

ECONOMICS AND INDUSTRY STANDING COMMITTEE

INQUIRY INTO REGIONAL AIRFARES IN WESTERN AUSTRALIA



**TRANSCRIPT OF EVIDENCE
TAKEN AT BROOME
TUESDAY, 22 AUGUST 2017**

SESSION TWO

Members

**Ms J.J. Shaw (Chair)
Mr S.K. L'Estrange (Deputy Chairman)
Mr Y. Mubarakai
Mr S.J. Price
Mr D.T. Redman**

Hearing commenced at 9.23 am

Mr PAUL McSWEENEY

Chief Executive Officer, Broome International Airport, examined:

Ms KIMBERLEY KRENZ

Commercial Manager, Broome International Airport, examined:

Mr ROBERT MENZIES

Executive Manager, Infrastructure, Broome International Airport, examined:

The CHAIR: On behalf of the committee, I would like to thank you for agreeing to appear today to provide evidence in relation to the committee's inquiry into regional airfares. My name is Jessica Shaw and I am the Chair of the Economics and Industry Standing Committee. I would like to introduce the other members of the committee. To my right is deputy chair, Sean L'Estrange, member for Churchlands; Stephen Price, member for Forrestfield; Terry Redman, member for Warren-Blackwood; and Yaz Mubarakai, member for Jandakot. It is important that you understand that any deliberate misleading of this committee may be regarded as a contempt of Parliament. Your evidence is protected by parliamentary privilege; however, this privilege does not apply to anything that you might say outside of today's proceedings. I would like to thank you for your submission to the inquiry. Before we begin with our questions, do you have any questions about your attendance today?

Mr McSWEENEY: No.

The CHAIR: Do you wish to make a short opening statement about your submission?

Mr McSWEENEY: Thank you for the opportunity to appear. Broome International Airport prides itself on being a gateway to Broome and the Kimberley. In the 2016-17 financial year, we processed about 365 000 passengers for the year; that is the financial year ended 30 June. It is well down on our peak passenger number of 456 000 passengers that we attained in the 2011-12 financial year. Since then our passenger numbers have been in a gradual decline. Since 2011-12, we are down about 20 per cent from where we were about five years ago. The other thing that has changed at the airport is that in the financial year just finished, the passenger mix at our airport was 46 per cent tourism, 34 per cent business/oil and gas, and 20 per cent local residents coming and going. Where that has changed from five or six years ago is that the model used to be quite a neater one. It used to be 60:20:20. It used to be 60 per cent tourism, 20 per cent business/oil and gas, and 20 per cent Broome residents. So the 20 per cent block of residents that come and go is a stable.

The CHAIR: That was five years ago, was it?

Mr McSWEENEY: Yes. Tourism is still the biggest block of our passengers and we think it always will be. But, more importantly, oil and gas has somewhat taken it over in the decline. If we did not have the oil and gas industry in this town, then in terms of competition on air routes and the number of air routes in this town, therefore, airfares would be under a lot more pressure than they are. At the moment, we do about 52 jet turnarounds a week into the airport. Five years ago, that was 65. So we have lost some connections to Darwin and some to Perth, but if we did not develop the oil and gas industry, then that situation would have been far worse.

The airport is currently serviced by three airlines—Qantas, Virgin Australia and Airnorth. During the season, which we are in the middle of now, we typically have five to six connections between Perth and Broome every day, so Broome is well connected to Perth. We are also well connected to the eastern states. This week we will have three Melbourne services, two direct Sydneys and one service to Brisbane. Another interesting thing to note is that about a third of our passengers at the airport come and go from the eastern states, so about 125 000 of our passengers come and go from the east. Only about a third of those, or roughly 45 000, can fly direct. So there is significantly more demand for people to fly direct to Broome from the east than currently can. Two-thirds of the people who fly from the east have to, what they call, “spill through” Perth. There is a population base north of 20 million on the east versus 2 million or 3 million in Western Australia, so that demand and that population base from the east is driving us to what we think is scope for more flights from the east. We would certainly like to see competition of flights introduced from the east. The airport has worked very hard in securing the airlines that we have to Broome and we currently have long-term pricing agreements with all the airlines that fly to Broome.

The CHAIR: How long term is long term, roughly?

