



Airport monitoring report

2022–23

April 2024



Acknowledgment of country

The ACCC acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.

Australian Competition and Consumer Commission
Ngunnawal
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Glossary and abbreviations

ACCC	Australian Competition and Consumer Commission
Aerobridge	Allows passengers to board and disembark aeroplanes directly from/to the terminal gate lounge. Avoids need for passengers to go outside and use the apron.
Aeronautical services and facilities	Services and facilities at an airport that are necessary for the operation and maintenance of civil aviation at the airport, and includes: (a) aircraft-related services and facilities; and (b) passenger-related services and facilities (Airports Regulations 2024 regulation 20).
Aircraft-related services and facilities	Services and facilities provided by airports that are specifically utilised by aircraft (for example, runways, aircraft parking bays and taxiways). The full list of aircraft-related services and facilities for monitoring purposes is in the Airports Regulations 2024.
Airline surveys	Each year, the ACCC sends domestic and international airlines a survey asking them to rate on a scale of 1 to 5 the availability and standard of services and facilities provided by monitored airports.
Airports Act	<i>Airports Act 1996</i>
Airports Regulations	Airports Regulations 2024
Airside	The parts of the airport grounds and buildings to which the non-travelling public does not have free access.
Apron	Where planes park and are refuelled, passengers embark and disembark and/or where planes are loaded and unloaded.
At-distance car park	A car park that is located within the airport precinct but outside of reasonable walking distance to the terminal. Access to the terminal is via a shuttle that is operated by the airport.
At-terminal car park	A car park that is within walking distance of the terminal.
Competition and Consumer Act	<i>Competition and Consumer Act 2010</i>
COVID-19	Coronavirus pandemic declared by the World Health Organisation on 11 March 2020.
EBIT	Earnings before interest and taxes.
EBITA	Earnings before interest, taxes and amortisation.
EBITDA	Earnings before interest, taxes, depreciation and amortisation.

General aviation	Aircraft operations that are not regular public transport, such as private charter and aircraft training flights, and Royal Flying Doctor Services.
Landside	The part of the airport grounds and the part of the airport buildings to which the non-travelling public has free access.
Long-term parking	Parking for a period of one or more days.
Monitored airports	Airports which are subject to reporting requirements and price and quality of service monitoring and are specified in Parts 7 and 8 of the Airports Regulations 1997 (expired) and the Direction to monitor aeronautical services at major airports 12 June 2012. Currently Brisbane, Melbourne (Tullamarine), Perth and Sydney (Kingsford Smith) airports.
MTOW	Maximum take-off weight.
Objective indicators	Principally the aspects of airport services and facilities listed in the Airports Regulations 2024 to be monitored and evaluated by the ACCC and of which monitored airports are required to keep records. Includes both physical infrastructure (for example, the number of check-in desks and flight information screens) and other measurements (for example, certain passenger numbers).
Off-airport car park	A car park that is located outside of the airport precinct and operated by a third party. Access to the terminals is provided by a shuttle bus that is provided by the off-airport car park operator.
Operating profit	Earnings (revenue less cost) before interest, taxes and amortisation (EBITA).
Operating profit margins	Operating profit (EBITA) as a percentage of revenue.
Passenger-related services and facilities	Services and facilities provided by airports that are specifically used by passengers (for example, check in desks, aerobridges and gate lounges). The full list of services and facilities for monitoring purposes is in the Airports Regulations 2024.
2019 Productivity Commission inquiry	Productivity Commission 2019, Economic Regulation of Airports, Report no. 92, Canberra.
Peak hour	The hour that, on average for each day in the financial year, has the highest number of (arriving/departing/total) passengers.
Quality of service	A metric derived by aggregating the quality-of-service monitoring results sourced from objective indicators and surveys of airlines and passengers on the quality of services and facilities provided by the monitored airports.
Real terms	A value expressed in the money of a particular base time period (for example, 2022–23 dollars). Values in real terms remove the impact of inflation and provide a better comparison of values over time.

Return on assets	Ratio of EBITA relative to average tangible non-current assets. The ACCC uses a 'line in the sand' approach to valuing 'aeronautical assets' (see Appendix A).
Short-term parking	Parking for up to one day.
T1/T2/T3/T4	Terminal 1/Terminal 2/Terminal 3/Terminal 4
Taxiway	A road for aircraft that connects runways with airport facilities including ramps, hangers and terminals.

Key messages



Brisbane, Melbourne, Perth and Sydney airports reported a significant rebound in passenger numbers in 2022–23, the first full year since the end of interstate and international travel restrictions in Australia due to the pandemic. The airports reported a total of 100.7 million passengers, up 127.4% from the previous year.



The recovery in passenger numbers translated to a growth in aeronautical revenue and operating profits. The airports collectively earned \$2.01 billion in aeronautical revenues over the year, up 91% since 2021–22. Aeronautical operating profits and margins are now positive and returning to pre-pandemic levels.



Car parking operating profits increased significantly in 2022–23. The 4 airports collectively earned \$337 million in operating profits from car parking activities, an increase of 168% since 2021–22. All 4 monitored airports reported operating profit margins above 60% for car parking operations.



The airports' revenues from landside transport access services such as those provided to taxis, rideshare operators and buses grew by 125% in 2022–23 to \$56.7 million.

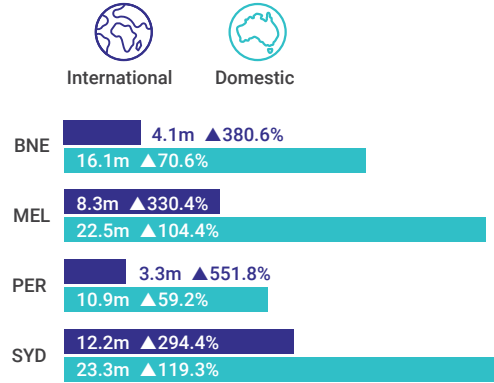
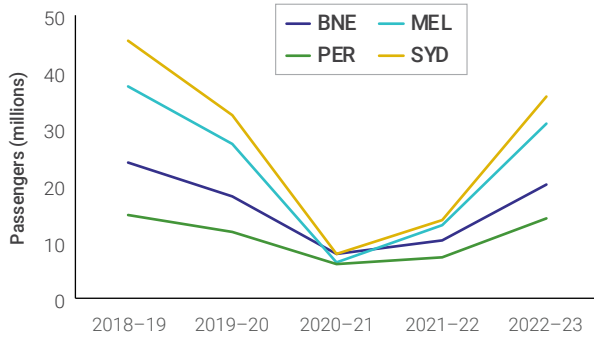


The ACCC resumed its quality of service reporting during the 2022–23 year following its suspension during the pandemic. Ratings are calculated from passenger and airline surveys and objective measures. Possible ratings are excellent, good, satisfactory, poor and very poor.

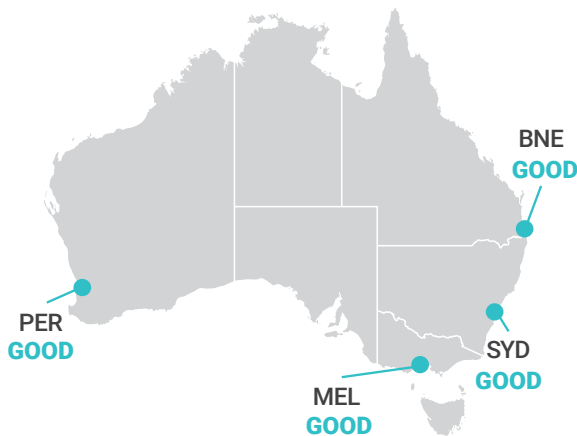
In 2022–23, all 4 airports recorded an overall rating of 'good' for their quality of service and facilities.

Key results

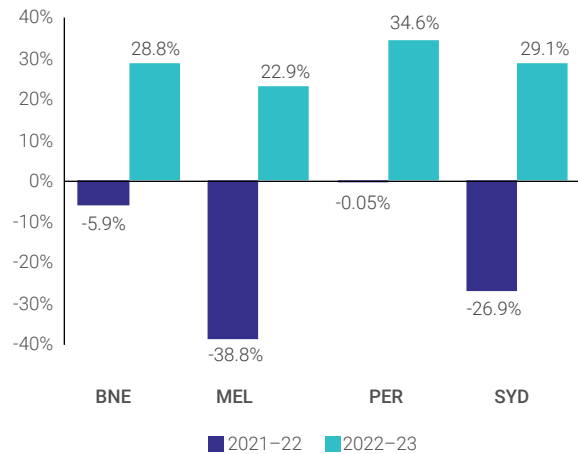
NUMBER OF PASSENGERS



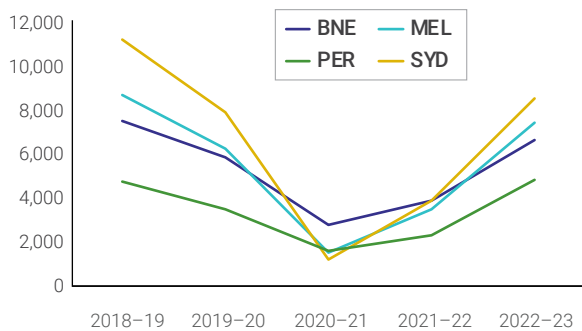
QUALITY OF SERVICE RATINGS*



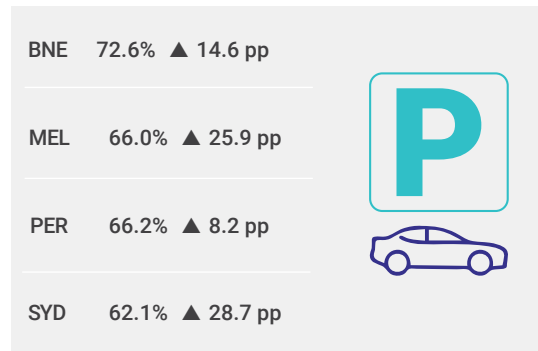
AERONAUTICAL OPERATING PROFIT MARGINS**



AVERAGE DAILY CAR PARKING THROUGHPUT



CAR PARKING OPERATING PROFIT MARGINS**



*Ratings are calculated from passenger and airline surveys and objective measures. Possible ratings are excellent, good, satisfactory, poor and very poor.

**Operating profit margin is measured as earnings before interest, taxes and amortisation (EBITA) as a percentage of revenue.

Executive summary

A significant recovery in passengers in 2022–23 helped the airports to return to aeronautical profits

In 2022–23 the 4 monitored airports of Brisbane, Melbourne, Perth and Sydney benefitted from a significant rebound in passenger numbers from the lows of the COVID-19 pandemic. The airports reported a total of 100.7 million passengers, representing growth of 127.4% over the year. The airports, however, did not record full recovery to pre-pandemic levels.

Domestic operations led the recovery as many Australians took local holidays and visited family and friends in the first full year since the end of state border closures due to the pandemic. However, the 72.8 million domestic passengers were still 10.4% lower than 2018–19 levels as major domestic airlines held back capacity, which they said was in response to high rates of cancellations, delays and mishandled bags.

International operations have been slower to recover. The airports reported 27.9 million international passengers in 2022–23, which was 31.0% below 2018–19 levels. It was only in July 2022 that the final international travel restrictions were lifted, enabling non-vaccinated travellers to travel to and from Australia. The rate of recovery was held back to some degree by ongoing travel restrictions in China and Japan for much of 2022–23.

The recovery in passenger numbers translated to a growth in aeronautical revenue and operating profits. The airports collectively earned \$2.01 billion in aeronautical revenue over the year, up 91% in real terms from the previous year. The airports made an operating profit of \$567 million from aeronautical activities in 2022–23 after reporting a loss of \$226 million the previous year. The rebound in aeronautical activity at all 4 airports had a more notable impact on revenues and operating profit than expenses, because the airports were continuing to incur fixed costs while they stayed open during the pandemic when few people were flying.

All 4 airports reported significant increases in operating profit margins for aeronautical activities in 2022–23. Perth Airport's 34.6% aeronautical profit margin was slightly higher than the 34.2% it reported in 2018–19. The aeronautical profit margins reported by the other airports remained below pre-pandemic levels, with Brisbane Airport at 28.8% (46.9% in 2018–19), Sydney Airport at 29.1% (45.1% in 2018–19) and Melbourne Airport at 22.9% (40.1% in 2018–19).

During the pandemic the airports were relatively conservative with investments and reduced or delayed projects where possible. The investment levels for all airports pre-pandemic (2018–19) and the first year of the pandemic (2019–20) were \$1.43 billion and \$918 million in aeronautical assets, respectively. In 2022–23 the airports retained a modest investment program, investing \$559 million in aeronautical operations. This represented an increase of 37% compared to the previous year, and 5.9% of the airports' combined aeronautical asset base. Melbourne Airport contributed 62% of the 2022–23 investment in aeronautical operations by the monitored airports.

Three airports earned higher car parking profits than before the pandemic

Car parking operating profits increased significantly in 2022–23. The number of people using the car parks increased substantially with the recovery in flying, while the airports also advised that people were increasingly choosing to drive and park at the airport over other transport modes. Profits grew as the vehicle throughput lifted revenue more than expenses. The 4 airports collectively earned \$337 million in operating profits from car parking activities, which is up 168% from 2021–22 and 6% from 2018–19 (both in real terms).

Sydney Airport's car parking operating profits increased fourfold in 2022–23 to \$80.8 million but remained 23% below 2018–19 levels. The other 3 airports have grown their car parking operating profits to above pre-COVID-19 levels. In 2022–23, Melbourne Airport's operating profit increased by 226% to \$106.2 million, Brisbane Airport's operating profit increased by 126% to \$89.9 million, and Perth Airport's operating profit increased by 80% to \$60.1 million.

All 4 monitored airports reported operating profit margins above 60% for car parking operations, with Brisbane Airport the highest at 72.6%. Brisbane, Melbourne and Perth airports reported higher car parking operating profit margins than in 2018–19. Sydney Airport's car parking operating profit margin of 62% was slightly below its pre-pandemic level of 68%.

The price to park a car at the airport both short-term and long-term fell in real terms in 2022–23. Sydney and Brisbane airports were the most expensive for 30 to 60 minute parking at the terminal, while Melbourne Airport was the cheapest. For those parking at the terminal for up to 24 hours, Sydney Airport was the most expensive and Melbourne Airport was the cheapest.

Landside revenues continued to grow

The airports' revenues from landside transport access services – such as those provided to taxis, rideshare operators and buses – grew by 125% in 2022–23 to \$56.7 million. All 4 monitored airports continued to report an increasing take up of rideshare services. The rise in landside revenues coincided with the rebound in vehicles using landside access from 2021–22.

Return of quality of service and facilities reporting

The ACCC resumed its quality of service and facilities reporting during the 2022–23 year following a break during the pandemic (2019–20 to 2021–22). The monitored airports are assessed for quality of service using airline and passenger surveys¹, as well as objective measures of performance. The possible ratings are: 'very poor', 'poor', 'satisfactory', 'good' or 'excellent'.

All 4 airports achieved an average overall rating of 'good' for their quality of service in 2022–23. These results were mainly driven by passenger ratings, which have generally remained high. Ratings from airlines were mixed, which has been a common theme over many years.

For carparking and landside transport, passengers have generally been satisfied with the time taken to enter the car parks and the waiting time for taxis across the 4 monitored airports. The airports received a 'good' rating from passengers across the services, on average, with Brisbane Airport achieving 'excellent' for carpark waiting times at its domestic terminal. Perth Airport only achieved 'satisfactory' for taxi waiting time at T4.

¹ The monitored airports survey passengers and the ACCC surveys airlines.

Key performance indicators

Table i: Key aeronautical indicators for 2022–23

Airport	Passenger numbers (m)	Aeronautical revenue (\$m)	Aeronautical revenue per passenger (\$)	Aeronautical operating profit (\$m)	Aeronautical profit margin (%)	Return on aeronautical assets (%)	Quality rating – total airport
Brisbane	20.2m	\$395.4m	\$19.57	\$113.8m	28.8%	4.0%	Good
Melbourne	30.8m	\$507.1m	\$16.47	\$116.3m	22.9%	4.3%	Good
Perth	14.2m	\$276.8m	\$19.50	\$95.7m	34.6%	9.5%	Good
Sydney	35.5m	\$829.9m	\$23.36	\$241.5m	29.1%	8.1%	Good

Source: ACCC analysis of information from the monitored airports.

Table ii: Changes in key aeronautical indicators from 2021–22 to 2022–23

Airport	Passenger numbers (% change)	Aeronautical revenue (% change)	Aeronautical revenue per passenger (% change)	Quality rating – total airport (change from 2018–19)
Brisbane	96.4%	82.1%	-7.3%	Steady
Melbourne	138.1%	98.1%	-16.8%	Steady
Perth	93.1%	79.2%	-7.2%	Steady
Sydney	158.9%	96.5%	-24.1%	Steady

Source: ACCC analysis of information from the monitored airports.

Table iii: Key car parking indicators for 2022–23

Airport	Car parking revenue (\$m)	Car parking operating profit (\$m)	Car parking profit margin (%)	Car parking spaces	Car parking revenue per car park space (\$)	Operating profit per car park space (\$)	Car parking share of total airport revenue (%)
Brisbane	\$123.9m	\$89.9m	72.6%	19,961	-	-	15.0%
Melbourne	\$160.9m	\$106.2m	66.0%	26,654	\$6,038	\$3,985	15.9%
Perth	\$90.9m	\$60.1m	66.2%	22,689	\$4,006	\$2,650	14.7%
Sydney	\$130.1m	\$80.8m	62.1%	15,074	\$8,632	\$5,357	9.5%

Source: ACCC analysis of information from the monitored airports.

