

Productivity Commission recommendations on airports won't deliver for consumers or the economy

Airlines for Australia and New Zealand (A4ANZ) has today urged Government not to adopt the recommendations of the Productivity Commission's Final Report of its [Inquiry into the Economic Regulation of Airports](#), citing significant risks of worsening disputes and further court cases, which will be damaging for travellers and the Australian economy.

Commenting following the report's tabling, A4ANZ Chair Professor Graeme Samuel AC, said, "We note the Final Report is largely unchanged from the draft, despite the raft of submissions and credible evidence the Productivity Commission received in favour of modest, sensible reform."

"The most significant of these was a proposal from the ACCC to address the fact that the existing system provides no constraint on monopoly airport behaviour, and that an independent umpire is needed to efficiently resolve disputes. This was rejected by the Productivity Commission, despite the benefits that similar frameworks have brought to other sectors."

Were Government to accept the PC report recommendations, Prof Samuel said, "the next few months and years will see monopoly airports emboldened – as they were after the draft report's release – to demand unreasonable terms in their negotiations with airlines [and other airport users](#)."

"This means more productivity-sapping disputes, and more cases of expensive, inefficient and ineffective litigation through the courts. This is not good for investment, innovation or competition, and it means that consumers and the economy lose out. It's a problem that isn't going away."

Prof Samuel said, "We have [previously pointed out](#) the errors of fact and the flaws in the Productivity Commission's analysis. The Final Report is, disappointingly, no different."

"Better, fairer deals for airport users are what is needed, not 5 more years of the same issues and worse."

"There is a pragmatic, light-handed solution on the table: independent commercial arbitration to resolve disputes. We know that, like the majority of Australians, the Government are convinced there is a problem with our monopoly airports. We believe the Government will act to address this, and await their response to this Report."

About A4ANZ

Airlines for Australia and New Zealand (A4ANZ) is an industry group, established as a voice to represent airlines based in Australia and New Zealand. Member-funded and representing international, domestic, regional, full service and low cost carriers, A4ANZ advocate on key public policy issues that impact airline operations such as efficient access to infrastructure, in the interests of our passengers, staff and shareholders.

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