necessarily courts of justice. In the end the landowner lost a lot of money and the Airport authority succeeded in stopping a potential competitor from entering the field. This is against public interests and the spirit of Australia's anti competitive policies

I am mentioning this case as it shows the relentless way an improperly regulated monopoly can achieve what I believe to be unfair gains.

I believe that this case is particularly relevant to the productivity inquiry and should be drawn to its considerations.

Unfortunately, the lack of time prevents me from making an independent assessment of the issues involved. I have therefore spoken to Mr Keith Mc laughlin the land owner involved, and a Mr Eric Wilson who has been assisting Mr Mclaughin.

Mr Wilson has been particularly helpful and is allowing me to use his draft Affidavit to the Victorian Supreme Court and his letter to The Hon. Terry Mulder the Minister for Transport and Roads in the Victorian Government for the purpose of my submission to the Productivity Commission..

. The Affidavit and letter comprehensively cover the major issues involved and express the issues more succinctly than I can do. The items have been prepared by a person who has firsthand knowledge of the issues and would be of far better use to the Commission than any second hand evidence I could provide. Mr Wilson has advised me that he is prepared to appear before the Commission and give evidence appropriate to its Inquiry.

C. Norman Geschke
Former Director of Consumer Affairs Victoria

Former Ombudsman for Victoria

Attachments
Draft Affidavit to Victorian Supreme Court 2010
Letter to The Hon Terry Mulder Minister for Transport and Roads