Note: Brisbane Airport has claimed confidentiality over car parking revenue per car park space and operating profit per car park space.

Table iv: Changes in key car parking indicators from 2021–22 to 2022–23

Airport	Car parking revenue (% change)	Operating profit (% change)	Profit margin (percentage point (pp) change)	Car parking spaces (% change)	Revenue per car park space (% change)	Operating profit per car park space (% change)
Brisbane	81.0%	126.5%	14.6pp	0.0%	-	-
Melbourne	97.7%	225.7%	25.9pp	0.0%	97.7%	225.7%
Perth	57.9%	80.1%	8.2pp	17.2%	34.7%	53.6%
Sydney	115.8%	301.1%	28.7pp	27.6%	69.1%	214.2%

Note: Brisbane Airport has claimed confidentiality over revenue per car park space (% change) and operating profit per car park space (% change).

1. Introduction

1.1 The ACCC's monitoring role

In this report the ACCC presents results of our monitoring of prices, costs and profits, and quality, at Brisbane, Melbourne (Tullamarine), Perth and Sydney (Kingsford Smith) airports for 2022–23. We focus monitoring on the airports' supply of aeronautical, car parking and landside transport access services – for example, for rideshare and taxis.

Our monitoring functions originate from directions issued by the Assistant Treasurer pursuant to section 95ZF of the *Competition and Consumer Act 2010*.

The Australian Government established the price monitoring regime in 2002 following consideration of the recommendations of a Productivity Commission inquiry. Before that, the ACCC regulated airport prices. The government intended that the move from a price regulation regime to a monitoring regime would facilitate investment and innovation. It also sought to retain some oversight of the exercise of market power by the airports in their dealings with airlines and other customers.

It is generally accepted that Australia's 4 major airports have market power. As a result, there is a concern that at some airports, airport users such as airlines do not possess enough bargaining power to ensure appropriate commercial outcomes.

An airport not constrained by competition or regulation could be expected to exercise its market power to earn monopoly profit to the detriment of the broader Australian economy. For example, an airport may not face enough incentive to constrain its prices and/or improve the quality of its services and facilities. It could also under or over invest in infrastructure, potentially leading to inefficient outcomes. Due to a lack of competitive pressure, an unconstrained airport may also lack the incentive to operate efficiently or adopt innovative technologies and service models.

Price monitoring, which is a 'lighter handed' measure than regulation, can provide some transparency over the airports' performance and allows for some general observations to be made regarding whether they are taking advantage of the lack of competition. This can help inform the Australian Government about whether some form of regulation may be required to better protect consumers and promote more efficient outcomes. Transparency of performance may also help airlines in their negotiations with airports regarding prices and service standards.

Monitoring is limited in its ability to address behaviour that is detrimental to consumers. For example, monitoring does not directly restrict the airports from increasing prices and/or allowing service quality to decline. In particular, it does not provide the ACCC with the ability to intervene in the airports' setting of terms and conditions of access to the airports' infrastructure.

1.2 The structure of this report

The structure of the report is as follows:

- Chapter 2 looks at airport passenger numbers and selected aviation policy developments.
- Chapter 3 provides an overview of the revenues and profits of the monitored airports' total operations.
- Chapters 4, 5 and 6 focus on aeronautical, car parking and landside transport access operations respectively.
- The Appendix includes further background information and discussion of reporting methodologies.

All airport monitoring reports can be found on the ACCC website at <https://www.accc.gov.au/regulated-infrastructure/airports-aviation/airports-monitoring>. The webpage for each report will include links to the regulatory accounts for the monitored airports for that year and supplementary information to the report, such as the various forms of data used in that report.

2. Industry activity and developments

Key points

- In 2022–23 the 4 monitored airports of Brisbane, Melbourne, Perth and Sydney continued to benefit from a rebound in passenger numbers. The 4 airports reported a total of 100.7 million passengers, representing growth of 127.4% over the year. The airports, however, did not record full recovery to pre-pandemic levels.
- Domestic operations led the recovery as many Australians took local holidays and visited family and friends in the first full year since the end of state border closures due to the pandemic. However, the 72.8 million domestic passengers were still 10.4% lower than 2018–19 levels as airlines held back capacity.
- Through its Aviation White Paper process, the Australian Government has been consulting to develop its long-term policies for the aviation sector through to 2050. The ACCC's submission discussed possible policy reforms to address airport market power, including providing access to arbitration to resolve disputes between airports and airlines.

This chapter covers:

- 2022–23 passenger numbers
- selected industry developments:
 - the Australian Government's Aviation White Paper process which is to develop policies for the aviation sector through to 2050
 - the Australian Government's proposed reforms to the Sydney Airport demand management arrangements
 - the status of the ACCC's 2023 advice to the government on airport financial reporting and quality monitoring.

2.1 Passenger numbers up but recovery largely still not complete, particularly for international

The effects of the COVID-19 pandemic on the number of people flying in Australia were subsiding but still a factor in 2022–23. Passenger numbers for the 4 monitored airports were up on the previous financial year but the airports largely had not recovered to 2018–19 (pre-COVID-19) levels, particularly for international passengers.

Table 2.1 shows that 100.7 million passengers flew through the 4 monitored airports in 2022–23. This amount represents an increase of 127.4% since the previous financial year, but a decline of 17.2% compared with the last pre-pandemic year of 2018–19. The aggregate number of passengers travelling through the monitored airports was steadily increasing by about 2% to 4% a year until the COVID-19 pandemic, reaching a total of almost 122 million passengers in 2018–19. During the pandemic, the number of people flying domestically and internationally plummeted. By 2020–21, the aggregate number of passengers travelling through the 4 monitored airports was less than 28 million.

Table 2.1: Extent of rebound in total passenger numbers, 2022–23 versus previous financial year and before pandemic

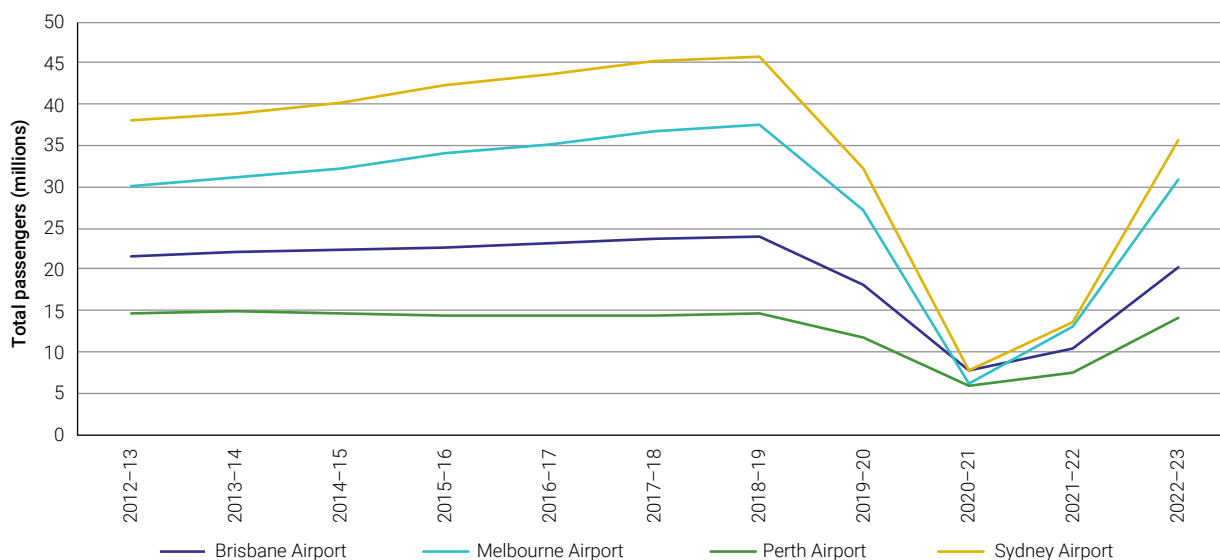
Airport	2022–23	Change since 2021–22 (%)	Change since 2018–19 (%)
Brisbane	20.2m	96.4%	-15.6%
Melbourne	30.8m	138.1%	-17.8%
Perth	14.2m	93.1%	-2.4%
Sydney	35.5m	158.9%	-22.2%
Total	100.7m	127.4%	-17.2%

Source: ACCC analysis of information from the monitored airports.

Sydney Airport reported the highest number of passengers of the monitored airports in 2022–23 with 35.5 million. Melbourne Airport reported 30.8 million passengers, followed by Brisbane Airport with 20.2 million and Perth Airport with 14.2 million.

Figure 2.1 shows total (domestic and international) passenger numbers, separately for each monitored airport, for the 10 years to 2022–23. The chart shows that all airports reported significant recovery in passengers in 2022–23 following 2 years of very little activity due to the pandemic. However, the chart also shows that the number of people that flew to and from each airport in 2022–23 remains below levels recorded before the pandemic. In percentage and absolute terms, Perth Airport was the closest to returning to its pre-COVID-19 passenger numbers; and Sydney was the furthest from doing so.

Figure 2.1: Total number of passengers (domestic and international), 2012–13 to 2022–23



Source: ACCC analysis of information from the monitored airports.

Domestic and international passenger numbers

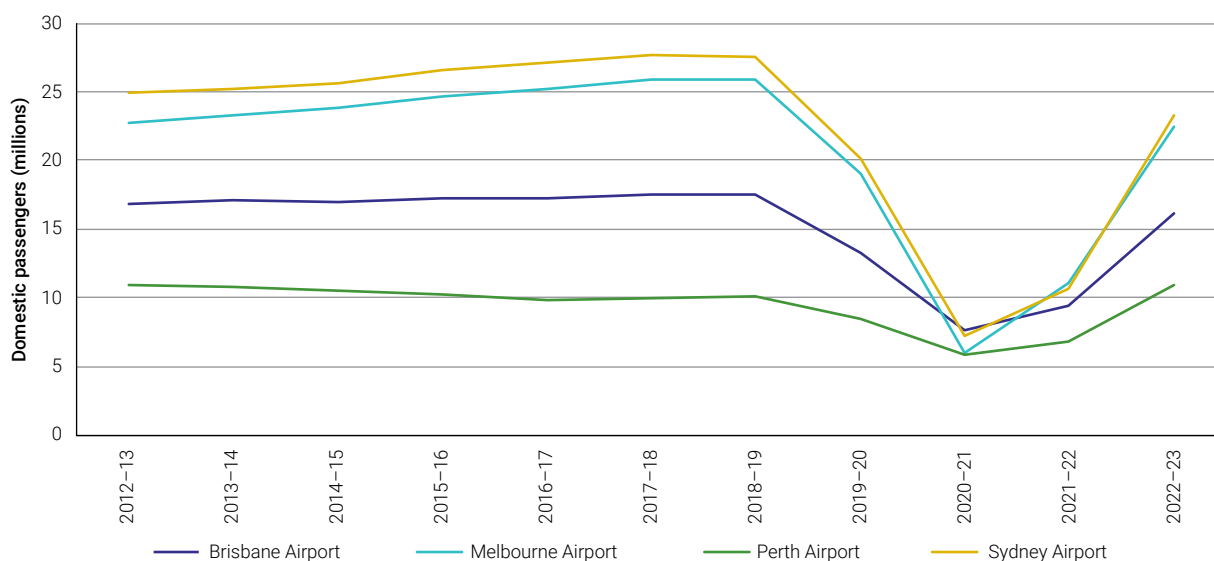
The rate of recovery in passengers in 2022–23 for the monitored airports was very different for domestic and international flights.

Most passengers travelling through the monitored airports fly on domestic flights. The 4 airports reported a total of 72.8 million domestic passengers in 2022–23, which represented an increase of 92% from the previous year. The strong growth reflected the first full year since the end of state border closures due to the pandemic, along with strong pent up demand for holidays and to visit family and friends. Limited international capacity at this time, which resulted in particularly high international airfares, also encouraged people to travel domestically.

Despite the strong recovery in domestic passengers across the monitored airports, it was not sufficient to return to pre-pandemic levels. The number of domestic passengers across the airports was 10.4% below that reported for 2018–19. The primary reason for this was constrained capacity. As flying rapidly began to return towards the very end of 2021–22, it became clear that the reduced workforces across the aviation sector were not yet able to effectively handle that level of activity. In response to the high rates of flight cancellations and delays, along with heightened levels of mishandled bags, the major domestic airlines chose to withhold capacity throughout 2022–23 at levels below full recovery.²

Figure 2.2 below shows the number of domestic passengers using the airports for the years 2012–13 to 2022–23. Sydney Airport handled 23.3 million domestic passengers in 2022–23, followed closely by Melbourne Airport with 22.5 million.

Figure 2.2: Domestic passenger numbers by airport, 2012–13 to 2022–23



Source: ACCC analysis of information received from the monitored airports.

Domestic passenger numbers increased for all 4 monitored airports from 2021–22 to 2022–23. However, domestic passenger numbers were still below 2018–19 levels for 3 of the 4 airports, with Perth Airport the exception. Perth Airport told the ACCC that this was primarily driven by a surge in passengers on regional flights within Western Australia, which in June 2023 were 39% above pre-COVID-19 levels. This reflected continued strong growth in the fly in, fly out resources sector.

² ACCC, *Airline competition in Australia*, December 2022, p 4, available at <https://www.accc.gov.au/about-us/publications/serial-publications/domestic-airline-competition-monitoring-reports/airline-competition-in-australia-december-2022-report>.

With respect to international flights, the monitored airports combined handled 27.9 million international passengers in 2022–23. The recovery in international travel has been slower than domestic travel. Fully vaccinated Australians were only allowed to travel overseas from November 2021, while the border was only opened to vaccinated foreign travellers from February 2021. All travel restrictions were lifted in July 2022, meaning non-vaccinated travellers could also travel to and from Australia.

With the lifting of travel restrictions, international airlines began increasing capacity to and from Australia. The number of international passengers handled by the monitored airports increased by 337.2% in 2022–23 from a low absolute base in 2021–22. The 2022–23 result was still 31.0% below 2018–19 totals. It was only in July 2022 that international travel restrictions were lifted, enabling non-vaccinated travellers to travel to and from Australia. The rate of recovery was held back to some degree by ongoing travel restrictions in China and Japan for much of 2022–23.

Figure 2.3 shows international passenger numbers for each of the 4 monitored airports from 2012–13 to 2022–23. Sydney Airport handled 12.2 million international passengers in 2022–23, followed by Melbourne Airport with 8.3 million.

Figure 2.3: International passenger numbers by airport, 2012–13 to 2022–23



Source: ACCC analysis of information received from the monitored airports.

2.2 The Australian Government is reviewing policies for the aviation sector

Through the Aviation White Paper process, the Australian Government has been consulting with stakeholders to develop its long-term policies for the aviation sector through to 2050.³ The government expects to release its Aviation White Paper in mid-2024.

As part of this process, the government released an Aviation Green Paper in September 2023, seeking submissions.⁴ The green paper outlined various areas for future aviation policy reform,

³ Department of Infrastructure, Transport, Regional Development, Communications and the Arts, <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/aviation-white-paper>, accessed March 2024.

⁴ Department of Infrastructure, Transport, Regional Development, Communications and the Arts, <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/aviation-green-paper>, 7 September 2023, accessed March 2024.

including on competition, consumer protections, maximising aviation's contribution to 'net zero' emissions and fit for purpose agencies and regulations.

The ACCC's submission to the green paper⁵ discusses policy reforms to address airport market power, including providing access to arbitration to resolve any disputes between airports and airlines. The ACCC also supports greater requirements on airports to provide information to address the imbalance of power in commercial negotiations between airports and airlines. We also call for a review of the Aeronautical Pricing Principles, including to make them mandatory and enforceable. These principles, for airports and airport users, relate to prices, service delivery and the conduct of commercial negotiations.⁶

The ACCC's submission called for the government to implement reforms to the Sydney Airport slot management scheme as soon as possible, to promote airline competition both at Sydney Airport and across the country. The *Sydney Airport Demand Management Act 1997* sets the maximum movement limit for aircraft movements at Sydney Airport, of 80 take offs and landings per hour; and provides for the slot management scheme, under which slots for gate movements at Sydney Airport are allocated. Our reform suggestions include making competition an objective for the slot management scheme and providing greater transparency around slot allocation and usage.

On 21 February 2024 the Australian Government announced reforms to the demand management arrangements.⁷ With regard to Sydney Airport's supply of aeronautical services, the government stated it was not making any changes to existing arrangements for curfews on flights or, in effect, the total cap on daily aircraft movements. The reforms include changes to the movement cap to create a 'recovery period' mode intended to reduce delays when there is severe weather or other major disruptions outside the control of the airlines or the airport. The recovery period would allow up to 85 planes to take off or land every hour for a maximum of 2 hours on the same day following the disruption, with no increase in the total amount of flights on that day.

With regard to airline competition, the government's reforms include:

- Changing the definition of a 'new entrant', so that more airlines could be considered new entrants with advantaged access to available slots; and updating the allocation process for airlines wanting to change the times of slots to which they have pre-existing rights.
- Requiring the Sydney Airport Slot Manager to regularly publish information about how slots are issued to airlines and how airlines use them – such as information about cancellations and delays.

5 ACCC, <https://www.accc.gov.au/system/files/accc-submission-to-aviation-green-paper-nov-23.pdf>, November 2023.

6 Australian Government, Productivity Commission, *Economic Regulation of Airports, Inquiry Report No 92*, 21 June 2019, p xv, <https://www.pc.gov.au/inquiries/completed/airports-2019/report/airports-2019.pdf>, accessed March 2024; Australian Government Ministers – Treasury Portfolio, <https://ministers.treasury.gov.au/ministers/peter-costello-1996/media-releases/productivity-commission-report-review-price-regulation>, accessed March 2024.