Mr McSWEENEY: Five years, but they are up around 2019–20. We have been able to do that for a few reasons. We work very hard at it. We were able to get our aeronautical fees to the point where they were very competitive. The most recent internal analysis that we undertook, compared to all the major regional airports in WA and in the Northern Territory, showed that on a per passenger basis, BIA’s fees are the fourth cheapest. The dataset that I am talking about is about 11 airports.

The other thing I want to make very clear here today is that there is a lot of concern around the airfares to Broome and you are here because of regional airfares. Broome airport’s fees for a return fare to Broome for a 737—this is not an exact science; for a 737 that is an 80 per cent load factor—are less than \$60. So my job here today is to tell all of you that, yes, the regional airfares are a concern for many, but this is not an airport issue. I want to try to put that to bed if I can.

The CHAIR: You are presumably covering all of your costs with the fares that you are levying, so that the airport is able to wipe its nose, basically.

[9.30 am]

Mr McSWEENEY: Yes. So on a \$1 000 airfare that many people are concerned about, our fees are less than six per cent. That is not exactly a bombshell. You can go to any airport website and you can calculate the fees and work it out, which is what we have done in comparing our fees to other airports. I am not here to talk about other airports; I am just talking about what Broome has done. The other thing the airport does is we regularly compare airfares to Broome over a span of 10 or 15 years. What we note is that the airfares to Broome from Perth—it is our biggest route; 300 000 passengers a year—have really not changed much in 10 or 15 years. But what has happened in that time is that costs on other routes around Australia, particularly because of the advent of the low-cost carrier model, have gone down.

So in relative terms, it looks as though airfares to Broome have gone up because compared to everything else that has gone down, they have not gone down. It leads people to say that then the low-cost carrier model is the silver bullet or the solution for Broome. Sadly, it would be nice if it were true, but it is very hard to get the low-cost model up in Broome because it is what it says; it is low margin, high volume. Broome has in the last census figures about a 15 000 permanent population. As I pointed out earlier, it has a bit less than 400 000 passengers through the airport. What we regularly hear is that for the low-cost carrier model to work, the minimum critical mass that you need is an airport at each end of the service doing a million passengers, or a population base at the end of each service in terms of the town or the city of 100 000. Broome has neither.

On a year-round basis, it is very difficult for the low-cost model to work in Broome. We are trying hard to get it to work on a seasonal model, but it is hard work. As I pointed out earlier, although we have lost some passengers and services during the last five years, that would have been far worse if we had not worked hard with the oil and gas companies to develop what is now, in terms of large helicopters, one of the largest heliports in the southern hemisphere, so that is making a vital contribution to many parts around town. But I am here to talk about aviation.

In terms of aviation, the oil and gas industry is pivotal to keeping fares down and keeping regular services to this town, so we continue to hope that plays a role. Most people will probably know that Broome International Airport is a designated international airport under section 15 of the Customs Act. We are working very hard with a consortium in Broome to try to introduce Singapore–Broome flights. The shire has been involved in that as well in helping underwrite some of the legs, and that is appreciated. We believe that would be one of the most exciting things to happen to this town in 10 years. Broome is closer to Singapore than it is to Melbourne, Sydney or Brisbane, all of which have direct flights. There is a very large growth in the middle-class population in Singapore—that, combined with its hubbing capability, particularly of people wanting to come to Broome from Europe. Our biggest overseas visitation is from Europe and the two biggest countries there are the UK and Germany. A lot of them would like to come to Broome but cannot because you get to Singapore and you have to go to Perth overnight and then come back.

Mr S.J. PRICE: What does a restricted international airport mean?

Mr McSWEENEY: It just means that we do not have full capability of a full international airport, and we would have to go to Customs and talk to them about wanting to reintroduce flights. It is essentially the same, but just looking at a couple of small restrictions in terms of we currently do not have flights.

Mr S.J. PRICE: Okay. But there are no limitations on the number of flights, once they start coming in?

Mr McSWEENEY: No. Finally, just to conclude my opening address, like everyone, we would love to see cheaper airfares in this region. It would bring more people through the airport and bring more people to see what the Kimberley has to offer. We are happy to do what we can to facilitate that.

