

7 REGULATING AIRPORT CHARGES

The regulatory options

- 7.1 The Act requires us to recommend the maximum amounts that should be capable of being levied by MA plc by way of airport charges⁽¹⁾ over the next five years. However, the Act does not specify in any detail the way in which this maximum should be determined. In arriving at our recommendation we have therefore looked at regulatory options in general terms before focusing on the detail appropriate to MA plc. We have taken particular account in this assessment of the need for any regulation to encourage the efficient, economic and profitable operation of the company, including the encouragement of investment to meet growth in traffic. We have also looked for a form of regulation which is straightforward to operate and which is easily monitored by the company, its customers and by the CAA.
- 7.2 There are many ways of regulating prices and there has been considerable public discussion of the pros and cons of various approaches in the last few years. Until recently costs and rates of return on capital have been the main focus of regulatory attention both in the United States and in the United Kingdom. Such controls are intended to ensure that prices are set no higher than is adequate to cover cost and produce a fair rate of return. However, they have the serious disadvantage that they reduce the incentive to the company to improve its performance and may distort the company's investment programme because of the incentive to manipulate the 'rate base'. They also require detailed supervision and may lead to dispute between the company and the regulator concerning allowable costs, values of assets and appropriate rates of return. We consider that incentives to improve performance are a very important aspect of regulation and that these incentives should operate without detailed regulator involvement. We therefore do not favour cost or rate of return as the basis for regulating charges at MIA.
- 7.3 Alternative approaches have been sought and this has led to the development of index-based price regulation, more familiarly known in the United Kingdom as the RPI-X approach. This approach, which is now used in the regulation of certain charges for British Telecom, British Gas and BAA is, in our view, more likely to influence the regulated company to improve its performance. Customers get some assurance that future price movements will rise by less than the rate of inflation. The company gets some assurance that its profits and growth will not be arbitrarily reduced from year to year and will only be subject to periodic review (in the case of airports every five years). Regulation can be implemented with a relatively light administrative burden. We consider that these are all desirable and realistic objectives for regulation and we have based our further consideration of MA plc's future charges on the RPI-X approach.

The type of formula

- 7.4 At present there are two main types of RPI-X formula in operation in the United Kingdom. The British Telecom formula is of the 'tariff basket' type under which the weighted average price of a specified 'basket' of tariffs is allowed to increase by the RPI-X percentage. The weights are derived from the proportion of total revenue earned in the most recent past year by each of the tariffs included. British Gas and BAA both have a 'revenue yield' formula under which predicted revenue per unit (per passenger in the case of BAA) in the forthcoming year is allowed to increase by the RPI-X percentage. In the case of British Gas and BAA a further Y factor is added to the formula (RPI-X+Y) to allow for certain cost increases to be passed on to the customers without the RPI-X adjustment. There is also a correction factor (K) which allows for adjustments in later years if the actual revenue yield is above or below the predicted level allowed by the formula.

⁽¹⁾ See paragraphs 1.22 to 1.25.