7 See Department of Infrastructure, Transport, Regional Development, Communications and the Arts, <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/airports/reforms-sydney-airport-demand-management-framework>, accessed March 2024.

2.3 Government considering ACCC advice on enhanced financial and quality reporting

In May 2023 the ACCC responded to a request from the Australian Government for advice related to improving the framework for the monitoring of airports. We advised the government that:

- for the monitoring of financial performance, it should require the monitored airports to report to the ACCC systematically disaggregated data and detailed cost allocation methodologies, including that the airports disaggregate aeronautical financial statements by domestic and international passenger flights⁸
- for the monitoring of the quality of services and facilities, it should amend Schedule 2 of the Airports Regulations 1997 (now in Part 5 of the Airports Regulations 2024) to provide for certain new and amended 'matters', such as time waiting in security queues and the operability and reliability of runways.⁹

The ACCC understands that our advice is being considered as part of the government's Aviation White Paper process.

8 ACCC, <https://www.accc.gov.au/by-industry/travel-and-airports/airport-monitoring/more-detailed-information-on-financial-performance-of-airports/accc-final-advice-on-financial-information-may-2023>, May 2023.

9 ACCC, <https://www.accc.gov.au/by-industry/travel-and-airports/airport-monitoring/airports-quality-of-service-review/accc-final-advice-on-airport-quality-indicators>, May 2023.

3. Total airport financial performance

Key points

- In 2022–23, all 4 monitored airports reported higher total operating profits and operating profit margins than the previous year.
- Although aeronautical operations are the backbone of the airport’s operations, car parking provides the greatest operating margins.
- All 4 airports received a total quality of service rating of ‘good’, consistent with previous years.

This chapter covers:

- the airports’ earnings for total operations: aeronautical, car parking, landside transport access and other commercial operations
- a comparison of the contribution in revenue and operating profit margins in 2022–23 of segments of total airport operations, particularly aeronautical and car parking operations
- information on ratings of the quality of the monitored airports’ services and facilities, based on surveys of passengers and airlines and ‘objective’ data from the airports such as ratios of passengers to security screening equipment.

The ACCC has also published supplementary information to this report, including the financial reports of the 4 airport operator companies, on our website, available via <https://www.accc.gov.au/about-us/publications/serial-publications/airport-monitoring-reports>.

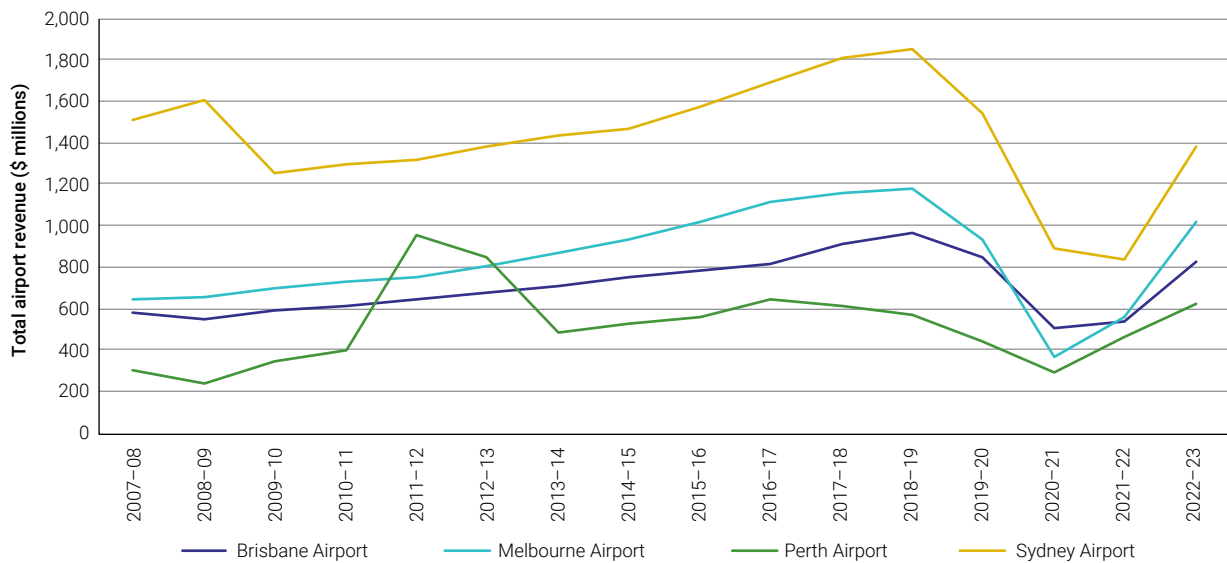
As is the case in other parts of this report, we have adjusted historical dollar amounts in this chapter for inflation, presenting them in 2022–23 prices.

3.1 Total airport revenue continued to increase

As expected, on a total airport basis, all 4 monitored airports reported higher total airport revenues in 2022–23 than in 2021–22. Collectively, the airports reported revenue of \$3,832 million, up 60.9%.

The biggest increases were recorded by the airports in states that had been the most impacted by long pandemic lockdowns. Sydney Airport’s total airport revenue rose by 65.5% to \$1,374.9 million, the highest of the monitored airports (see figure 3.1 below). Melbourne Airport increased its revenues by the most in percentage terms: up 82.1% to \$1,012.9 million. Brisbane Airport reported \$825.2 million (up 54.0%) while Perth Airport reported \$619.1 million (up 35.0%).

Figure 3.1: Total airport revenue in real terms, 2007–08 to 2022–23



Source: ACCC analysis of information from the monitored airports.

Despite this improvement year on year, all the airports except Perth Airport recorded total airport revenues in 2022–23 that were lower than 2018–19, the financial year before the COVID-19 pandemic. Perth Airport’s 2022–23 revenues were 8.9% higher than the financial year before the pandemic. Perth Airport advised that the increase in its revenue between 2018–19 and 2022–23 was driven by an additional \$33.7 million from a balance sheet adjustment for the revaluation of non-aeronautical property and an additional \$35 million in security revenue. Perth Airport further advised that the latter reflected its compliance with new security arrangements and represented a direct pass through of costs only, with the airport not profiting from this arrangement. Perth Airport noted that by excluding these 2 items, its revenue had decreased by 3.4%.

3.2 Total airport earnings increased, with revenues increasing more than costs

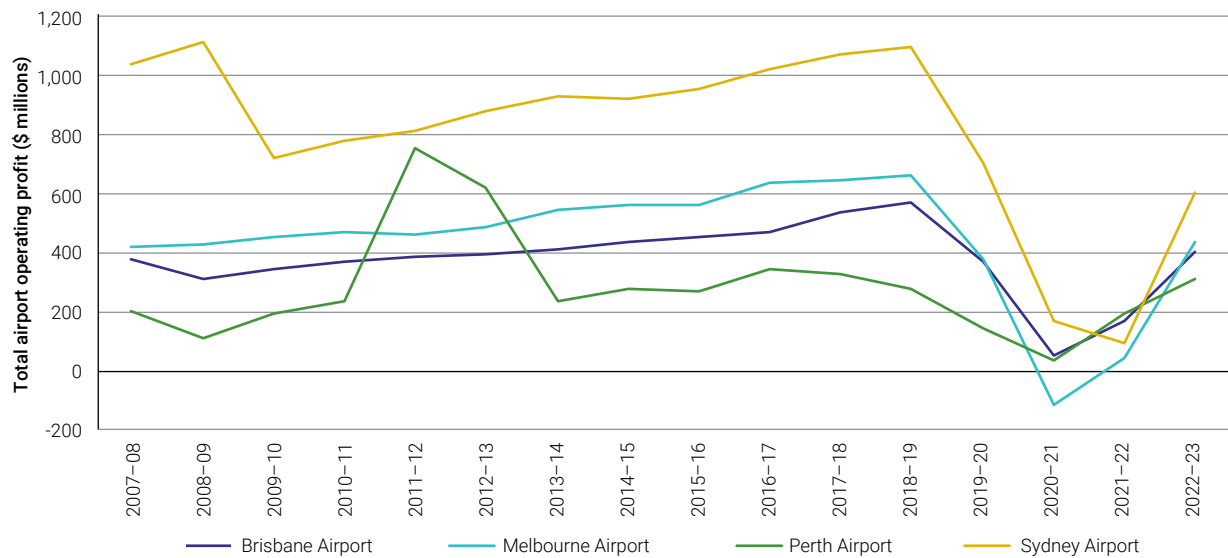
One of the indicators that the ACCC uses to assess profitability of the monitored airports is earnings before interest, taxes and amortisation (EBITA). This is referred to in this report as ‘operating profit’ or ‘profit’.¹⁰

On a total airport basis, all 4 monitored airports reported higher operating profits in 2022–23 than in 2021–22. Collectively, the airports reported operating profits of \$1,763.2 million in 2022–23, up 248.6%.

The biggest increases were recorded by Sydney and Melbourne airports (see figure 3.2 below and table 3.1 further below). Sydney Airport increased its total airport operating profit by 562.6% to \$606.8 million, the highest of the monitored airports. Melbourne Airport increased its operating profit by almost 9 times to \$443.4 million. Brisbane Airport reported an operating profit of \$401.3 million.

¹⁰ For more information on the ACCC’s use of EBITA as the profit measure for our airport monitoring, see Appendix A.

Figure 3.2: Total airport operating profit, by airport, 2007–08 to 2022–23



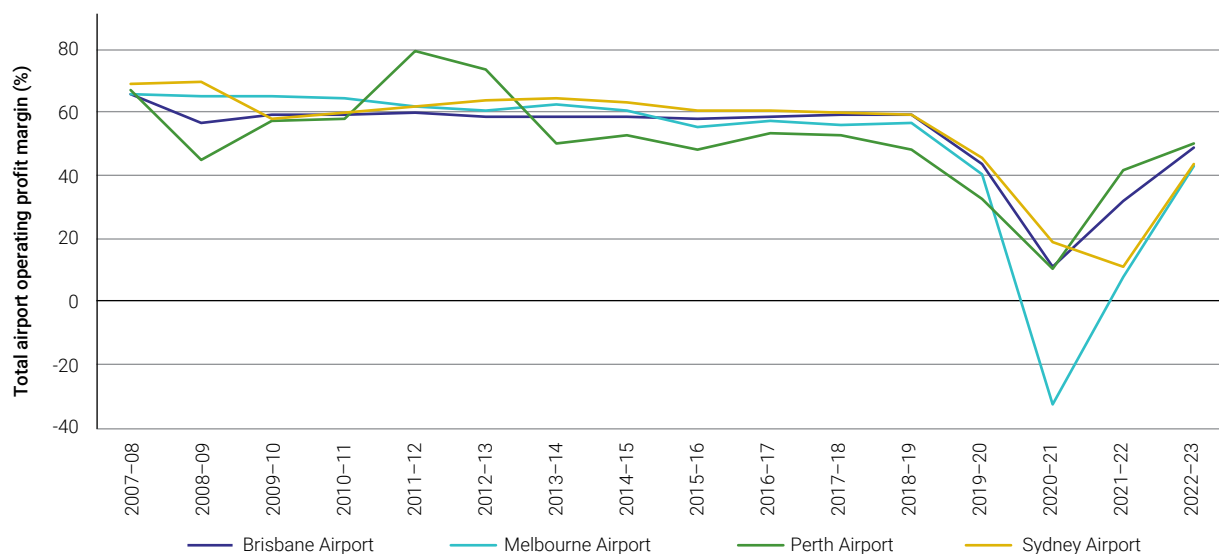
Source: ACCC analysis of information from the monitored airports. Real values (2022–23 dollars).

Perth Airport was the only airport to record higher operating profits in 2022–23 than the financial year before the COVID-19 pandemic. Perth Airport’s 2022–23 operating profit of \$311.8 million was 14.1% higher than 2018–19, but still not as high as it was in 2011–12. Perth Airport advised that the increase in its revenue between 2018–19 and 2022–23 was driven by an additional \$33.7 million from a balance sheet adjustment for the revaluation of non-aeronautical property. Perth Airport noted that, excluding this revaluation, its operating profits increased in real terms by 1.7%.

Another indicator that we use to assess profitability is operating profit margins, EBITA as a percentage of total revenue. This is referred to in this report as ‘operating profit margin’ or ‘profit margin’.

Figure 3.3 shows that in 2022–23, all 4 monitored airports reported total airport operating profit margins above 43%, with Perth Airport recording the highest margin, at 50.4%. Compared with 2021–22, Melbourne Airport reported the largest percentage increase in total airport operating profit margin, moving from 9.5% to 43.8%.

Figure 3.3: Total airport operating profit margin, 2007–08 to 2022–23



Source: ACCC analysis of information from the monitored airports.

Table 3.1 below provides detailed amounts for the changes in total airport operating profit and profit margin over the past 3 years. It shows that Melbourne Airport has recorded the largest turnaround in total airport operating profit margin since 2021–22.

Table 3.1: Total operating profit and profit margin in real terms, 2020–21 to 2022–23

Airport	Airport profit (\$ million)			Airport profit margin (%)		
	2020–21	2021–22	2022–23	2020–21	2021–22	2022–23
Brisbane	\$53.8m	\$170.1m	\$401.3m	10.8%	31.8%	48.6%
Melbourne	(\$118.6m)	\$52.9m	\$443.3m	(32.6%)	9.5%	43.8%
Perth	\$30.1m	\$191.2m	\$311.8m	10.4%	41.7%	50.4%
Sydney	\$166.0m	\$91.6m	\$606.8m	18.8%	11.0%	44.1%

Source: ACCC analysis of information from the monitored airports. Real values (2022–23 dollars).

3.3 Aeronautical operations are the mainstay of airports, but margins are higher in car parking

Airports typically earn most of their total airport revenue from aeronautical operations. These are the operations that directly relate to the provision of aviation services and facilities. They range from access to runways, aprons and parking for aircraft, to the use of departure lounges, equipment to handle bags and aerobridges connecting aircraft to terminals.

Car parking and other commercial operations, such as shops in terminals or commercial property estates on airport land, also contribute material amounts of revenue.

Fees from landside transport access – charges on operators of ground transport options such as rideshare and taxis – have constituted a relatively small but increasing source of revenue.

As indicated in table 3.2 below, car parking operations provided higher operating profit margins than aeronautical operations for all 4 monitored airports in 2022–23.

Table 3.2: Contributions by business segments to total airport performance, by airport

		Total airport	Aeronautical	Car parking	Landside	Other ^(b)
Brisbane	Revenue	\$825.2m	\$395.4m	\$123.9m	\$7.9m	\$298m
	Operating profit margin	48.6%	28.8%	72.6%	-(a)	-
Melbourne	Revenue	\$1,012.9m	\$507.1m	\$160.9m	\$21.4m	\$323.5m
	Operating profit margin	43.8%	22.9%	66.0%	-	-
Perth	Revenue	\$619.1m	\$276.8m	\$90.9m	\$5.9m	\$245.5m
	Operating profit margin	50.4%	34.6%	66.2%	-	-
Sydney	Revenue	\$1,374.9m	\$829.9m	\$130.1m	\$21.5m	\$393.4m
	Operating profit margin	44.1%	29.1%	62.1%	-	-

Source: ACCC analysis of information from the monitored airports.

Note: (a) Unable to calculate due to no granular expenses data.

(b) Other includes activities such as commercial property and retail. The ACCC does not collect specific information about these activities from the monitored airports.

3.4 All 4 airports recorded an overall quality of service rating as ‘good’

The ACCC resumed collecting information on the quality of service provided by the airports in 2022–23 following its suspension during the pandemic.

This section summarises the performance of the airports in relation to total quality of service and facilities. In summary, all 4 airports recorded an overall average rating of ‘good’ for their quality of service in 2022–23. These results were mainly driven by passenger ratings (which contribute heavily to the overall rating), which have generally remained high. Ratings from airlines, were mixed, which has been a common theme over many years.

In chapter 5 car parking and chapter 6 landside transport access, we provide some observations on information we have received about the quality of those services and facilities.

Methodology

To evaluate airports’ service quality, the ACCC collects both subjective and objective information on aircraft and passenger related services and facilities. Airport users, comprising airlines and passengers, are the principal sources for the ACCC’s quality of service and facilities assessment survey data. The respondents of these surveys are asked to rate their level of satisfaction with airport services and facilities on a scale of 1 to 5. The average scores are then converted into 5 ratings ranging from ‘very poor’ to ‘excellent’, as shown in table 3.3 below.

Table 3.3: Ratings of airports services and facilities

1–1.49	1.5–2.49	2.5–3.49	3.5–4.49	4.5–5
Very poor	Poor	Satisfactory	Good	Excellent

Source: ACCC analysis of quality of service data.

The ACCC also collects data from the airport operators on a wide range of objective indicators. An example of these indicators is the number of departing passengers per check in desk, kiosk and bag drop facility.