The CHAIR: Thank you, Mr McSweeney. Can I just understand a little more about the Singapore to Broome flights? Is that growing the pie or is it another pie? We are very focused in this inquiry on intrastate—the links between Perth and basically the cost between Broome and Perth and Broome and other Western Australian destinations. What sort of impact do you think the Singapore–Broome service might have on intrastate airfares?

Mr McSWEENEY: One of the selling points we have used in talking to airlines in Singapore about coming to Broome is the fact that Broome is quite well connected to all mainland capital cities—so people who want to enter Australia but want to see the Kimberley can enter through Broome and then fly to other ports around Australia. In the Northern Australia White Paper, the government's white paper on developing northern Australia in 2015, Broome was identified as a key international gateway, not just into Western Australia but into Australia. We think it is a tremendous opportunity for Broome to enter a growth phase again.

Mr S.J. PRICE: What capacity sized plane can the airstrip take?

Mr McSWEENEY: We are a perfect airport setup for a 737-type aircraft or an A320. The bigger aircraft, or what is known as the wide body aircraft or the twin-aisle aircraft, typically are containerised aircraft with loading often with containers. We are not currently set up for that, but

what we would like to see at the airport is 737s and A320s, and more of them—not bigger planes and less of them, but slightly smaller size and more frequency.

The CHAIR: Thank you, as well, for your comments on the way that BIA structures its charges, because that is something that we have received a number of representations on. If it is less than six per cent of airfare, what do you think are the major drivers behind why airfares are so expensive into Broome?

Mr McSWEENEY: Okay, so I should clarify that if the airfare is \$1 000, it is six per cent —

The CHAIR: I understand.

Mr McSWEENEY: But it is interesting that no matter what the airfare is, our fee does not change—and our fee does not change at different times of the year. The airlines would not let us get away with that. That is the set fare for the whole year. What was your question?

The CHAIR: My question is: if it is not your charges, what do you think is driving the high cost of airfares?

Mr McSWEENEY: It is a difficult question to answer, and the other point I should make is that a lot of people want to compare an airfare between Perth and Broome with about 300 000 people that fly it, and compare it with another similar distance that might have a million passengers on it. It is really not an equal comparison. It is question better answered by the airlines. Also, different economies of scale on these different routes make a comparison with a route of a million people on it to 300 000 people not a valid comparison. An air route is like any other cost centre when you are writing up overheads and fixed costs and other things against it. The more activity you have got to write off, of course, you are going to be able to do it on a lower cost cycle per unit or per passenger. There is simply not the volume between Perth and Broome to compare it to other high-volume routes; I probably make that point. Other than what else is contributing to the high cost, it is not really a question I can answer.

The CHAIR: Do you have any sense of the degree to which the lack of competition may be contributing to the high costs and whether there is any market failure?

Mr McSWEENEY: Look, I said earlier in my statement that, particularly from the east, we see scope for more competition. There is only one airline flying from the east and that airline knows that we would like to see competition so I am not going to say anything there. There are two airlines flying between Perth and Broome; there have been three over the last 10 or 15 years. The fares have not changed much in 10 or 15 years. I think that the solution to getting lower airfares is to get more volume on the route to work with the airlines, work closely with them, and entice more people to come to this part of the world.

Mr MENZIES: I think one of the reasons, also, the frequency is included, because over these last two seasons Qantas and Virgin have dropped their aircraft size, and there have been fewer 737–800s coming into Broome. In the season we have seen more of them, but the higher frequency higher yield; they are very high yield. Their yield is running around 80 per cent, and that is very good for an airline. It would be, we would think, a reasonably profitable route when they are running low yields. But we also have frequency, so we have the increased number of flights Paul was talking about, which is primarily because the type of aircraft has come down from a 168-seat aircraft to a 100-seat aircraft.

Mr D.T. REDMAN: On that traffic and volume point, I too down some notes when you were talking about what percentage comes from the various sectors. You said that business, oil and gas was 34 per cent. One I did not write down, which was a little while ago, has that been on the rise with Browse?

[9.40 am]

Mr McSWEENEY: Yes, five years ago that was about 20 per cent. It used to be 60:20:20.

Mr D.T. REDMAN: So, then, by definition on your first point about volume having downward pressure on fares, you have this increasing volume from the resources sector. The suggestion has been that that is not showing a downward pressure on fares for other fares; it has actually gone the other way, which would seem counterintuitive. Any comments on that?