- 7.5 The relative merits of these two approaches were considered in a consultants' report by National Economic Research Associates (NERA) to the Department of Transport (the Department) in 1986.⁽¹⁾ NERA argued that the tariff basket approach had the advantage that the permitted increase in any year was based on data about revenue in an earlier period which were readily verifiable before the tariffs for the next year were set. It also operated directly on tariffs. This made for simplicity and ease of verification in the tariff-setting process. NERA thought that it might, however, present some difficulty in allowing for introduction of completely new tariffs unless an existing comparative charge could be established. It might also mean that the airport, in seeking to maximise its profits, would concentrate price increases either on those parts of the tariff which were least price sensitive or on the tariffs on those parts of the airport's activity where demand was growing most strongly. In certain circumstances this could lead to an inefficient pricing structure.
- 7.6 NERA considered that the revenue yield approach avoided the incentive to shift price increases on to fast-growing traffic groups, although increases might still be weighted towards the less price sensitive traffic. It posed no particular problems in the introduction of new charges or charging periods. However, the revenue yield formula required the estimation of future demand which was necessarily uncertain and the final revenue yield outcome would depend on customer response which was outside the control of management. This introduced potential areas of dispute between the company and the regulator and raised the problem of whether there was a need for an after-the-event adjustment when actual revenue yield was greater or less than the permitted maximum. On balance NERA favoured a tariff basket form of price control given BAA's current and expected circumstances.
- 7.7 In July 1986 the Secretary of State for Transport announced his decision to apply revenue yield formulae to Heathrow and Gatwick. He took into account NERA's views about the two approaches but concluded that revenue yield was a flexible approach which avoided creating incentives to price inefficiency which might be offered by a tariff basket formula.
- 7.8 We asked MA plc for its views on price regulation. We were told that it considered price regulation to be totally inappropriate at this stage in the airport's development when it is expecting rapid traffic growth, and that any formula would limit the company's ability to finance expansion. However, it accepted that under the terms of the Act we were required to recommend maximum levels of airport charges and it accepted that an RPI-based formula was the least unacceptable way of doing this. It thought that a revenue yield approach, as adopted for BAA, was preferable in that it would give the airport greater flexibility in setting tariffs. It was also concerned that there could be unpredictable changes in the traffic mix from year to year and hence in the balance of revenues from different charges. A formula based on previous years' weights could lead to dilution of the company's revenue over which it would have no control. The company considered that there could be some initial administrative difficulty in operating a tariff basket formula in that a special analysis of invoices would be necessary to derive the first year's weights.
- 7.9 In assessing the merits of the two approaches we have attached particular importance to recommending a type of formula which is simple to operate, which is not onerous in terms of the information required to administer it, which keeps to a minimum the uncertainty about tariff levels and which can be easily checked by the company, the CAA and the company's customers. The tariff basket approach has advantages in these respects on the grounds that it is based on verifiable data about past performance, does not require forecasts of future traffic levels to be made by the company and does not incorporate any correction factor in later years. We have therefore considered whether these benefits are offset by certain disadvantages which have been drawn to our attention.
- 7.10 We have considered the company's concerns about a tariff basket formula, but do not think that these need prove an obstacle to its use. Such an approach would leave the company free to alter the balance of charges from year to year as it saw fit in the light of changing traffic patterns and economic circumstances. Where new tariffs are introduced it will in the first instance be necessary to make an

(1) Economic Regulation of the British Airports Authority PLC — National Economic Research Associates, 1986. Published by the Department of Transport.

estimate of the appropriate weight to apply. However, it should be possible to base that on information available to the company management. The introduction of a new tariff is in any case not likely to be a frequent event. If the initial invoice data required to define the appropriate tariff weights cannot be obtained through computer analysis, these weights could be derived in the first instance by sampling methods. We would, however, expect the company to be in a position to provide a full breakdown of revenue related to individual tariffs in later years.

- 7.11 We also considered the argument that it would be sensible, and less confusing for airlines and tour operators, if MA plc operated the same type of formula as has been adopted for BAA's South-East airports. We do not think that this is a strong point. In so far as users make comparisons of tariff levels between airports these are usually of the actual levels of charge to be paid for particular aircraft movements. These comparisons will not be affected by the type of formula. Moreover, if different forms of regulation operate at the BAA London airports and at MIA this will provide a useful basis for assessing the formulae at the quinquennial reviews.
- 7.12 We considered the Secretary of State's view, in adopting revenue yield for BAA, that this approach avoided creating incentives to price inefficiency which might be offered by a tariff basket formula. This view reflected a possible disadvantage raised by NERA. At the main BAA airports there was currently a shortage of runway capacity and a surplus of passenger terminal capacity. In NERA's view, efficient pricing (that is, giving accurate cost signals to airport users) therefore required an increase in aircraft landing charges, especially at the peak, relative to passenger charges. However, a profit-maximising airport would have an incentive to concentrate price increases on those elements of the tariff basket for which demand was increasing most strongly, and at the main BAA airports passenger numbers were rising at a faster rate than aircraft movements. NERA therefore expressed apprehension that the tariff basket approach could encourage an increase in passenger charges relative to (peak) aircraft landing charges, which would be the opposite of what pricing efficiency required.
- 7.13 It is not clear whether any bias induced by the tariff basket approach would be significant, since an above average increase in the price of any item in one year automatically increases the weight attached to it in the next year (by an amount related to the increase in revenue) and therefore tends to discourage further rises in that price. Nevertheless, the situation at MIA is the opposite of that at the main BAA airports, in that there is currently a greater shortage of terminal capacity than of runway capacity. A relative increase in passenger-related charges would be consistent with the need to make best use of terminal space, which will be the main capacity constraint at the airport over the next few years. Thus to the extent that the tariff basket approach does have the bias ascribed to it, it is likely to be beneficial at MIA rather than detrimental.
- 7.14 The revenue yield approach may involve a potentially greater danger of inefficient pricing in the opposite direction. Just as rate of return control may provide an artificial incentive to maximise the rate base, so the revenue yield approach may provide an artificial incentive for a regulated airport to increase passenger numbers without due regard to cost. This might lead the airport to reduce passenger charges at the expense of aircraft landing charges, thus tending to inflate the demand for airport terminal capacity. In some circumstances the airport might seek this otherwise unprofitable traffic because the associated losses can be more than compensated by increases in other airport charges. Such drawbacks of the revenue yield approach were not discussed in the NERA report.
- 7.15 In summary, therefore, we consider that the tariff basket approach has the advantage over the revenue yield approach of being a simple means of regulation which is independent of forecasts made by the regulated company itself. The disadvantages that have been put forward concerning the tariff basket approach are not of great substance and in the case of MA plc the alleged effect on pricing may, if anything, be an advantage. The revenue yield approach may itself lead to adverse distortions in pricing and investment. The remainder of our considerations are therefore based on the recommendation that airport charges at MIA should be regulated by a tariff basket type of formula.