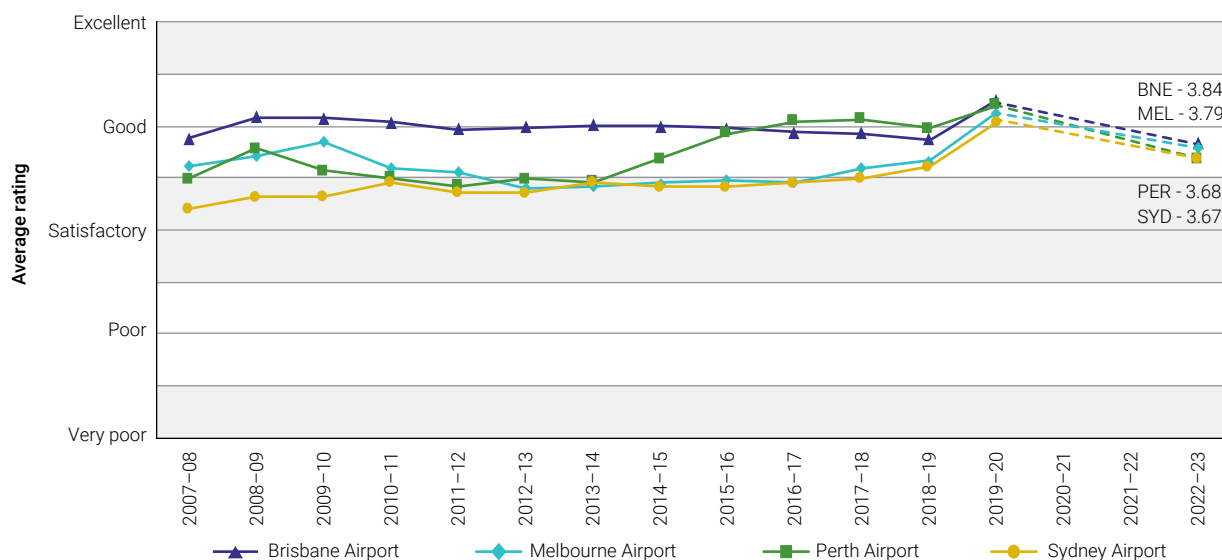
Detailed data on the airports’ quality of service can be found in the supplementary information to this report on the ACCC website.

Total airport quality of service and facilities

For each airport, the ACCC calculates a single overall quality of service and facilities rating. This overall rating covers aeronautical operations and, to a lesser degree, car parking and landside transport access operations. The overall rating represents the average score that the airport achieved across measures from the airline surveys, passenger surveys and objective indicators. The methodology for calculating this rating is explained in Appendix B.

Figure 3.4 shows that all 4 monitored airports were rated as ‘good’ for their overall quality of service and facilities. All 4 airports also received ‘good’ ratings in 2017–18 and 2018–19, before the ACCC suspended full monitoring during the COVID-19 pandemic. In 2019–20, the ACCC did not collect results for the full set of quality measures, to reduce the burden on airlines and airports. In that year, all airports remained in the good range for passenger satisfaction.¹¹

Figure 3.4: Overall quality of service and facilities rating, 2007–08 to 2022–23



Source: ACCC analysis of information from the monitored airports and airlines.

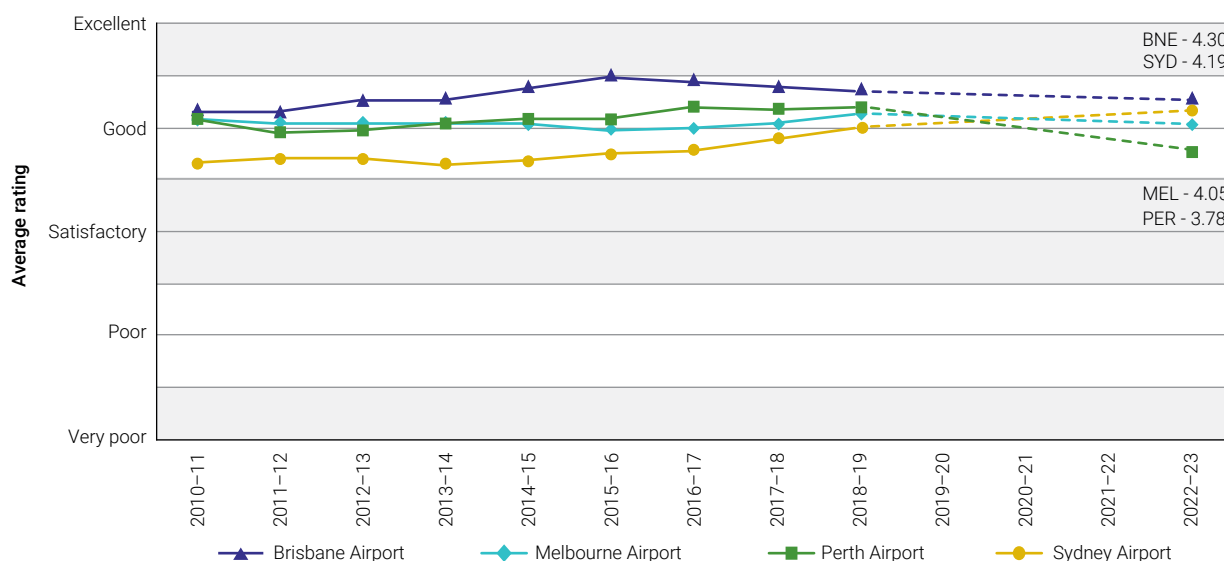
¹¹ ACCC, *Airport monitoring report 2019–20*, p v. See <https://www.accc.gov.au/about-us/publications/serial-publications/airport-monitoring-reports/airport-monitoring-report-2019-20>.

Quality of service and facilities ratings by passengers

Monitored airports surveyed passengers about the quality of service and facilities provided by them with respect to passenger related aeronautical services, car parking and landside services. Passenger perception can be affected by service providers operating at the airports other than the airport itself, such as airlines, ground handling services and Australian Border Force.

Figure 3.5 below shows the average passenger ratings of the quality of service and facilities for each monitored airport since 2010–11. Combining indicators, all 4 monitored airports were rated as ‘good’ by passengers in 2022–23.

Figure 3.5: Average passenger ratings of quality, 2010–11 to 2022–23



Source: ACCC analysis of information from the monitored airports.

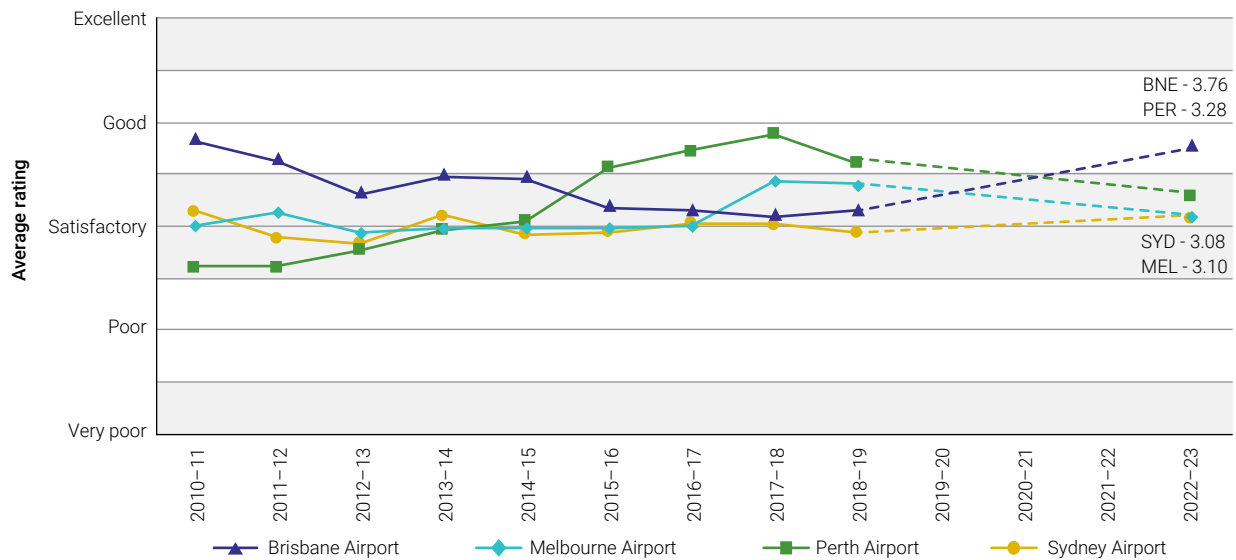
Passenger ratings of the quality of service and facilities at the airports have been consistent since 2010–11, particularly when compared to airline ratings (discussed below). Except for Brisbane Airport receiving an ‘excellent’ rating in 2015–16, all airports have received ‘good’ ratings from passengers over the 2010–11 to 2022–23 period. Sydney Airport was consistently rated as having the lowest quality of service by passengers before COVID-19, but in 2022–23 received the second highest ranking among the 4 airports.

Quality of service and facilities ratings by airlines

Airlines are also direct users of airport services and facilities and can provide a different perspective to passengers. They provide an informed view of the quality of the airports’ aeronautical infrastructure such as runways, taxiways and associated terminal infrastructure. Figure 3.6 below presents the average airline ratings on the quality of service and facilities for each monitored airport since 2010–11. The average rating has been calculated using airline survey responses with respect to aircraft and passenger related aeronautical services and airport management. Compared to passenger ratings, airline ratings have been much more volatile and generally lower since 2010–11, with the volatility partly due to the relatively small number of airline responses received. The ACCC received between 6 and 9 airline responses for each of the airports in 2022–23.

In 2022–23 Brisbane Airport was the only airport that received an average rating of ‘good’ by the airlines across the various measures. The other 3 airports which received an average rating of ‘satisfactory’.

Figure 3.6: Average airline ratings of quality of service and facilities, 2010–11 to 2022–23



Source: ACCC analysis of information from our surveys of airlines.

Overall, across the airports, some of the more common specific concerns raised by airlines related to baggage facilities, common user check-in facilities, aerobridges and public areas in terminals and public amenities, including washrooms. Airlines typically gave relatively higher average ratings for the standards of runways and taxiways.

Brisbane Airport was the highest rated airport in 2022–23 and the only monitored airport to receive a ‘good’ rating from airlines during the period. Some airlines considered that the airport had significantly improved its performance since 2018–19 and this is driven by the availability and capacity of its runways. Some airlines did, however, note that Brisbane Airport had ongoing issues with its standard of aerobridges, baggage handling equipment and cleanliness of terminals.

The other 3 monitored airports were rated as ‘satisfactory’ by airlines. Some airlines commented on the availability and capacity of Melbourne Airport’s runway assets in 2022–23, in the context that the airport conducted works on one runway during the period. Some airlines also raised concerns about, among other services and facilities, check in and baggage services and facilities.

Perth Airport dropped from a ‘good’ rating in 2018–19 to ‘satisfactory’ in 2022–23. Some airlines noted concerns with aerobridges and availability and capacity of check in and baggage facilities. Additionally airlines noted issues of foreign object debris left on runways and taxiways, and the potential service disruption and safety hazards that can result.

Regarding Sydney Airport, airlines most often raised concerns about the standard of check in services and facilities, followed by concerns about the availability and capacity of aircraft parking facilities and bays, ground handling services and facilities, aerobridges and the responsiveness of Sydney Airport management.

Objective indicators

Based on the objective indicators collected, the ACCC calculated the quality of all 4 airports’ services and facilities as ‘good’. This is the same rating achieved by the airports in 2018–19.

For more results, see our database of supplementary information to this report, at <https://www.accc.gov.au/by-industry/travel-and-airports>.

4. Aeronautical services

Key points

- The near recovery in passenger numbers from pre-COVID levels was reflected in growth in aeronautical revenue and operating profits year on year. The airports collectively earned \$2.01 billion in aeronautical revenue over the year, up 91% from 2021–22.
- The monitored airports collectively made an operating profit of \$567 million from aeronautical activities in 2022–23 after reporting a loss of \$226 million the previous year.
- The airports' aeronautical operating profit margins in 2022–23 trended towards pre-COVID-19 averages. The 2022–23 operating profit margins from highest to lowest were: Perth at 34.6%, Sydney at 29.1%, Brisbane at 28.8%, and Melbourne at 22.9%.
- Since 2007–08 Brisbane, Melbourne and Perth airports have at least doubled their aeronautical asset bases in real terms. The valuation of Sydney Airport's aeronautical asset base has fallen marginally, but it still reports the largest aeronautical asset base, at \$2.8 billion.

This chapter reports financial information for the aeronautical operations of the monitored airports. Aeronautical operations are those that directly relate to the provision of aviation services, including runways, aprons, aerobridges, departure lounges and baggage handling equipment.¹²

We also include major investments in aeronautical assets the airports have reported to the ACCC.

The ACCC has also published supplementary information to this report, including the financial reports of the 4 airport operator companies¹³, on our website, available at <https://www.accc.gov.au/about-us/publications/serial-publications/airport-monitoring-reports>.

As is the case throughout this report, we have adjusted historical dollar amounts in this chapter for inflation, presenting them in 2022–23 prices.

4.1 Revenues from aeronautical operations were closer to pre-pandemic levels

Before the pandemic, all 4 airports generated operating profits from aeronautical operations in every year over the lifespan of the airport monitoring regime and had maintained a steady aeronautical operating profit over those years.

During the COVID-19 pandemic, in the context of handling far fewer passengers, all 4 monitored airports reported large reductions in aeronautical revenue – and related operating losses on their aeronautical operations.

The rebound in passenger numbers in 2022–23 translated to growth, year on year, in aeronautical revenues and aeronautical profit.

¹² Older historical financial results the ACCC reports are affected by how the monitored airports' terminals have been operated over time. Some of the airports' terminals were operated by the airport and some by airlines under a domestic terminal lease. For more information, see Appendix A.

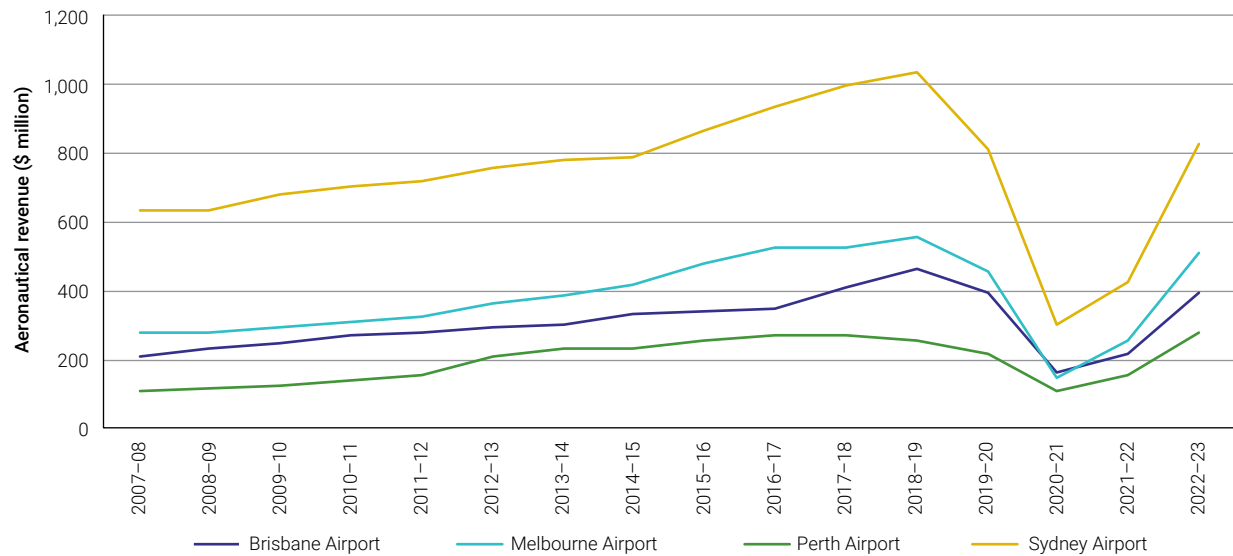
¹³ The entity that must report to the ACCC is the airport operator company. This may differ from the entity that typically published an annual report for the airport and financial amounts may differ.

Aeronautical revenue

The airports collectively earned \$2.01 billion in aeronautical revenue over the year, up 91% since 2021–22.

Figure 4.1 shows aeronautical revenues in real terms since 2007–08. Three of the 4 monitored airports reported revenues from aeronautical operations in 2022–23 that were approaching but still below 2018–19 levels. Perth Airport was the exception, reporting higher aeronautical revenues in 2022–23 than in 2018–19.

Figure 4.1: Aeronautical revenue, 2007–08 to 2022–23



Source: ACCC analysis of information from the monitored airports.

As table 4.1 below details, in 2022–23 Melbourne Airport was back above \$500 million in aeronautical revenues and back above 90% of its pre-COVID-19 aeronautical revenues. Brisbane and Sydney airports had both moved back to 80% or more of their pre-COVID-19 aeronautical revenue figures.

Sydney Airport had not yet returned to recording annual aeronautical revenues above \$1 billion, a level it had exceeded in real terms in 2018–19 (\$1.03 billion in 2022–23 dollars).

A year-on-year comparison of aeronautical revenues from 2021–22 to 2022–23 shows a significant increase in revenues across all airports, with revenues almost doubling at all airports.

Table 4.1: Comparison of aeronautical revenues, 2018–19, 2021–22 and 2022–23

Airport	2018–19 (\$m)	2021–22 (\$m)	2022–23 (\$m)	2022–23 as a percentage of 2018–19 (%)	Increase on 2021–22 (%)
Brisbane	\$463.1m	\$217.2m	\$395.4m	85.4%	82.1%
Melbourne	\$558.0m	\$256.0m	\$507.1m	90.9%	98.1%
Perth	\$254.9m	\$154.4m	\$276.8m	108.6%	79.2%
Sydney	\$1033.5m	\$422.3m	\$829.9m	80.3%	96.5%

Source: ACCC analysis of information from the monitored airports.

Note: Real values (2022–23 dollars).

