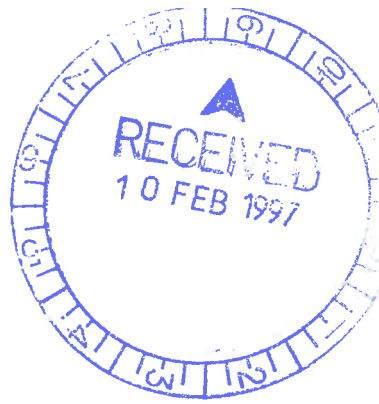


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3 February 1997

Mr Ed Willett  
Executive Director  
National Competition Council  
GPO Box 250B  
MELBOURNE VICTORIA 3001



Dear Mr Willett,

**Australian Cargo Terminal Operators PTY Ltd Applications for Declaration of Airport Services**

Thank you for your invitation to comment on the applications for declaration of services related to international freight operations at Sydney and Melbourne Airports.

We have carefully considered the issues raised in the applications and their implications for all core regulated airports. However, since the Council must make its determination according to the applicability of the criteria included under Part IIIA of the Trade Practices Act to the particular circumstances at Sydney and Melbourne airports, comment about their applicability to Adelaide Airport would not be useful.

The applications have raised a number of concerns about the effectiveness of the access regime included in Part 13 of the Airports Act 1996 which the South Australian Minister for Transport will raise with her Federal counterpart. My Minister's concern is, since it is clear that the intent of that part of the Act is to enable the Federal Minister to formulate demand management schemes for airports, that too narrow an interpretation of airport services under Section 192 (5) may be made in the future. Divisions 3 to 10 of Part 13 are all related to the regulation of aircraft movements necessary to subject an airport to statutory demand management.

If this part of the Act is intended to include access to services such as apron facilities necessary for passenger and cargo handling and aircraft loading, and provision of eases to commercial entities wishing to provide services to compete with incumbent operators on the airport, then it would be desirable for that to be made more explicit in the Act.

I look forward to learning the results of your determination concerning the services in question at Sydney and Melbourne airports.

Yours sincerely,

R.J. Payze  
**CHIEF EXECUTIVE**

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