The choice of X

- 7.16 The choice of a value for X in an RPI-X formula based on a tariff basket sets an upper limit on the annual increase in the weighted average of all airport charges. In recommending a value of X for MA

plc we have taken account of the financial projections shown to us by the company and the financial implications of different levels of charges. We have been greatly helped in this by full access to the company's financial model, and the use we have made of this is described in Chapter 4.

- 7.17 A number of issues have emerged as being of particular importance in setting a value for X. These include:
- the future growth of traffic at the airport;
 - the timing and financing of capital expenditure;
 - the development of commercial income and the possibility of changes in the arrangements for duty- and tax-free sales; and
 - the scope for future cost reduction and continued increases in productivity.

Traffic growth

- 7.18 Passenger numbers are forecast to grow by nearly 50 per cent over the next five years with further growth in later years and the financial projections we have examined are all based on this rate of growth. We have accepted the company's forecast as the basis for our assessment but we are conscious of the danger, in fixing a pricing formula for five years, that the rate of traffic growth from year to year is very uncertain and that today's assessment could easily be invalidated by changed circumstances. The company has put considerable effort into traffic forecasting and is aware of the difficulty and uncertainty involved. We do not have any reason to question this work but we recognise that uncertainty about traffic growth is a major business risk which has to be accepted in setting the formula.

Capital expenditure

- 7.19 The forecasts of traffic growth also underlie the company's plans for major capital expenditure during the next five years. Work on the new domestic facility has already begun (with an estimated total cost of £22.4 million). A second terminal is planned, the first stage of which could open by the summer of 1992, with a second stage being built by 1995. Each stage of the second terminal is currently estimated to cost about £100 million. In addition the company has a continuing capital expenditure programme on other airport facilities. In assessing the tariff formula we have accepted the company's view on the need for and the timing of this expenditure, although as with traffic forecasts this must be subject to review if circumstances change.
- 7.20 The company stressed the importance it attached in its planning to ensuring that it would be in a position to finance all the capital expenditure needed to meet growing demand. Although it was now a plc, it was owned by a group of local authorities and remained in the public sector. It was the Board's wish that the company should remain a public sector operation and as such it would be subject to central Government controls over borrowing. The Department had indicated to the company that it would be expected to use internally generated funds (subject to possible retention of a small fund to cover dividend payments and maintain a balance between current assets and liabilities) before additional borrowing would be allowed. The Company told us that even if the second terminal were accepted by the Government as a Project of National or Regional Importance (PONORI) the Department's capital allocations were only firm for one year ahead. The company expressed great concern to us about the uncertainty which this cast over its ability to finance future capital expenditure, in particular its major expenditure on a second terminal.
- 7.21 Given this uncertainty about the availability of loan finance the company argued that a formula should be set which would enable it to fulfil its plans up to the end of the five-year period without the need for new borrowings. On the basis of the financial model and its assumptions described in Chapter 4, the company told us that a formula of RPI+2 should enable it to retain adequate internal funds to achieve this objective.
- 7.22 We regard this as an unduly restrictive and pessimistic view of likely developments and one which would place all the financing burden for this major development at the airport on the shoulders of existing customers. The company has chosen not to be in the position of a private sector company

which would have free access to capital markets on terms related to its financial strength. However, it does have a range of financial options (see Appendix 4.1) other than raising charges. We think it reasonable that the company's balance sheet should be made up of a mix of finance including both debt and equity and that developments should be financed in a way which spreads the cost between existing and future customers.