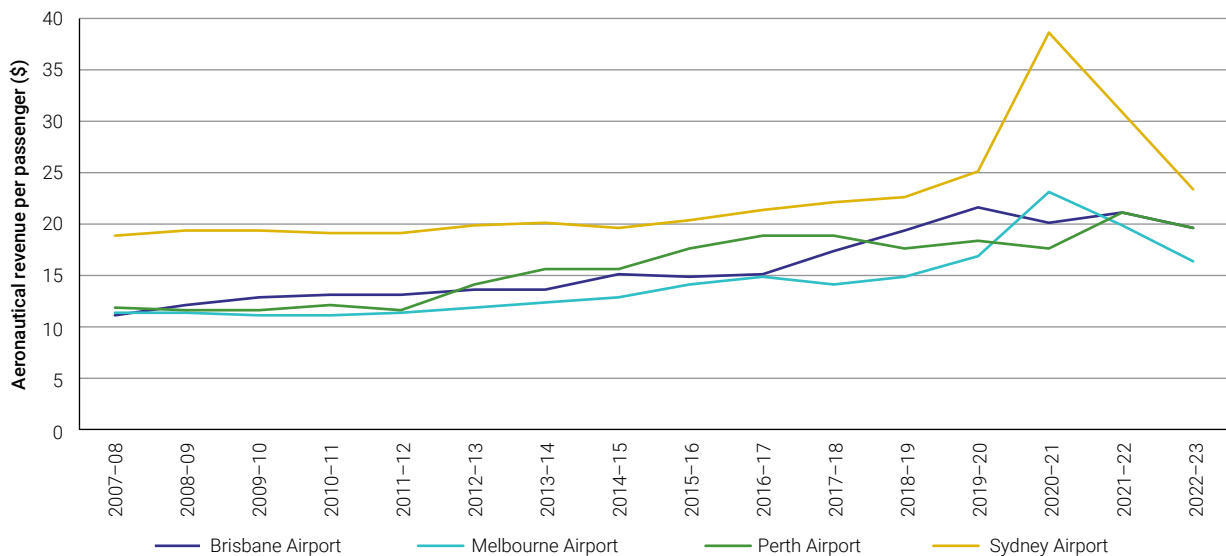
All airports reported stronger percentage growth in passengers than aeronautical revenues over the year, with Sydney and Melbourne reporting the largest difference. This reflects the stronger recovery in domestic activity over this time compared to international activity, as airports typically generate more revenue from each international passenger than they do for a domestic passenger. Passenger numbers also have grown faster than aeronautical revenues in 2022–23 as the airports were also able to continue to generate certain revenues (for example, runway charges) when aircraft were flying in 2021–22, despite fewer passengers on board.

Aeronautical revenues per passenger

Sydney Airport reported the highest aeronautical revenue per passenger of the 4 airports in 2022–23 with \$23.36. Brisbane Airport reported \$19.57 in aeronautical revenue per passenger, followed by Perth Airport with \$19.50 and Melbourne Airport with \$16.47.

Figure 4.2 below shows each airport’s aeronautical revenue per passenger in real terms (2022–23 dollars) since 2007–08. During the COVID-19 pandemic, all 4 monitored airports reported large reductions in aeronautical revenue, in the context of handling far fewer passengers. However, in some instances, aeronautical revenue declined proportionately less than the number of passengers. This was due to non-passenger revenue in the relevant period, (e.g., freight, security, aircraft parking and other non-passenger related revenue sources) and an overall lower passenger base. This resulted in higher aeronautical revenue per passenger during the pandemic – and a fall since.¹⁴ In figure 4.2 below, this is most evident for Sydney Airport.¹⁵

Figure 4.2: Aeronautical revenue per passenger, 2007–08 to 2022–23



Source: ACCC analysis of information from the monitored airports.

Over the longer term, all airports have reported increasing aeronautical revenue per passenger. Sydney Airport’s aeronautical revenue per passenger has been the highest among the 4 airports (approaching or above \$20 in real terms), partly due to a higher proportion of its passengers flying internationally. However, Sydney Airport’s revenue per passenger has not risen in percentage terms as strongly as for the other 3 monitored airports. Brisbane Airport’s revenue per passenger in 2022–23 was 78% higher in real terms than 2007–08.

14 For more information, see Appendix A.

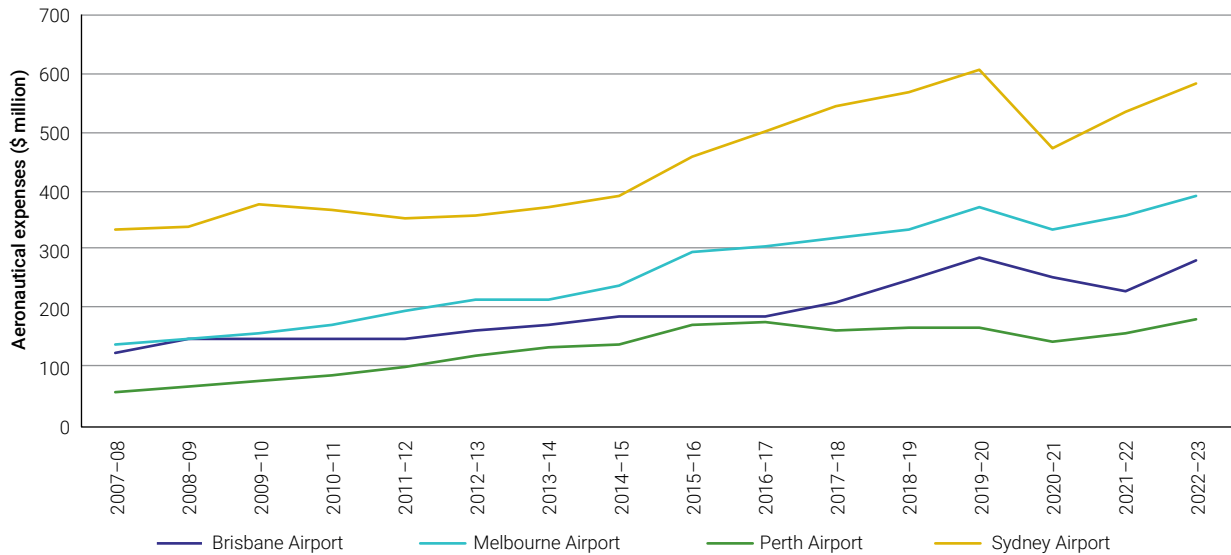
15 Year on year the falls were: Brisbane -7.3%, Melbourne -16.8%, Perth -7.2%, Sydney -24.1%.

Aeronautical expenses

The airports are also tending to record higher aeronautical total expenses in real terms.

Figure 4.3 below shows each airport's aeronautical expenses in real terms (2022–23 dollars) since 2007–08. All 4 monitored airports continued to incur material aeronautical expenses over the pandemic period, despite dampened passenger numbers.

Figure 4.3: Aeronautical expenses, 2007–08 to 2022–23



Source: ACCC analysis of information from the monitored airports.

On a per passenger basis, in 2022–23 Sydney Airport reported the highest aeronautical expenses per passenger at \$16.57. Brisbane Airport reported \$13.94 in expenses per passenger, followed by Perth Airport (\$12.76) and Melbourne Airport (\$12.69).

The airports had been reporting increasing per passenger costs over time in the lead up to the pandemic. Aeronautical expenses per passenger (on a real basis) at the 4 airports in 2018–19 were between 25% (Sydney Airport) and 90% (Perth Airport) higher than in 2007–08. That is, while Sydney Airport's aeronautical expenses per passenger since 2007–08 have typically been the highest among the 4 airports (approaching or above \$10 in real terms for more years than the other airports) and were the highest immediately before the pandemic began, they have not risen in percentage terms since 2007–08 as strongly as for the other 3 monitored airports.

4.2 Airports reported first profits on aeronautical operations since 2019–20

All 4 airports returned to making operating profits on their aeronautical activities in 2022–23 following the rebound in aeronautical activity. Operating profit is measured as earnings (revenue less cost) before interest, taxes and amortisation (EBITA).

The airports had remained open during the COVID-19 collapse in passenger numbers and continued to incur some aeronautical expenses, without their usual level of accompanying aeronautical revenues. Then, as passengers returned, aeronautical revenues increased more than expenses; and operating profits were largely restored. As an example, from 2021–22 to 2022–23, Sydney Airport recorded a large rebound in aeronautical revenues from \$422.3 million in real terms to \$829.9 million. In comparison, Sydney Airport’s aeronautical expenses increased by \$52.5 million in real terms over this period to \$588.4 million.¹⁶

The monitored airports collectively made an operating profit of \$567 million from aeronautical activities in 2022–23 after reporting a loss of \$226 million the previous year. All airports posted their first aeronautical operating profits since 2019–20.

Table 4.5 shows that Sydney Airport reported the highest operating profit from aeronautical activities in 2022–23 with \$241.5 million, following a loss of \$13.7 million the previous year. Melbourne Airport reported an aeronautical operating profit of \$116.3 million in 2022–23 (\$99.4 million loss the previous year), followed by Brisbane Airport with \$113.8 million (\$12.9 million loss the previous year) and Perth Airport with \$95.7 million (\$0.1 million loss the previous year).

Table 4.5: Aeronautical operating revenues, costs and operating profit margins, 2022–23

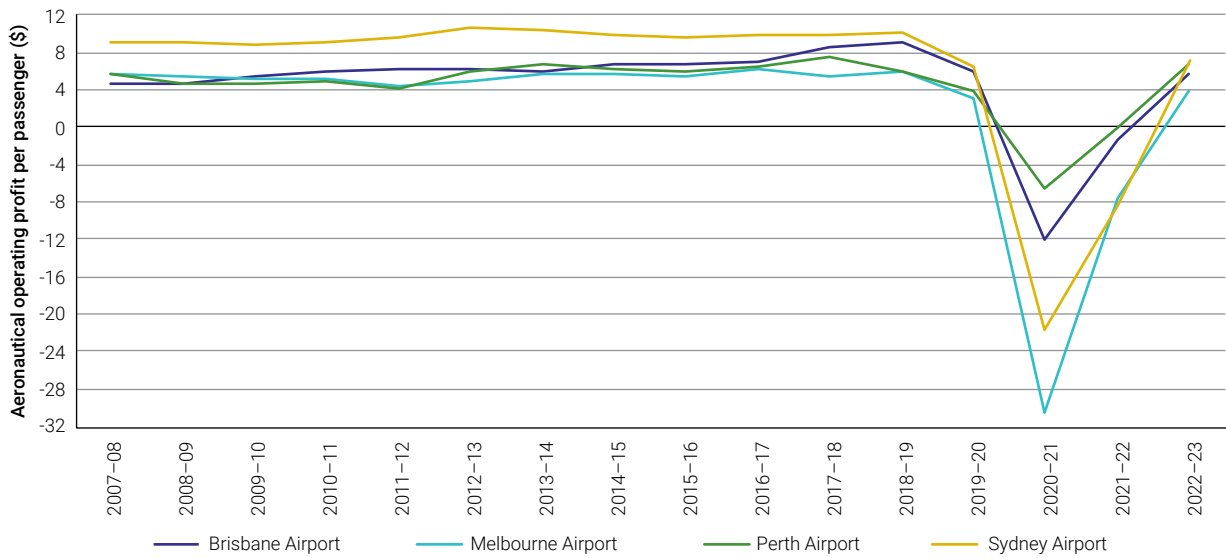
Airport	Aeronautical revenue (\$m)	Aeronautical costs (\$m)	Aeronautical operating profit (EBITA) (\$m)	Aeronautical operating profit (EBITA) margin (%)
Brisbane	\$395.4m	\$281.5m	\$113.8m	28.8%
Melbourne	\$507.1m	\$390.8m	\$116.3m	22.9%
Perth	\$276.8m	\$181.1m	\$95.7m	34.6%
Sydney	\$829.9m	\$588.4m	\$241.5m	29.1%

Source: ACCC analysis of information from the monitored airports.

Sydney Airport reported the highest aeronautical operating profit per passenger with \$6.80. Perth Airport reported an aeronautical operating profit of \$6.74 per passenger, followed by Brisbane with \$5.64 and Melbourne with \$3.78. Figure 4.4 shows that Sydney Airport had been reporting the highest operating profit per passenger prior to the pandemic.

¹⁶ On a line in the sand basis, excluding landfill. For more information about the line in the sand approach, please see Appendix A.

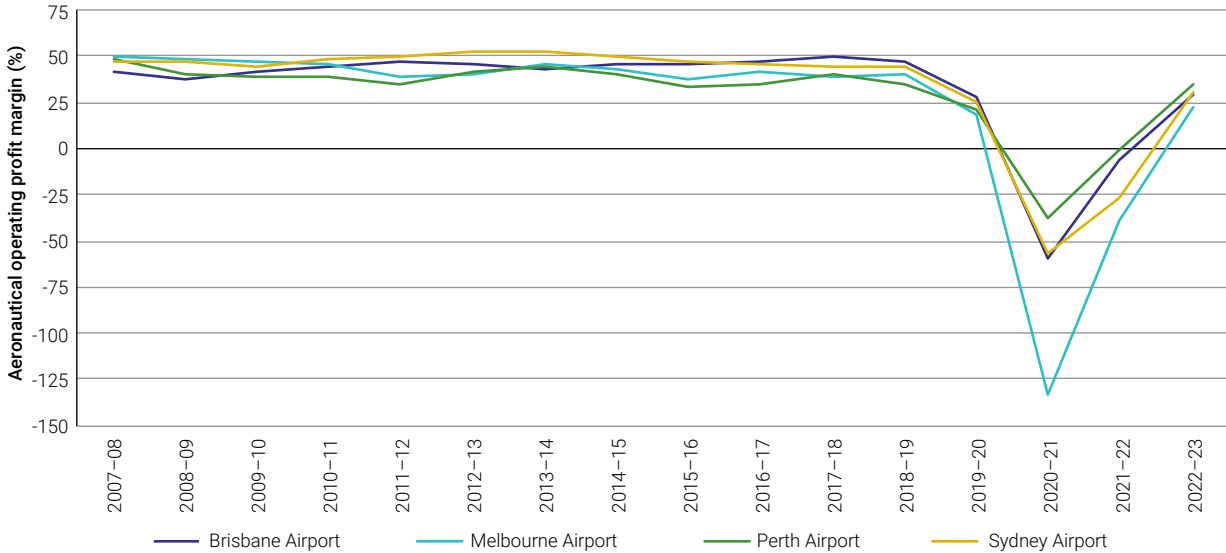
Figure 4.4: Aeronautical operating profit per passenger, 2007–08 to 2022–23



Source: ACCC analysis of information from the monitored airports.

Figure 4.5 below shows that the aeronautical operating profit margins had been quite stable for all 4 airports since 2007–08 until 2019–20. All 4 monitored airports recorded negative aeronautical profit margins during the pandemic. These margins returned to being positive in 2022–23, however they have not returned to pre-pandemic levels.

Figure 4.5: Aeronautical operating profit margins, 2007–08 to 2022–23



Source: ACCC analysis of information from the monitored airports.

Perth Airport reported the highest aeronautical operating profit margin in 2022–23 with 34.6% (compared with 34.2% in 2018–19). This was followed by Sydney at 29.1% (45.1% in 2018–19), Brisbane at 28.8% (46.9% in 2018–19) and Melbourne at 22.9% (40.1% in 2018–19).

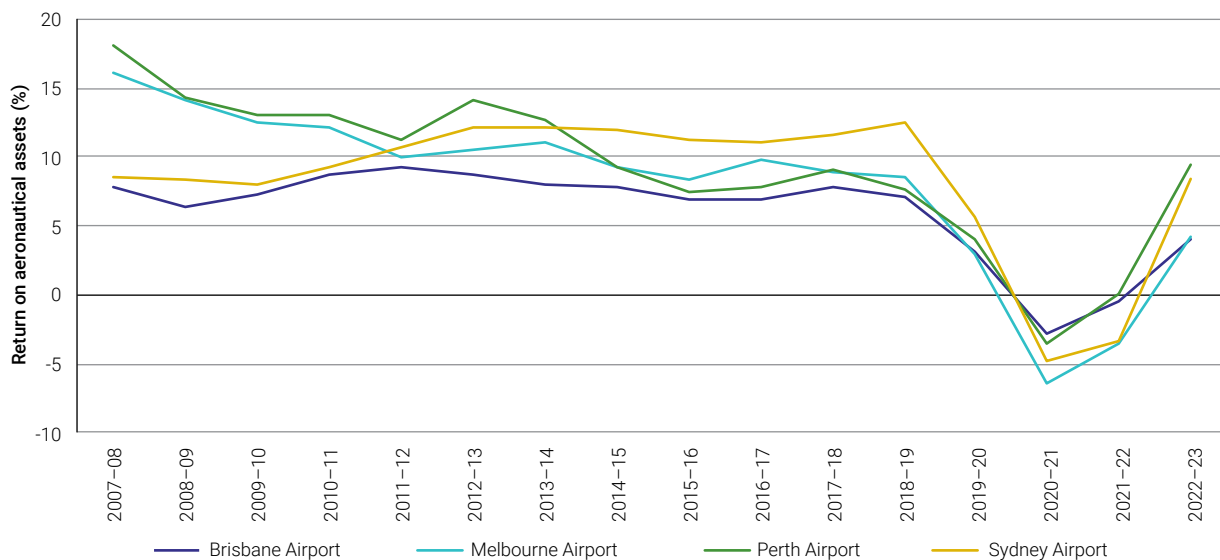
4.3 All airports reported positive returns on their aeronautical assets

For 2022–23 all 4 monitored airports reported a recovery to positive returns on aeronautical assets, based on operating profit (EBITA) as a percentage of average tangible non-current aeronautical assets.¹⁷ Perth Airport reported the highest return with 9.5%, followed by Sydney (8.1%), Melbourne (4.3%) and Brisbane (4.0%).