Mr McSWEENEY: I go back to what I said at the start: the fares themselves have not changed much in 10 or 15 years. The perception has been that they have gone up because a lot of the other fares around the place have gone down. We are still 60 000 or 70 000 passengers behind where we were five years ago. So I think that the goal really is to try to get the volume back up.

Mr D.T. REDMAN: The size of the pie has gone down a bit.

Mr McSWEENEY: Yes. We are going to have a good year this year. Again, it is mainly oil and gas driven, because the two major projects are going through their installation and hook-up phase and we are going to get a spike in passengers this year. The challenge for Broome is to not let that spike drop off. It will drop off oil and gas-wise because they will go back into operational phase. The challenge for Broome is to pick up that slack and grow from a tourism perspective—regrow Broome again.

Mr D.T. REDMAN: Have you secured good, long-term contractual relationships with the oil and gas companies, as this being the hub of where their activities will be versus other options?

Mr McSWEENEY: No, we have not. We would like to, but we have not been able to.

Mr D.T. REDMAN: Presuming you are pursuing that?

Mr McSWEENEY: Yes. We focus on providing the service and infrastructure they need. We are biased, but we think we are very good at that. We think that as long as we keep providing excellent service and excellent infrastructure, they will continue to see the benefits they are creating for this region. Broome is ideally placed as the service hub for the activity in the Browse.

Mr D.T. REDMAN: Would I be right in saying that there are two pieces of commercial activity: one is the operations workforce that goes out to the Browse, and, secondly, there is the servicing component? Presumably there are other companies that do those and, therefore, would operate out of here. Is that the profile of that activity?

Mr McSWEENEY: Yes. We contract through the helicopter companies that work for the oil and gas companies. At the moment, quite a few contractors are being used for the installation and hook-up phase. I could not give you the proportion. But as they go more into operation, I understand that a lot of those contractors and things will fall away and it will be specific oil and gas staff.

Mr D.T. REDMAN: Do those helicopters land in Djarindjin or do they go straight down?

Mr McSWEENEY: At the moment, about 80 to 90 per cent of the choppers, that depart from Broome, will drop into the Djarindjin airport to refuel and then go out to the field.

Mr MENZIES: That is a magnificent story for employment on the peninsula. We are looking at about 20 staff up there—all Indigenous and from the local community. That is a vital link, so it really is an add-on to the economic driver out of here with the heliport. It is a very good news story from our point of view.

The CHAIR: Are you participating in the local business community's initiative to encourage another provider into the area and trying to promote tourism? Are you participating in that? Could you give us a bit of an overview of your experience of that model and how it is going?

Mr McSWEENEY: I will answer the first part of the question. There have been a number of groups formed in Broome to try to encourage growth and get Broome going again. The airport has been an active participant in many of these groups. The airport was involved with the Broome Tourism Leadership Group, Broome Future and the economic development advisory group, and we are a member of the chamber. The airport is involved in most of the things that are going on around town. Of course, we work extremely closely with Australia's North West, the peak tourism marketing body. If the extra service you are talking about is the one from Singapore, yes, we are obviously very closely involved with that. Kimberley and I were in Singapore last week talking to airlines, as we have done previously. The airport is, as you would expect for an organisation of our size in Broome, closely involved with what is happening around the place.

Mr S.K. L'ESTRANGE: The shire mentioned the cabotage arrangements with international flights coming in. Is that something you are also looking at?

Mr McSWEENEY: It is an interesting question. It just came up at the session next door as well. The issue of cabotage comes up from time to time, principally along the model of: why not get a flight between Broome and Singapore, for example? So for a flight between Melbourne and Singapore, why not get it to drop in to Broome on the way? Within that would be a form of cabotage, because it would be an international airline flying passengers domestically between Broome and Melbourne. It is a hard model to work under in that scenario because, firstly, the airline has to be satisfied that the additional costs of another landing and take-off, and another round of airport fees, would be justified by the number of passengers they might pick up, remembering that the flight between Melbourne and Singapore probably would not be running if it was not for the 65 per cent or 70 per cent load factor in the first place. The number of passengers they would pick up has to justify the additional costs of dropping in.