- 7.23 The most likely source of new finance for the second terminal appears to us to be borrowing under the PONORI scheme. The Government has already said that it 'would expect to approve capital expenditure on a second terminal at Manchester when this is justified by demand and return on capital'.⁽¹⁾ We have therefore based our consideration of X on the assumption that the company will be able to obtain through Government-approved borrowing the additional funds required for its planned capital development.
- 7.24 If the Government will not allow the borrowing of the necessary funds, the company will presumably wish to consider whether it remains appropriate to proceed with particular capital projects. If it does decide to proceed, it will need to consider other possible sources of external finance, such as new equity capital, leasing of equipment and sale and lease-back of assets, and joint venture capital. It might also wish to consider the further possibility of increasing internally-generated funds. We therefore think it would be reasonable in such circumstances for the CAA, under section 40(6) of the Act, to consider whether there would be a case for modifying the condition relating to airport charges so as to increase the maximum amounts that might be levied by way of those charges.

Commercial income

- 7.25 Commercial income accounts for about 30 per cent of the company's total income (see Chapter 3). The major part of this comes from concessions in the terminal buildings and the most important of these are for sales of duty- and tax-free goods. The company told us of its concern that European Commission proposals to remove barriers to trade within the Community would result in the ending of duty- and tax-free allowances for travel within the Community and that this would seriously affect its revenue. The first effects of this could be felt in 1990 although the Commission's main target date was the start of 1993.
- 7.26 The European Commission proposal is on the table but is dependent on the outcome of discussions between Member States and on their unanimous agreement. In these circumstances and because of the major effect which such a change would have on airport revenues (not just at MIA) we do not consider it right to make a definite assumption about changes in regulations or their timing. Rather, we propose that present arrangements be assumed to continue for the five years with which we are concerned. However, if it became clear that changes would definitely be introduced during this period (or very shortly thereafter) which would lead to a major reduction in airport revenue, then the company could approach the CAA to seek a modification of the formula under section 40(6) of the Act to allow for this. We note that a modification of this sort at BAA airports was referred to in the prospectus issued on behalf of the Secretary of State for Transport offering shares in BAA plc for sale to the public.
- 7.27 Apart from these possible changes in duty-free arrangements we have looked at the prospects for growth in commercial income under existing rules. Over the past five years commercial income per passenger has risen at an average of 1 per cent a year in real terms (although this average masks both rises and falls). The company has told us that past growth was related to expansion of facilities which will not be possible over the next few years and that, in addition, income from car parks is expected to decline. As a result it has assumed no increase in commercial revenue per passenger in its financial projections. We regard this as a cautious assumption but, in the situation where our task is to set a ceiling on airport charges rather than a target, we are prepared to accept the company's view on this matter. Nonetheless we would expect that the company would continue to look for ways of improving its performance on unregulated activities and we would expect, when we next come to examine MA plc, to find that growth in commercial income per passenger is one area in which revenue has increased. Achievement of 1 per cent a year growth could add about £1.5 million to operating profit in 1992/93.

⁽¹⁾ Cmnd 9542, paragraph 6.32.

Productivity

7.28 The company also told us that it was assuming that employee costs (apart from fire services and administration) would grow at only 80 per cent of the rate of growth in passenger numbers. We suggested that higher productivity gains might be possible along the lines of the company's assumption, made for 1987/88, that employee costs would grow at slightly less than 60 per cent of the passenger growth rate. We were told that although the company had a more stringent target for 1987/88, based on 60 per cent of the rate of growth of passenger numbers, this degree of restraint of costs could not be continued indefinitely. Again we have been prepared to make our assessment on the basis of the more cautious assumption, but consider that the possibility of better performance exists. Achievement of the higher productivity level could increase operating profit by about £2.5 million in 1992/93.