For 3 of the airports, return on aeronautical assets remained below both their 2018–19 levels and their average pre-pandemic return. Perth Airport’s return on aeronautical assets in 2022–23 of 9.5% was above both its return in 2018–19 (7.6%) and its average pre-pandemic return.

Figure 4.6 shows returns on aeronautical assets since 2007–08. It shows that the returns on aeronautical assets in 2022–23 for the monitored airports were tracking back towards their averages recorded from 2007–08 to 2018–19 (pre-COVID-19) from the negative returns recorded during the COVID-19 pandemic.

Figure 4.6: Return on aeronautical assets, 2007–08 to 2022–23



Source: ACCC analysis of information from the monitored airports.

Brisbane Airport’s average return on aeronautical assets from 2007–08 to 2018–19 was 7.8%, Sydney Airport’s was 10.6%, Melbourne Airport’s was 10.9% and Perth Airport’s was 11.5%.

4.4 Airports starting to resume aeronautical investments

The ACCC considers that an important determinant of an airport’s operational performance is the extent to which is it undertaking prudent and efficient investments in aeronautical infrastructure to meet the current and future needs of users.¹⁸

¹⁷ This includes applying a 2007–08 ‘line in the sand’ on aeronautical assets for 2 airports that have revalued them. For more information on the inputs to these calculations, see Appendix A.

¹⁸ For further comments on appropriate investment, see Appendix D.

The levels of investments in aeronautical assets for all 4 airports pre-pandemic (2018–19) and the first year of the pandemic (2019–20) were, in aggregate, \$1.43 billion and \$918 million, respectively.

During the pandemic the airports were relatively conservative with investments and reduced or delayed projects where possible.

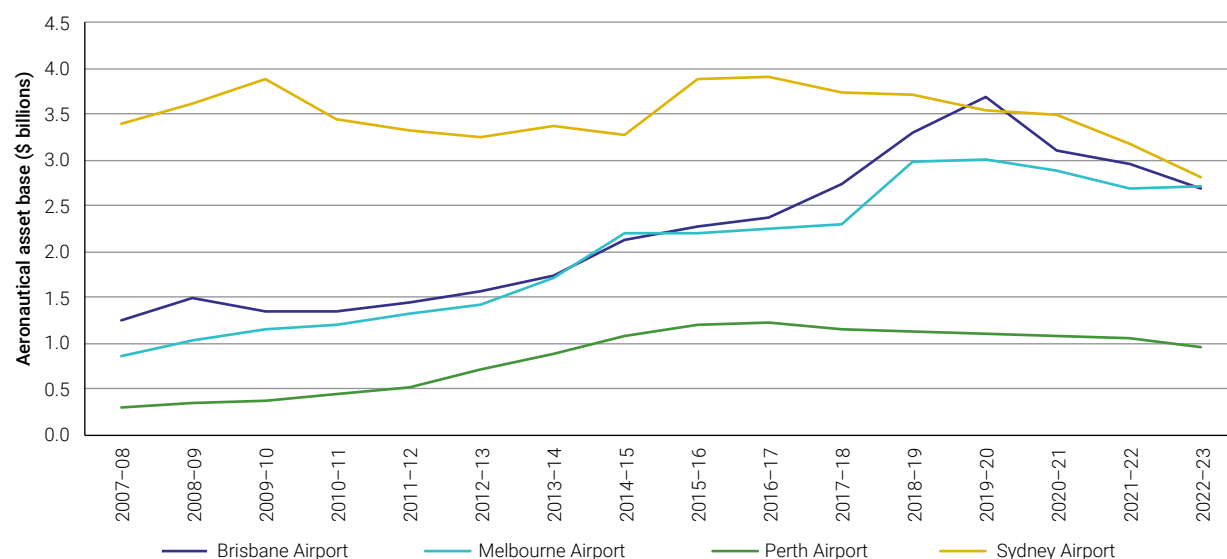
In 2022–23 the airports retained a modest investment program, investing \$559 million in aeronautical operations. This represented an increase of 37% compared to the previous year, and 5.9% of the airports’ combined aeronautical asset base. Melbourne Airport contributed 62% of the 2022–23 investment in aeronautical operations by the monitored airports.

Aeronautical asset values

Since 2007–08 Brisbane, Melbourne and Perth airports have at least doubled their aeronautical asset bases (valuations of tangible non-current aeronautical assets, in real terms). The valuation of Sydney Airport’s aeronautical asset base has fallen marginally in real terms, but it still reports the largest aeronautical asset base.

Figure 4.7 below shows each airport’s tangible non-current aeronautical asset values from 2007–08 to 2022–23. These values reflect past investments by the airport in assets used for aeronautical purposes, such as runways, taxiways, parking bays, aprons and terminal facilities. Sydney Airport reported the highest asset value in 2022–23 with \$2.79 billion¹⁹, followed by Melbourne Airport (\$2.72 billion), Brisbane (\$2.69 billion) and Perth (\$0.97 billion).

Figure 4.7: Tangible non-current aeronautical asset bases, 2007–08 to 2022–23



Source: ACCC analysis of information from the monitored airports.

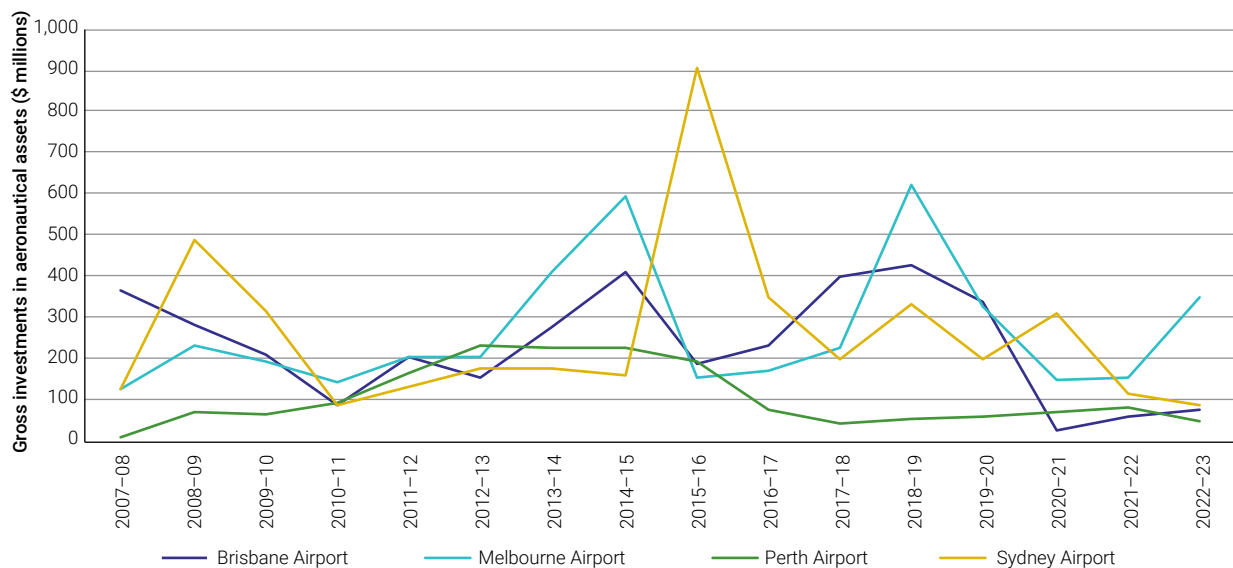
As airports have, for instance, invested in terminal infrastructure and, in Brisbane Airport’s case, added a runway, the tangible non-current aeronautical assets have increased since 2007–08 for Brisbane Airport, Melbourne Airport and Perth Airport by 116%, 214% and 222% respectively. Sydney Airport, however, reported a reduction of 18% in real terms in its overall tangible non-current aeronautical assets since 2007–08. Melbourne Airport, Brisbane Airport and Sydney Airport have experienced some fluctuations in their tangible non-current aeronautical assets, whereas Perth Airport has experienced a flatter growth.

¹⁹ Line in the sand excluding landfill.

Aeronautical investment

Figure 4.8 below looks at the real dollar value of the additions (investments) made by the 4 airports from 2007–08 to 2022–23. Investments by Brisbane Airport, Melbourne Airport and Sydney Airport have been quite lumpy and fluctuated over time. Sydney Airport had a spike in aeronautical investment in 2015–16, with a large proportion of this increase relating to the purchase of the Qantas domestic terminal lease. Perth Airport’s investments, however, have been steadier, with increases from 2010–11 to 2015–16 and then a decrease to a more stable amount of investment. In 2022–23, Melbourne Airport reported the highest level of investment since 2018–19 with \$347.9 million. This reflected the airport’s completed projects and projects underway such as work on roads, runway overlays, taxiways and terminals, including the replacement of passenger screening equipment.

Figure 4.8: Gross investments in tangible non-current aeronautical assets, 2007–08 to 2022–23



Source: ACCC analysis of information from the monitored airports.

As noted in our 2021–22 monitoring report, the 4 airports reported relatively conservative investment programs during the pandemic.²⁰ The reported dollar values of completed aeronautical investments in 2022–23 were mixed compared to 2021–22, however, they were lower than 2018–19.

In 2022–23, Brisbane Airport reported completed major aeronautical investments of \$36.7 million, such as its international terminal building apron / taxiway replacement project. In 2021–22, the amount of major aeronautical investments was only \$2 million. In comparison, in 2018–19, before COVID-19, Brisbane Airport was in the course of constructing its new parallel runway, valued at that time at \$1.1 billion, with supporting projects such as a new road and underpass, valued at that time at \$115 million.

Melbourne Airport reported completed major investments in aeronautical facilities in 2022–23 of \$55 million, such as stage one of its Terminal 3 redevelopment project.

Sydney Airport reported amounts totalling between \$32.2 million to \$77.2 million. This included upgrades to passenger screening in Terminal 3 valued between \$15 million to \$20 million. This was broadly in line with the amounts reported for the previous financial year (values totalling up to \$86 million).

Perth Airport’s terminal security screening reform project, valued at \$70.5 million, straddled the reporting periods for major investments completed and underway.

²⁰ ACCC, [Airport monitoring report – 2021–22](#), August 2022, p 68.

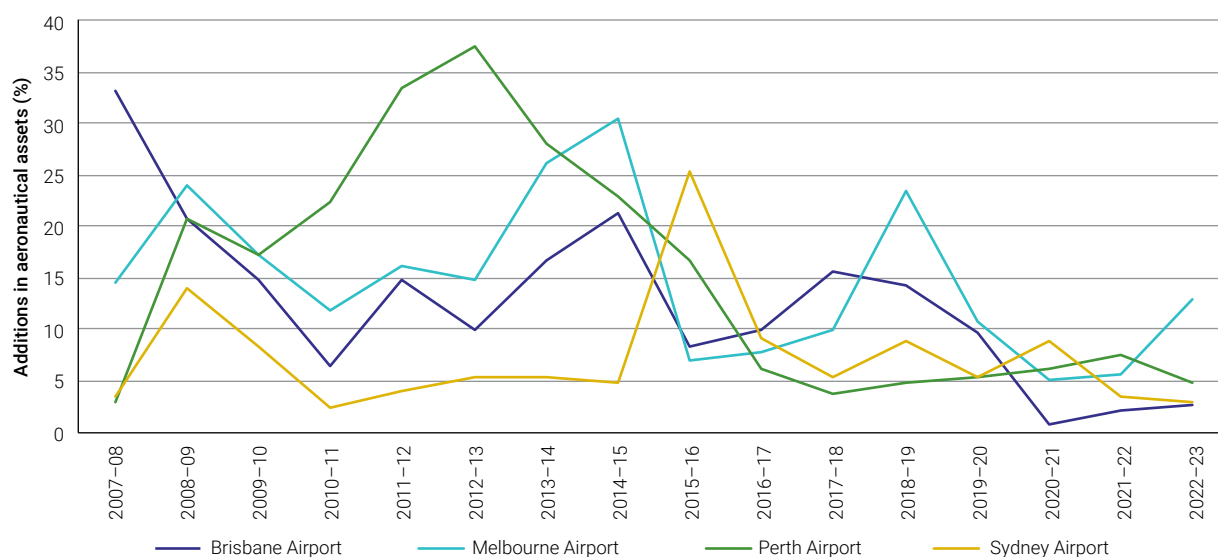
The airports reported major investments underway in 2022–23 with the following total values:

- Brisbane Airport – \$506.4 million, including passenger and checked bag screening and capacity upgrades, valued at \$495.5 million.
- Melbourne – \$4.5 billion, including a value of \$2.2 billion for the Melbourne Airport 3rd Runway (Melbourne Airport submitted its plan for this runway to the Australian Government in February 2023).²¹
- Sydney Airport – reported between \$609 million and \$860 million, including for the check in and security hall redevelopment project, valued at between \$150 million to \$200 million.
- Perth Airport – reported \$71 million in investments underway, including an increase to apron parking capacity at Terminal 2.

Appendix D provides greater detail about the airports’ major investments.

Figure 4.9 below shows the additions (investment) in tangible non-current aeronautical assets as a percentage of tangible non-current aeronautical assets. This figure shows that Perth Airport reported a higher rate of investment from 2008–09 to 2015–16. Perth Airport reached a peak of 45% in 2012–13. During that year, Perth Airport completed several investments, with the largest being construction of T2 and associated infrastructure. T2 was designed to primarily service regional routes, as well as some interstate services.

Figure 4.9: Additions in aeronautical assets as a percentage of those assets, 2007–08 to 2022–23



Source: ACCC analysis of information from the monitored airports.

²¹ Melbourne Airport, [Melbourne Airport international passenger numbers hit record February high](#), accessed March 2024.

Melbourne Airport has experienced 3 peak periods of investment in 2008–09, 2014–15 and 2018–19. In 2008–09, the investment coincided with Melbourne Airport’s international terminal expansion.²² In 2014–15, Melbourne Airport continued its T4 construction.²³ In 2018–19 a large majority of the investment Melbourne Airport recorded was the result of the expiry of the T1 domestic terminal lease with Qantas and the inclusion of T1 into the asset base.²⁴

For Brisbane Airport, 2007–08 and 2014–15 were the years with peak investments. In 2014–15, Brisbane Airport continued with its new parallel runway construction.²⁵

As noted above, Sydney Airport had a spike in aeronautical investment in 2015–16, with a large proportion of this increase relating to the purchase of the Qantas domestic terminal.²⁶

During the pandemic, airports at times reported a relatively smaller rate of incremental additions to their aeronautical asset bases. For example, in the years 2007–08 to 2018–19, before the COVID-19 pandemic, Brisbane’s annual additions in its aeronautical assets as a percentage increase on those assets ranged from 6.4% (2010–11) to 33.0% (2007–08), while in the 2020–21 and 2021–22 financial years the percentage increase was 0.8% and 2.0% respectively. Melbourne’s additions in 2014–15 represented 30.4% of its aeronautical asset values, compared with additions in 2020–21 amounting to 5.1%. By 2022–23, Melbourne had increased its level of additions back up to 12.9%.

22 ACCC, [Airport Monitoring Report 2008–09](#), March 2010, p 161.

23 ACCC, [Airport Monitoring Report 2014–15](#), March 2016, p 77.

24 ACCC, [Airport Monitoring Report 2018–19](#), February 2020, p 84.

25 ACCC, [Airport Monitoring Report 2014–15](#), March 2016, p 49.

26 ACCC, [Airport Monitoring Report 2015–16](#), March 2017, p 139.

5. Car parking

Key points

- The number of vehicles that used airport car parks in 2022–23 was higher than the previous financial year for all the monitored airports – as the airports continued to rebound from COVID-19.
- Car parking operating profits increased significantly in 2022–23. The 4 airports collectively earned \$337 million in operating profits from car parking activities (up 168% since 2021–22 and 6% since 2018–19, both in real terms). Sydney Airport’s car parking operating profits increased fourfold in 2022–23 to \$80.8 million but remained 23% below 2018–19 levels.
- Three out of 4 of the airports reported higher car parking operating profit margins in 2022–23 compared to 2018–19 (pre-COVID-19 levels). The exception was Sydney. Brisbane reported the highest operating profit margin (earnings before interest, taxes and amortisation as a proportion of revenue) of the monitored airports in 2022–23 with 72.6%, ahead of Perth (66.2%), Melbourne (66.0%), and Sydney (62.1%).

The 4 monitored airports provide a range of onsite car parking facilities for the public and staff. Airports hold market power with respect to car parking because in most cases they are the sole provider of these services on airport land, especially in relation to at-terminal parking. However, the extent of this market power will depend on the degree to which consumers’ needs (for example, convenience and cost) can be met by alternative transport modes or an independent car park operator located near the airport.

This chapter presents an overview of the monitored airports’ results with respect to car parking operations, including operational and financial performance, short-term and long-term car parking prices and major car parking investments.