The second point is that the people who are flying Melbourne to Singapore—this is a bit of a generalisation—most of the time these days want to fly point to point. You do not want to cannibalise the initial product between Melbourne and Singapore for the sake of picking up more passengers. This is why your standard long-haul routes like Perth to London and others are up, because people want to fly point to point. Quite a lot of people who are getting on that aircraft in Melbourne to go to Singapore probably do not want to drop in to Broome, so you do not want to cannibalise the initial product.

The issue of cabotage came up a couple of years ago and not unexpectedly the current airlines that fly to Broome were not that excited about it. I could probably go one point further and say they were quite angry about it. What cabotage does do is that it introduces competition, and that competition is key to keeping fares down.

The CHAIR: One of the terms of reference is what actions the state government can take to try to address this issue and, actually, not just the state government, but also the commonwealth government. Do you have any view on what both state and commonwealth governments might be able to do to address regional airfares from your perspective as an airport operator?

Mr McSWEENEY: It is a good question. The models have typically shown that any route that carries more than 50 000 does not suffer regulation well. There has been talk around that maybe the route should be regulated. That tends to stifle competition, so I do not think that is the answer. I know that the state marketing body of the state government, Tourism WA, has a policy that it will contribute money to the marketing of flights but it will not contribute money to flights—to underwriting flights or getting flights up and running. I know that in talking to the CEO of the Tourism Council, he is a big supporter, as am I, that if the state government could find a way to actually support flights and get the big routes up and running, that would be money well spent.

For example, Tiger just announced new flights between Melbourne and Townsville. Mr Entsch in the committee next door confirmed this to me just this morning: those flights would not have happened without a contribution to the cost of the flights from the Queensland aviation infrastructure fund. That is a state government fund that has been set up not to market flights, but to contribute to the cost of flights to help them get up and get on their feet. I think a contribution like that from the state would be a very valuable one.

The CHAIR: You mentioned in your answer about regulation not necessarily being the fix, but regulation can take a number of forms, and there are a number of different interventions that a state government might be able to make. We have had evidence presented to us that regulated routes generally have cheaper fares. A submission is on our website that has been provided by Curtin University with some quite extensive research to indicate that where routes are unregulated and there are two carriers, there does not seem to be competitive tension, but where there are regulated routes and there is an intervention, prices do tend to be lower.

The other suggestion from that evidence that has been presented to us is that greater information that is provided about passenger numbers, purposes for travel, fare classes and the transparency that is on regulated routes tends to put downward pressure on prices. I guess what I am trying to say is that regulation does not necessarily mean coming in and fixing prices, but what it may mean is a requirement on the airlines to be a little more transparent. Do you have any view on the degree to which transparency can place a downward pressure on prices and maybe make the airlines behave themselves a little better?

[9.50 am]

Mr McSWEENEY: It is a difficult question to answer, having not read the paper. I am not familiar with the paper, but I will certainly make myself familiar. No, I do not have a view on that. I would need to see the paper, I think.

Mr S.J. PRICE: Do you think the increased patronage from the oil and gas industry has led to an increase or decrease in fares recently?

Mr McSWEENEY: It is too soon to tell. I think that the significant activity of the installation hook-up phase is still relatively recent; it is only a couple of months old. I am not seeing any evidence of that. I have not seen, for example, a spike in fares this year that was not there last year when we did not have this level of activity. I know that both the oil and gas companies have been very proactive in making sure that that does not happen. Shell have worked closely with Qantas, and Qantas have put on another flight on the basis of their dealings with Shell and I know INPEX have been sort of involved there as well.

INPEX, I know, are very careful to make their bookings a long time in advance and they are not sucking up discount fares; I know they are booking fully flexible fares. Both of them are very conscious of making a contribution to this community; they are making a very good one. I am just not seeing the evidence that the oil and gas activity is contributing to higher airfares.

Mr S.J. PRICE: In regard to the number of flights and the types of planes that airlines are using, do they have to give you forward notification about when they change those sorts of things?

Mr McSWEENEY: No. We get advised of when they are coming. But, generally, they will sort of determine the size of the aircraft through their yield management system about what is the best ideal craft to manage the demand that they have got.

Mr S.J. PRICE: I was interested in Robert's comment earlier—my words, not yours—that at the end of the season they downsize the size of the plane. If you have got this increase in resource sector

usage when you get to the end of the season and that carries on and they downsize the plane, that will put added pressure on the availability of seats.