The current level of charges

7.29 Before recommending a value for X we considered whether the present levels of airport charges were the appropriate starting point for the operation of any formula. Criticisms have been made during the course of our inquiry suggesting that charges at present are too high (see Chapter 5). The company did not agree with this view. It argued that prices had been held steady between April 1983 and April 1987 and that the 7.5 per cent increase from 1 April 1987 was required to keep pace with inflation in those years. It has not been possible to make a detailed link between the airport's costs and charges levied, and we have identified this as a weakness which the company is working to correct. We have, however, compared the company's charges for typical airline operations with those at a number of other United Kingdom airports (see paragraph 3.6). This comparison shows that over a year as a whole the average of charges at MIA is generally higher than those at Heathrow, Gatwick and Luton but lower than those at other United Kingdom airports. We consider it appropriate to adopt the current charges (as set out in Appendix 3.1) as the base for operation of the formula.

The value of X

7.30 Taking all these factors into account we have re-examined MA plc's financial prospects using the company's financial model. In doing this we have adopted the main assumptions used by the company in its own assessment, namely that:

- (a) passenger numbers will continue to rise and will reach 12.8 million in 1992/93;
- (b) employee man-hours (excluding fire and administration staff) will rise by 80 per cent of the rate of growth of passengers;
- (c) wage and salary levels and certain other revenue costs will rise by 1.5 per cent more than the rate of inflation; and
- (d) commercial income per passenger will stay constant in real terms.

Using these assumptions we have looked for a value of X which gives the necessary degree of protection to users of the airport while leaving the company in a financially sound position and able to carry through its capital expenditure plans. We have not, however, given the priority to avoiding borrowing which led the company to suggest a formula of RPI+2. In our view a formula of RPI-1 would achieve the objectives we have set. The projected financial performance of the company using this formula is set out in Table 7.1. This can be compared with Table 4.4 which shows projections for RPI+2.

Table 7.1: MA plc financial projections using RPI-1 formula

	1987/88 <i>Revised budget</i>	1988/89	1989/90	1990/91	1991/92	1992/93
Operating profit before interest (£m)*	24.2	24.3	24.6	27.8	31.4	20.8
Profit after interest and tax (£m)*	14.6	14.4	14.1	15.2	16.3	9.3
Net current assets (£m)*	34.8	25.3	17.4	-11.3	-12.9	-15.4
Shareholders' funds (£m)*	129.2	139.4	149.4	160.4	172.6	177.8
Gearing (%)	2.8	8.4	12.9	28.5	33.1	36.3
Self-financing (%)	84.6	71.3	73.7	51.1	74.1	61.9
Interest cover ratio	N/A	65.9	23.2	11.4	7.5	4.0
Dividend cover ratio	3.5	3.4	3.4	3.7	3.9	2.2
Return on capital employed (%)	18.8	17.7	15.8	15.1	14.3	9.0

* At constant 1987/88 prices.

(See notes to Table 4.4.)

Source: MMC study

- 7.31 Under this regime the company could expect rising operating profits in all except the final year of this period, which is the year when substantial new capacity would come on stream and utilisation would fall. Net current assets would fall as the company's liquid funds are devoted to capital expenditure leaving a negative balance, although this would in part be offset to the extent that it is allowed to retain some funds when making long-term borrowings externally. Total shareholders' funds grow throughout the period.
- 7.32 We have also considered the financial ratios set out in Table 7.1. The gearing ratio (showing the ratio of debt to shareholders' funds) rises, but from a low base, while interest cover declines, but from a high level. Neither of these indicators, in our view, reaches levels which need cause concern. The proportion of finance provided from internal funds fluctuates, but in our view this is to be expected in a business which is undertaking substantial expansion. Finally, rate of return on capital declines as utilisation rates fall in the early years after new capacity is introduced. It has not been possible to compare these returns with those achieved by the former airport authority in earlier years, and because of the company's unusual financing position we have not thought it appropriate to compare these returns with those of other companies. We consider the returns shown here to be consistent with our assessment of the company's financial soundness which is also reflected in the other projections in the table.
- 7.33 On this basis we recommend that the maximum amounts to be levied by MA plc by way of airport charges at MIA during the five years 1988/89 to 1992/93 should be governed by limiting the annual increase in the weighted average of all airport charges at MIA to not more than RPI-1. The level of charges in operation for the year from 1 April 1987 (as amended by the company on 14 May 1987) should be taken as the base point for this calculation. These are set out in Appendix 3.1. The weights to be used each year in setting charges for the following year should be derived from the revenue raised by each charge in the most recently completed financial year, taken as a proportion of all revenue from airport charges raised in that year. RPI for this purpose should be taken as the percentage increase in the most recently published Retail Price Index compared to the same Index one year previously.
- 7.34 There are obvious hazards in trying to fix an upper limit for airport charges not to be exceeded through five years of unpredictable events. One factor of particular importance to an airport is the projected rate of traffic growth. We have pointed out in paragraph 7.18 that uncertainty about this is a major business risk which has to be accepted in setting the formula. All sorts of external events may affect this