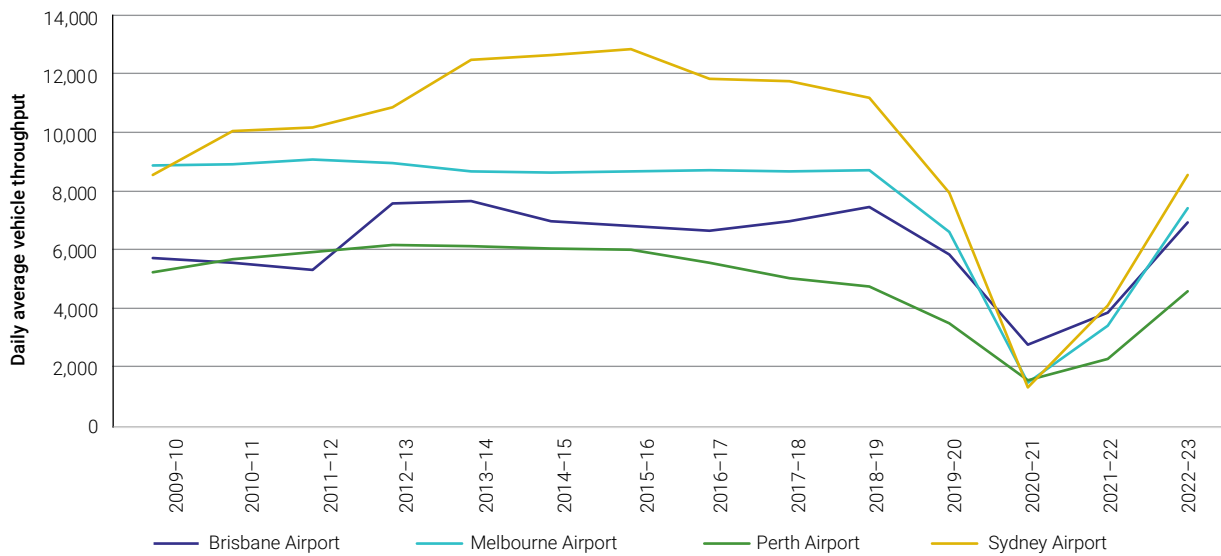
As for other parts of this report, all dollar amounts in this chapter have been adjusted for inflation and are presented in 2022–23 prices. The ACCC has also published supplementary information to this report on car parking on our website, available at <https://www.accc.gov.au/about-us/publications/serial-publications/airport-monitoring-reports>.

5.1 Car parking throughput increased as passenger numbers rose

Use of the monitored airports’ car parks is naturally correlated to the number of passengers travelling, as most people who attend an airport do so for travel. The number of people flying, and accordingly the use of airport car parking, increased significantly from 2021–22 to 2022–23. However, the monitored airports were largely still handling fewer passengers than before COVID-19.

Figure 5.1 below shows daily average vehicle throughput for each of the monitored airports for 2009–10 to 2022–23. Sydney Airport reported the highest average daily throughput of 8,568 vehicles per day in 2022–23. Melbourne Airport reported 7,432 vehicles, followed by Brisbane Airport with 6,962 and Perth Airport with 4,622. Throughput more than doubled in 2022–23 for Melbourne, Perth and Sydney airports. Brisbane Airport experienced a 78% increase in throughput.

Figure 5.1: Daily average vehicle throughput by airport, 2009–10 to 2022–23



Source: ACCC analysis of information from the monitored airports.

The degree of recovery since the COVID-19 pandemic varied among the airports: Sydney Airport’s daily average throughput of vehicles in 2022–23 was 23.4% lower than 2018–19, Melbourne Airport’s was 14.8% lower and Brisbane Airport’s was 7.0% lower. Perth Airport’s daily average throughput in 2022–23 similar to its throughput in 2018–19 (less than 1% lower).

Vehicle throughput has recovered at a faster rate than passenger numbers for Melbourne, Brisbane and Perth airports. Airports have indicated that people are increasingly choosing to use car parking over other transport modes since COVID-19.

5.2 Car parking revenue grew strongly at all airports

Car parking revenue is determined by car parking throughput and prices. Further, as motorists generally pay more for long-term parking than for short-term parking, revenue is also affected by the distribution of throughput across these 2 forms of parking.

Table 5.1 below shows car parking revenue in the period 2018–19 to 2022–23. In 2022–23 Melbourne Airport had the highest car parking revenue with \$160.9 million, followed by Sydney Airport (\$130.1 million), Brisbane Airport (\$123.9 million) and then Perth Airport (\$90.9 million). All airports reported significant increases in car parking revenue in 2022–23 due to the strong growth in vehicle throughput.

Table 5.1: Car parking revenue, by airport, 2018–19 to 2022–23

	2018–19 (\$m)	2019–20 (\$m)	2020–21 (\$m)	2021–22 (\$m)	2022–23 (\$m)	Change since 2018–19 (%)	Change since 2021–22 (%)
Brisbane	\$123.2m	\$94.5m	\$49.7m	\$68.5m	\$123.9m	0.6%	80.9%
Melbourne	\$167.5m	\$123.8m	\$41.5m	\$81.4m	\$160.9m	-3.9%	97.7%
Perth	\$71.1m	\$56.5m	\$38.8m	\$57.6m	\$90.9m	27.8%	57.8%
Sydney	\$153.8m	\$115.1m	\$37.4m	\$60.3m	\$130.1m	-15.4%	115.8%

Source: ACCC analysis of information from the monitored airports.

For Brisbane and Perth airports, car parking revenue for 2022–23 was above 2018–19 levels, albeit only slightly for Brisbane Airport. All airports reported stronger recovery in car parking revenue than in vehicle throughput, which suggests that motorists are paying more on average. Factors can include price changes, length of stay and/or choice of parking product. Perth Airport advised that car parking revenue had increased due to a change in the mix of hourly and overnight car parking.

5.3 Car parking operating expenses back to pre-pandemic levels for Perth and Sydney

As demand for car parking increased in 2022–23, operating expenses increased for all 4 of the monitored airports.

Melbourne Airport had the highest operating expenses in 2022–23 with \$54.7 million. This was followed by Sydney Airport (\$49.4 million), Brisbane Airport (\$34.0 million) and Perth Airport (\$30.8 million).

Table 5.2 below shows car parking operating expenses across the monitored airports in the period 2018–19 to 2022–23.

Table 5.2: Car parking operating expenses, by airport, 2018–19 to 2022–23

	2018–19 (\$m)	2019–20 (\$m)	2020–21 (\$m)	2021–22 (\$m)	2022–23 (\$m)	Change since 2018–19 (%)	Change since 2021–22 (%)
Brisbane	\$40.4m	\$37.3m	\$21.2m	\$28.8m	\$34.0m	-15.8%	18.1%
Melbourne	\$78.2m	\$63.7m	\$51.3m	\$48.8m	\$54.7m	-30.1%	12.1%
Perth	\$30.1m	\$26.5m	\$21.8m	\$24.2m	\$30.8m	2.3%	27.3%
Sydney	\$49.1m	\$46.4m	\$32.0m	\$40.2m	\$49.4m	0.6%	22.9%

Source: ACCC analysis of information from the monitored airports.

Year-on-year increases ranged from 12.1% at Melbourne Airport to 27.3% at Perth Airport. However, the increases in car parking expenses during the year were smaller than the growth in vehicle throughput. This is in the context that many costs for car parking are fixed and therefore continued to be incurred when vehicle throughput was lower due to the pandemic.

As a comparison with operations before the COVID-19 pandemic, car parking operating expenses across Brisbane and Melbourne airports were lower in 2022–23 than 2018–19, while operating expenses for Perth and Sydney airports in 2022–23 were back to 2018–19 levels.

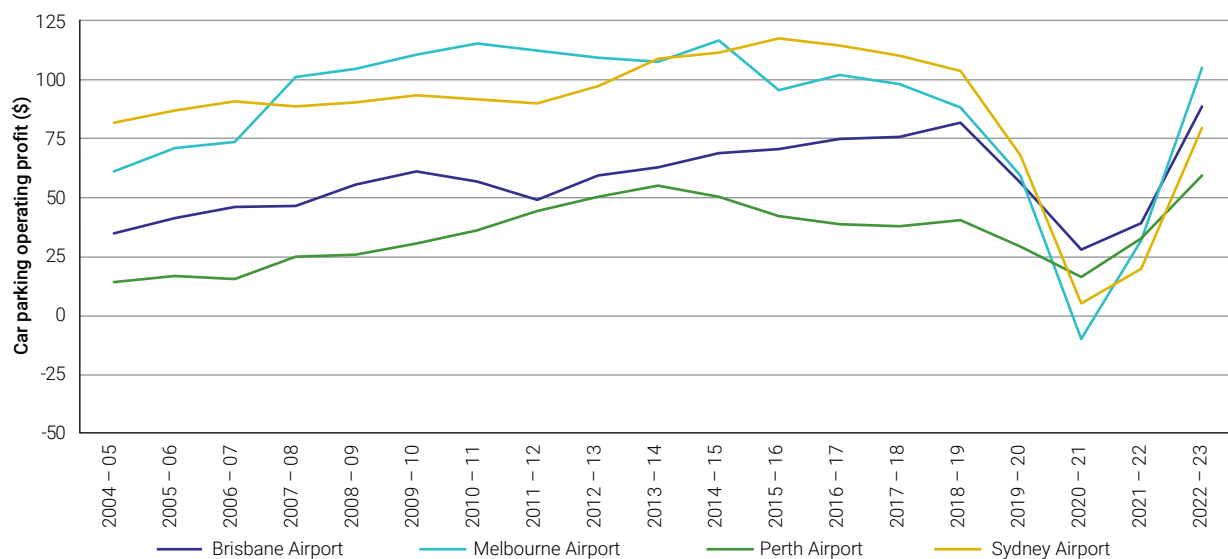
5.4 Car parking operating profits and margins were above pre-COVID levels at most airports

Car parking operating profits (EBITA) increased significantly for all 4 monitored airports in 2022–23 on the back of strong revenue growth. The 4 airports collectively earned \$337 million in operating profits from car parking activities (up 168% since 2021–22 and 6% since 2018–19, both in real terms).

Three out of the 4 monitored airports’ car parking operating profits were above 2018–19 (pre-COVID-19) levels. The exception was Sydney Airport. Sydney Airport’s operating profit increased fourfold from 2021–22 to 2022–23, to \$80.8 million, but remained 23% below 2018–19 levels.

Figure 5.2 below presents trajectories of car parking operating profits across the monitored airports over the period from 2004–05 to 2022–23. In 2022–23, Melbourne Airport increased its operating profit by 225.7% year-on-year to \$106.2 million, which is the airport’s highest result in inflation-adjusted terms since 2014–15. This is due to the airport’s expenses remaining significantly below pre-pandemic levels while revenues recovered on the back of strong vehicle throughput.

Figure 5.2: Car parking operating profit (EBITA), by airport, 2004–05 to 2022–23



Source: ACCC analysis of information from the monitored airports.

Note: Real values (2022–23 dollars).

Brisbane Airport reported an operating profit of \$89.9 million from car parking activities in 2022–23, up 126.5% on the previous year. Sydney Airport reported the biggest percentage increase with growth of 301.1% (\$80.8 million), while Perth Airport reported an operating profit of \$60.1 million (up 80.1%).

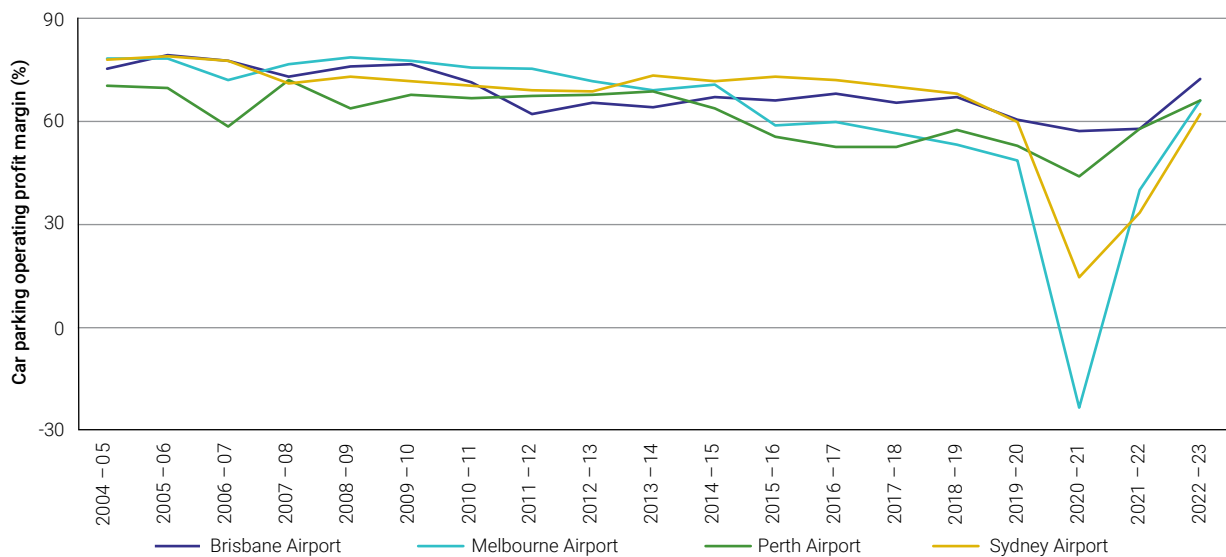
Car parking margins

Figure 5.3 below shows the changes in car parking operating profit margins for each of the monitored airports from 2004–05.

Brisbane Airport reported the highest car parking operating profit margin in 2022–23 with 72.6%, ahead of Perth Airport (66.2%), Melbourne Airport (66.0%) and Sydney Airport (62.1%).

Additionally, Melbourne, Perth and Brisbane airports reported higher car parking operating profit margins in 2022–23 than 2018–19. Brisbane Airport reported the highest profit margin of any airport since 2015–16 in inflation-adjusted terms (2022–23 prices).

Figure 5.3: Car parking operating profit margin, by airport, 2004–05 to 2022–23



Source: ACCC analysis of information from the monitored airports.

Tables 5.3 to 5.5 below show the detail of various car parking metrics for each of the monitored airports, including operating profit margins 2018–19 to 2022–23.

Table 5.3: Key car parking indicators for 2022–23

Airport	Car parking revenue (\$m)	Car parking operating profit (\$m)	Car parking profit margin (%)	Car parking spaces	Car parking revenue per car park space (\$)	Operating profit per car park space (\$)	Revenue share of total airport revenue (%)
Brisbane	\$123.9m	\$89.9m	72.6%	19,961	-	-	15.0%
Melbourne	\$160.9m	\$106.2m	66.0%	26,654	\$6,038	\$3,985	15.9%
Perth	\$90.9m	\$60.1m	66.2%	22,689	\$4,006	\$2,650	14.7%
Sydney	\$130.1m	\$80.8m	62.1%	15,074	\$8,632	\$5,357	9.5%

Source: ACCC analysis of information from the monitored airports.

Note: Brisbane Airport has claimed confidentiality over car parking revenue per car park space and operating profit per car park space.

Table 5.4: Changes in key car parking indicators from 2021–22 to 2022–23

Airport	Car parking revenue (% change)	Operating profit (% change)	Profit margin (percentage point change)	Car parking spaces (% change)	Revenue per car park space (% change)	Operating profit per car park space (% change)
Brisbane	81.0%	126.5%	14.6pp	0.0%	-	-
Melbourne	97.7%	225.7%	25.9pp	0.0%	97.7%	225.7%
Perth	57.9%	80.1%	8.2pp	17.2%	34.7%	53.6%
Sydney	115.8%	301.1%	28.7pp	27.6%	69.1%	214.2%

Source: ACCC analysis of information from the monitored airports.

Note: Brisbane Airport has claimed confidentiality over revenue per car park space (% change) and operating profit per car park space (% change).

Table 5.5: Car parking operating profit (EBITA) margin, by airport, 2018–19 to 2022–23

Airport	2018–19 (%)	2019–20 (%)	2020–21 (%)	2021–22 (%)	2022–23 (%)	Change since 2018–19 (percentage points – pp)	Change since 2021–22 (pp)
Brisbane	67.2%	60.5%	57.3%	58.0%	72.6%	5.4pp	14.6pp
Melbourne	53.3%	48.5%	-23.5%	40.1%	66.0%	12.7pp	25.9pp
Perth	57.6%	53.1%	43.9%	58.0%	66.2%	8.6pp	8.2pp
Sydney	68.1%	59.7%	14.5%	33.4%	62.1%	6.0pp	28.7pp

Source: ACCC analysis of information from the monitored airports.

5.5 Car parking prices

This section summarises information on various short-term and long-term car parking prices.

Individual car parking prices at the monitored airports are determined by factors including the length of stay, how close the car park is to the terminal, whether the car park is covered or open, whether the parking is booked in advance and customer demand.

All monitored airports effectively offer a form of ‘at-terminal’ parking, often used for shorter stays, and ‘at-distance’ parking, typically involving a bus ride to the terminals and often used for longer stays. They may also offer a range of products and services that are variations on that basic split.

In summary, the price to park a car at the monitored airports, both short-term and long-term, fell in real terms in 2022–23.

As shown in the tables 5.6 and 5.7 below, some short-term and long-term car parking prices at monitored locations had a real price reduction of 6.6% from 2022 to 2023. This reflects a price change due to inflation and that prices in nominal terms have remained steady.

Short-term car parking

The ACCC considers short-term parking to be parking for a period of up to a day at a car park located at the terminal, with the motorist often paying ‘drive up’ rates (as opposed to online rates).

Table 5.6 below shows short-term at-terminal drive up parking prices for selected durations for each of the monitored airports over the past 5 years.^{27 28} It indicates that prices have reduced by a maximum of 8.2% in real terms since 2021–22, across the time periods and across the airports. In the case of Melbourne Airport, the reductions were uniform in percentage terms across the time periods, while other airports recorded varying reductions in percentage terms.

