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SUBMISSION TO THE AERONAUTICAL PRICING 'SHOW CAUSE' INQUIRY

The RAAA offers the following comments and questions with respect to the Government's draft 'show cause' guidelines:

It is the RAAA's understanding that complaints can be sent to the Minister or the Department and an assessment will be made as to whether the matter requires further investigation. If so, a letter will be issued asking the airport operator to show cause why its conduct should not be subject to a formal price inquiry under Part VIIA of the TPA or another appropriate investigative mechanism specified in the letter.

If this is so, does the Minister have to be satisfied that there has been serious pricing misbehaviour before issuing a letter to an airport to show cause why its conduct should not be subject to a formal inquiry, or whether the minister has to be satisfied that the matter simply requires further investigation?

If the Minister has to be satisfied of serious pricing misbehaviour then what criteria is the Minister to use?

Once the show cause letter has been issued to the airport, the airport has 15 business days to respond. When the airport responds, on what basis is the Minister going to decide whether further action or no further action is required? Will the original complainant have an opportunity to respond to whatever the airport presents to the Minister?

If, after the airport has responded, the Minister decides that further action is required, the Minister may recommend a formal price inquiry under Part VIIA of the TPA. What criteria will be used to determine if a formal price inquiry under Part VIIA should proceed?

If the Minister decides that further action is required what options are there apart from a formal price inquiry under Part VIIA of the TPA?

If a formal price inquiry proceeds, will the powers of the Commission be sufficiently wide to investigate fully all likely issues arising – such as those related to Aeronautical Pricing Principle (e) – “that service level outcomes for aeronautical services by airport operators should be consistent with users’ reasonable expectations”?

What remedies are available to the Commission if, following a Part VIIA inquiry, it decides that, for example, Aeronautical Pricing Principle (e) has been breached?

It is possible that ultimately the power of the Commission and the remedies available under the TPA Part VIIA may not be sufficient to respond to issues arising under all the Aeronautical Pricing Principles.

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