rate of growth, as well as other features of the company's business. In the light of all these uncertainties we have noted in reaching our conclusion that the Act appears to provide (by section 40(6)) for the possibility of revision of the formula if circumstances change so greatly as to make that necessary. Nonetheless we hope that this will not be necessary, and that it will be possible to maintain the formula unchanged for the full five years. This would provide both the assurance for the company's customers and the incentives for the company itself which are important objectives of economic regulation.

Special factors

- 7.35 MA plc argued that there were several special factors which might affect costs or revenue and for which special allowances should be made in any formula. These included:
- security and airport policing;
 - health screening requirements;
 - customs and immigration requirements;
 - restrictions on night movements;
 - noise protection measures;
 - route licensing changes;
 - single runway closure; and
 - CAA requirements.
- 7.36 The likelihood of changes of this sort being imposed on the company during the next five years is difficult to assess, and it is impossible to make allowance for every eventuality. However, we do think it appropriate to ensure that no undue constraint is placed on airport security. We recommend that the formula include a provision similar to that allowed for BAA enabling the company to recover by way of airport charges three-quarters of the cost of any additional provision for security required by the Government. This provision should be incorporated into the tariff basket approach which we have proposed.

The structure of charges

- 7.37 The formula we have recommended will apply to airport charges taken as a whole. We considered whether we should make recommendations about particular charges within this total but decided that the company should be left free to adjust charges within the constraint of the formula. We do, however, think it important that each charge should reflect the economic costs of providing the corresponding service. In particular the structure of charges should take into account the pressure which peak demand places on the company's airport expansion programme. We would expect the development of the company's functional costing system (see paragraph 6.36) to allow the company to link individual charges more closely to cost. We would also expect that, with major capital expenditure on Terminal 2 under consideration, the company would move towards a charging structure with greater differentiation between peak and off-peak charges than it has at present.

Quality of service

- 7.38 In recommending the RPI-1 formula in respect of airport charges we have assumed that this can be implemented without any reduction in the level of service to airport users. We think that this can be achieved and it is important that the achievement be demonstrated to users. We therefore recommend that the company should publish information regularly about its quality of service standards and its performance against them. This should appear in its annual report, or be made available at least as frequently in some other way to parties wishing to see it, and in particular to the CAA. It will be for the CAA to use the information in order to assess the extent to which the company is at least maintaining quality of service standards over the next five-year period. At the quinquennial review the commission would expect to review this performance and, if necessary, consider whether further steps needed to be taken to protect the interests of airport users.

Views of the CAA and the Secretary of State for Transport

- 7.39 In making this reference to us the CAA offered the view that any formula for MA plc should be consistent with the principles adopted by the Secretary of State in setting the formulae for Heathrow and Gatwick and that the overall effect should be less or at worst no more onerous on the company than the Secretary of State's formulae are on Heathrow and Gatwick (see paragraph 1.1). We consider that our proposals are in line with these views.
- 7.40 The Secretary of State in setting the formulae for BAA was concerned to adopt a form of regulation which provides an incentive for increased cost-effectiveness and efficiency while at the same time providing assurance for the airport's users about future levels of charges. We have followed the same principles in choosing a formula for MA plc and in setting the value for X. Based on the information presented to us during our inquiry we consider that RPI-1, using a tariff basket approach, will allow the company to develop as a profitable and financially sound enterprise with the challenge of continuing to improve its performance and will provide assurance for the airport's users about future levels of airport charges.

SIGNATORIES

25 November 1987

J G LE QUESNE (Chairman)

J G ACKERS

L BRITZ

J D KEIR

S C LITTLECHILD

B C OWENS

S N BURBRIDGE (Secretary)