Mr MENZIES: It will be interesting to see this season's figures because, as Paul said, this commissioning phase with very high intensity helicopter activity; 70 to 80 per cent of it is through Djarindjin, and that is a high number of seats out of Perth. It will be interesting to see at the back end of this season at the commissioning phase whether we still have that demand or whether they drop aircraft. I do not think we have a real issue if they increase frequency in terms of an extra service, which they have been doing over this period.

Mr S.J. PRICE: I suppose my question is more related to them going the other way—cutting back and trying to fit everyone on lesser flights.

Mr MENZIES: It is an unusual period we are going through at the moment with this high intensity when we get down to a steady state in the new oil and gas with both INPEX and Shell.

Mr S.J. PRICE: It will always be pretty high. Though. The hook-up and commissioning is a bit of a peak, especially with Shell because all the maintenance people are going to have to be stored on accommodation support vessels out there, so they are going to have to come through here to get there anyway.

Mr McSWEENEY: Just to give you some relativity, at the heliport this week we will have about 65 departures, which is a very busy week for us. In the operational phase, which is probably less than 12 months away, that drops back to between 20 and 30. It sort of drops back to more than half of where it is now.

Mr MENZIES: This is a direct relationship with people coming and going from Broome.

The CHAIR: I have one question about service, independent of the price. It has been suggested to us that in some regional centres there seem to be fairly arbitrary flight cancellations because perhaps there is a perception there that there are not enough people on a plane so they cancel a flight arbitrarily to make sure the next flight is a little fuller, and that obviously impacts on the reliability of the service that people pay for. How frequent are cancellations? Are they quite frequent here in Broome? Is there any data available or any way that we could have a little visibility of that?

Mr McSWEENEY: Look, cancellations occur, but the feeling I have sitting here today is that they are not that often. Certainly, delays are part of the aviation industry. Delays happen. The safety record that aviation has in Australia is not by accident, because the airlines are extremely safety conscious. If they have to delay aircraft to check something, they will do so. We should never be unhappy about that, as much as delays are inconvenient at times. There would be some data around; it would take a bit of collating.

At the airport, we used to provide the ground handling service. We do not do that anymore. We ceased to do that two years ago. We used to get data from the airline about delays at various ports. We are not privy to that anymore. When we were privy to it, Broome did not suffer any more delays or cancellations than any other ports around Australia. There was no trend there to suggest that.

Mr MENZIES: I do not think there has been any real evidence in Broome that they have cancelled a flight through lack of pax—lack of passengers. That may happen, and I think we have enough critical mass here to be able to do that. There will be occasions, but it is certainly not an occurrence. What an airline will do is it might schedule a 737–800 and it will downsize to an F100 or a 717; it is a cheaper aircraft to fly higher yields, as I was saying earlier. Just a point on airfares, if this was effective—the deputy shire president and the shire's presentation touched on it—it is availability of the lower airfares. If you book out next year, you book out 12 months ahead, except for the holiday periods, you can get some reasonable airfares. I always say the airlines prey on the BBS—the

business, the bereaved and the sick—those who have got to fly on short notice. Harold mentioned that in their submission. It gets very expensive. I fly very regularly. Broome airport has its corporate office in Perth as well—it is our admin office—and I fly every second week, so I know firsthand what airfares are like. I have at short notice had to book an airfare. Flying back on the last Friday of the school holidays just gone, I paid \$1 132 one-way economy. So, I was business, bereaved or sick, so I got caught there. Had I booked that eight months ago, it would have been \$270. That is where that \$5 000 fare was flying around the place, because that was business via Melbourne, and that was all that was available on the flight. The press picked on that, because it sounds fantastic.

Mr D.T. REDMAN: Does the \$60 charge you talked about include screening costs?

Mr McSWEENEY: Yes; for every departing passenger that goes through our screening point, \$13.24 is part of that \$60.

The CHAIR: Thank you very much for appearing in front of us today. I will proceed to close today's hearing and thank you for your evidence. A transcript of this hearing will be emailed to you for correction of minor errors. Any such corrections must be made and the transcript returned within seven days of the date of the letter attached to the transcript. If the transcript is not returned within this period, it will be deemed to be correct. New material cannot be added via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. Thank you.

Hearing concluded at 9.59 am