Sydney and Brisbane airports were the most expensive for 30 to 60 minute parking at the terminal, while Melbourne Airport was the cheapest. For those parking at the terminal for up to 24 hours, Sydney Airport was the most expensive and Melbourne Airport was the cheapest.

Table 5.6: Short-term at-terminal drive up car parking prices, by airport, between 30 June 2019 and 30 June 2023

	30 June 2019 (\$)	28 March 2020 (\$)	30 June 2021 (\$)	30 June 2022 (\$)	30 June 2023 (\$)	Change since 30 June 2019 (%)	Change since 30 June 2022 (%)
Brisbane							
30–60 minutes	\$20.72	\$21.58	\$21.24	\$21.41	\$21.00	1.3%	-1.9%
1 to 2 hours	\$25.33	\$26.13	\$25.71	\$26.76	\$26.00	2.7%	-2.8%
2 to 3 hours	\$31.08	\$31.81	\$31.30	\$32.11	\$31.00	-0.3%	-3.5%
3 to 4 hours	\$32.23	\$32.94	\$32.42	\$33.18	\$32.00	-0.7%	-3.6%
Up to 24 hours	\$64.46	\$64.75	\$63.72	\$63.15	\$63.00	-2.3%	-0.2%
Melbourne							
30–60 minutes	\$13.81	\$17.04	\$16.77	\$16.05	\$15.00	8.6%	-6.6%
1 to 2 hours	\$27.63	\$32.94	\$33.54	\$32.11	\$30.00	8.6%	-6.6%
2 to 3 hours	\$27.63	\$32.94	\$50.30	\$48.16	\$45.00	62.9%	-6.6%
3 to 4 hours	\$39.14	\$44.30	\$54.77	\$52.44	\$49.00	25.2%	-6.6%
Up to 24 hours	\$58.71	\$57.93	\$54.77	\$52.44	\$49.00	-16.5%	-6.6%
Perth²⁹							
2 to 3 hours	\$26.48	\$26.58	\$26.83	\$26.54	\$24.80	-6.3%	-6.6%
3 to 4 hours	\$28.78	\$28.85	\$28.62	\$28.25	\$26.40	-8.3%	-6.6%
8 to 24 hours	\$56.41	\$57.93	\$60.81	\$60.58	\$56.60	0.3%	-6.6%
Sydney							
Up to 30 minutes	\$11.17	\$11.25	\$11.07	\$10.60	\$10.60	-5.1%	0.0%
30–60 minutes	\$22.33	\$22.61	\$22.25	\$21.30	\$21.20	-5.1%	-0.5%
1 to 2 hours	\$31.66	\$31.69	\$31.19	\$32.00	\$31.90	0.8%	-0.3%
2 to 3 hours	\$42.59	\$43.05	\$42.37	\$42.70	\$39.90	-6.3%	-6.6%
3 to 24 hours	\$71.37	\$72.59	\$71.43	\$70.53	\$69.90	-2.1%	-0.9%

Source: ACCC analysis of information from the monitored airports.

Notes: As some airports offered free parking from late-March 2020 in response to the COVID-19 pandemic, the ACCC asked all 4 monitored airports to report 2020 car parking prices as at 28 March 2020, rather than 30 June 2020. Real values (2022–23 dollars).

²⁷ As some airports offered free parking from late-March 2020 in response to the COVID-19 pandemic, the ACCC asked all 4 monitored airports to report 2020 car parking prices as at 28 March 2020, rather than 30 June 2020.

²⁸ Melbourne Airport made substantial changes to its pricing schemes in both 2019–20 and 2020–21, which accounts for the large variations in pricing compared with the preceding years. For example, Melbourne Airport restructured its parking offerings at its multi-level T123 car park in 2020–21, which led to significant price rises in the 2 to 3 and 3 to 4 hour price points.

²⁹ We do not have comparable data and a consistent time series for Perth Airport for 30 to 60 minutes and 1 to 2 hours.

Long-term car parking

The ACCC considers long-term parking to be parking for a period of one day or more at a car park located at a distance from the terminal, where motorists may pay drive up rates or book online.

Table 5.7 shows long-term at-distance drive up parking rates for selected durations at the monitored airports between 30 June 2019 and 30 June 2023.

It indicates that prices have reduced for Brisbane, Melbourne and Perth airports for all price points from 2019 to 2023 in the table below. From 2019 to 2023, the reduction in prices for Melbourne Airport were significant ranging from 26.3% to 57.5%. The reduction in prices for this period for Brisbane and Perth airports were not as large ranging from 0.3% to 11.4%.

For Sydney Airport, 2 price points reduced and 2 price points increased from 2019 to 2023. Prices further reduced from 2022 to 2023 for Brisbane, Melbourne and Perth airports, however these reductions were not as pronounced as the reduction from 2019 to 2023. For Sydney Airport all price points in the table below reduced from 2022 to 2023.

Table 5.7: Long-term at-distance drive up parking prices, by airport, between 30 June 2019 and 30 June 2023

	30 June 2019 (\$)	28 March 2020 (\$)	30 June 2021 (\$)	30 June 2022 (\$)	30 June 2023 (\$)	Change 30 June 2019 to 30 June 2023 (%)	Change 30 June 2022 to 30 June 2023 (%)
Brisbane							
1 to 2 days	\$46.05	\$47.71	\$46.95	\$44.95	\$42.00	-8.8%	-6.6%
2 to 3 days	\$67.92	\$69.29	\$68.19	\$65.29	\$61.00	-10.2%	-6.6%
4 to 5 days	\$97.85	\$98.83	\$97.25	\$93.11	\$87.00	-11.1%	-6.6%
6 to 7 days	\$113.96	\$114.73	\$112.90	\$108.10	\$101.00	-11.4%	-6.6%
Melbourne							
1 to 2 days	\$56.41	\$55.66	\$26.83	\$25.69	\$24.00	-57.50%	-6.6%
2 to 3 days	\$79.43	\$78.38	\$40.24	\$38.53	\$36.00	-54.7%	-6.6%
4 to 5 days	\$90.94	\$89.74	\$67.07	\$64.22	\$60.00	-34.0%	-6.6%
6 to 7 days	\$113.96	\$112.46	\$93.90	\$89.90	\$84.00	-26.3%	-6.6%
Perth							
1 to 2 days	\$62.16	\$63.61	\$66.62	\$66.36	\$62.00	-0.3%	-6.6%
2 to 3 days	\$92.67	\$94.29	\$98.82	\$98.46	\$92.00	-0.7%	-6.6%
4 to 5 days	\$119.72	\$121.55	\$126.32	\$125.22	\$117.00	-2.3%	-6.6%
6 to 7 days	\$147.35	\$147.68	\$153.82	\$151.98	\$142.00	-3.6%	-6.6%
8 days	\$160.01	\$160.17	\$166.56	\$163.75	\$153.00	-4.4%	-6.6%
15 days	\$248.65	\$244.23	\$249.28	\$244.02	\$228.00	-8.3%	-6.6%
Sydney							
1 to 2 days	\$74.82	\$73.84	\$72.66	\$69.46	\$68.90	-7.9%	-0.8%
2 to 3 days	\$89.79	\$102.24	\$100.61	\$98.36	\$96.90	7.9%	-1.5%
4 to 5 days	\$125.48	\$135.18	\$133.02	\$130.47	\$128.70	2.6%	-1.4%

	30 June 2019 (\$)	28 March 2020 (\$)	30 June 2021 (\$)	30 June 2022 (\$)	30 June 2023 (\$)	Change 30 June 2019 to 30 June 2023 (%)	Change 30 June 2022 to 30 June 2023 (%)
6 to 7 days	\$162.31	\$178.35	\$175.50	\$162.57	\$160.50	-1.1%	-1.3%

Source: ACCC analysis of information from the monitored airports.

Notes: As some airports offered free parking from late-March 2020 in response to the COVID-19 pandemic, the ACCC asked all 4 monitored airports to report car parking prices as at 28 March 2020, rather than 30 June 2020.

Real values (2022–23 dollars).

5.6 Investment in carparking facilities

The monitored airports provided lists of car parking investments to the ACCC. The monitored airports provide information for major car parking investments completed in the reporting period, underway in the reporting period and planned as of the reporting period. For detailed lists of the major car parking investments, see Appendix D. Below is a summary of some key car parking investments for each of the monitored airports.

Brisbane Airport

Brisbane Airport reported that its ‘International car park and access solution’, which it valued at \$126 million, would provide more car parking bays and road infrastructure. Brisbane Airport reported it was due to complete the project by the end of 2026.

Brisbane Airport also reported that it was continuing work on its Domestic terminal multi-level car park (MLCP) 2 Extension project, with an estimated value of \$90 million and due for completion by the end of 2025. In the longer term, Brisbane Airport reported that it is planning to spend an estimated \$330 million on its Domestic Multi Level Car Park 3, with project start and end dates to be confirmed.

Melbourne Airport

Melbourne Airport reported 5 planned major car parking investment projects, ranging from the ‘Value Carpark Expansion (Grassy Knoll Stage 2)’ project, projected to start in 2023–24, to the T4 car park expansion, projected to be finished in 2036–37. These future investments primarily focus on increasing car parking capacity for Melbourne Airport.

Perth Airport

Perth Airport noted its T1–T2 Multi Storey Car park Pod 1 project (underway), valued at \$220 million and projected to be completed in 2026; and its accompanying Pod 2 project (planned), valued at \$250 million and projected to be finished in 2029. Perth Airport also noted its T3/T4 Car park expansion investment was underway, valued at \$20 million and was projected to be completed at the end of 2023.

Sydney Airport

Sydney Airport reported \$6.4 million of completed major ground access and car parking improvements in 2022–23; with \$8.9m of improvements underway and a further \$73 million planned.

Sydney Airport also upgraded its parking guidance system which helps with finding available spaces on each level of the car park. Additionally, in December 2022, the P1 domestic car park was closed for redevelopment. To off-set this car parking closure Sydney Airport activated 1,350 spaces within the valet product.

5.7 Quality of car parking services and facilities

As noted in the previous chapter and in Appendix B, the ACCC assesses the quality of the monitored airports' car parking services and facilities. This is done through a collection of a variety of information which the ACCC refers to as 'subjective' (survey) and 'objective' (activity) information.

Passenger ratings

In the passenger surveys the airports ask passengers to rate the following in relation to car parking:

- availability of car parking facilities
- standard of car parking facilities
- time taken to enter car park.

Below is a summary of results for 'Time taken to enter the car park' for the 2022–23 reporting period.

Passengers are generally satisfied with the time taken to enter the car park at Brisbane, Melbourne and Perth airports. Sydney Airport did not provide car parking passenger survey information for 2022–23.³⁰

Brisbane Airport's domestic terminal has held its 'excellent' rating for time taken to enter car park in 2022–23. Domestic terminal passengers have rated time taken to enter car park as 'excellent' consistently for the 6 years where quality data has been collected from 2014–15 to 2022–23. Brisbane Airport's international terminal has held a 'good' rating for time taken to enter the car park in 2022–23. From 2014–15 to 2022–23 Brisbane Airport's international terminal has held a 'good' rating in 4 of the years where quality data has been collected, the other 2 years where the data was collected the rating was 'excellent'.

Melbourne Airport held a 'good' rating across T3 domestic, T4 domestic and T2 international for 2022–23. T1 domestic only has information for 2022–23 where it was rated as 'excellent'. For T2, T3 and T4 from 2014–15 to 2022–23 passengers have rated time to enter the car park as 'good' consistently in the 6 years where quality data has been collected.

Perth Airport held a 'good' rating for time taken to enter car park for all their terminals which they had data for in 2022–23. From 2014–15 to 2022–23 passengers have rated time taken to enter the car park as 'good' consistently in 6 of the years where quality data has been collected.

Further information is contained in the supplementary database.

³⁰ In their submission Sydney airport indicated where a quality indicator had less than 100 observations they did not provide a number for the quality of service rating.

Car parking activity

The ACCC also obtains car parking information on the:

- number of days short-term and long-term car parks were open during the financial year
- number of short-term and long-term spaces on 30 June in the financial year
- number of vehicles that used short-term and long-term car parking in the financial year
- number of spaces for airport staff on 30 June in the financial year.

These are referred to as objective indicators and a summary of how these objective indicators have changed can be found on the database of supplementary information to this report.

Brisbane Airport

Some key results for Brisbane Airport from 2018–19 to 2022–23 were:

- The number of car parking spaces available on 30 June for airpark/central parking increased from 2500 to 5296.
- The number of car parking spaces available for staff for the domestic terminal has increased from 751 to 1621, however for airpark/central decreased from 2,260 to 1,600.
- The number of vehicles that used airpark/central increased by 98.2%.

Melbourne Airport

Some key results for Melbourne Airport from 2018–19 to 2022–23 were:

- The number of vehicles which used short-term car parking in the financial year reduced by 21.6% and the number of vehicles which used long-term car parking in the financial year increased by 10.5%.
- The number of spaces for airport staff increased from 2,080 to 4,140.

Perth Airport

Some key results for Perth Airport from 2018–19 to 2022–23 were:

- The number of short-term spaces on 30 June in the financial year for T1/T2 and T3/T4 increased by 55.6% and 16.9%.
- The number of vehicles which used long-term car parking in the financial year for T1/T2 and T3/T4 increased by 60% and 48% respectively.
- The number of spaces for airport staff in T3/T4 reduced from 942 to 589.³¹

Sydney Airport

Some key results for Sydney Airport from 2018–19 to 2022–23 were:

- The number of vehicles which used domestic and international car parking in the financial year decreased by 9.5% and 31.8% respectively.
- The number of vehicles which used domestic budget long-term car parking in the financial year increased by 9.3%.³²

31 Staff car parking is not divided into domestic and international terminals.

32 Staff car parking spaces is not separated out from the total of car parks.

6. Landside transport access

Key points

- Landside transport access revenues were higher in 2022–23 than in 2021–22 for all 4 of the monitored airports. Only Perth had returned to pre-pandemic levels of revenue.
- Sydney Airport reported the highest landside transport access revenue with \$21.5 million, followed by Melbourne Airport with \$21.4 million, then Brisbane Airport with \$7.9 million and finally Perth Airport with \$5.9 million.

People attending airports have many transport mode options available to them. Aside from driving and parking on airport land as discussed in the previous chapter, the public can choose to access airports via different alternative ground transport options. This includes taxis, rideshare, limousines, being bussed from off-airport car parking, being dropped off and picked up at terminals by family or friends, public and private buses) and trains (excepting Melbourne Airport). Airports are responsible for providing ground transport providers with landside transport access (for example, forecourt and transport hubs), waiting areas and roads to facilitate movements around the airport.

The monitored airports typically levy charges for operators of alternative transport modes to access landside areas at airports. The level of these charges, and the quality of the access provided, can potentially constrain a landside operator's ability to compete with an airport's own car parking business.

This chapter looks at trends and developments with respect to landside services, including the volumes of vehicles using landside transport access services, revenues from that access, and relevant investment by the airports. We report all dollar amounts in this chapter in real terms, in 2022–23 dollars.³³

6.1 The number of vehicles using landside access continued to recover in 2022–23

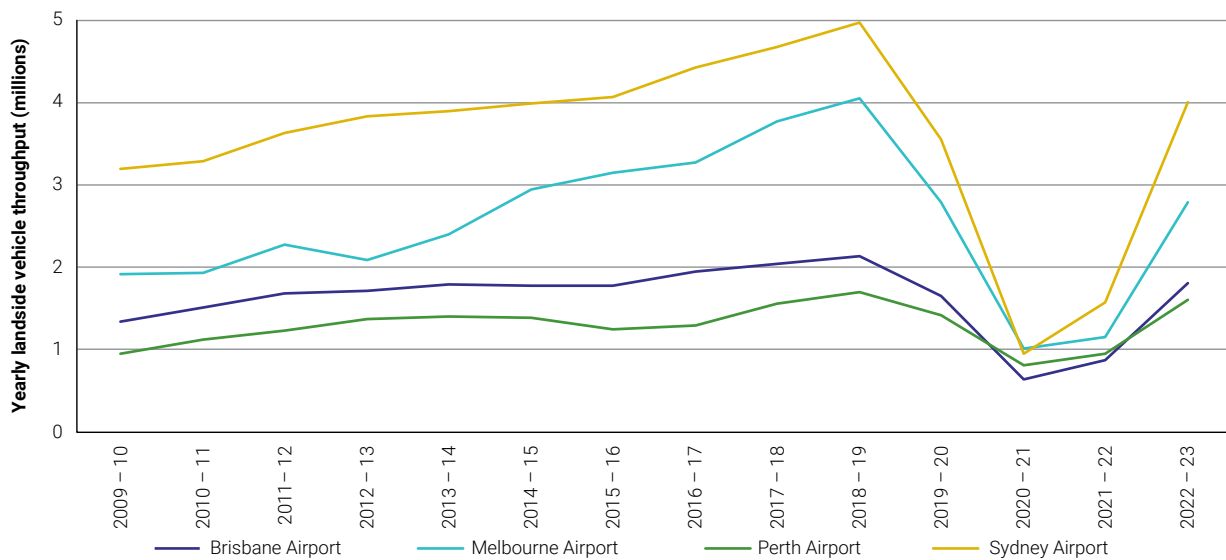
The number of vehicles using paid landside transport access services at the monitored airports grew again in 2022–23 from the lows of the pandemic. Sydney Airport reported the highest number of vehicles accessing one of the monitored airports (4 million vehicles), followed by Melbourne airport (2.8 million vehicles), Brisbane Airport (1.8 million vehicles) and Perth Airport (1.6 million vehicles).³⁴ All monitored airports are operating below their pre-COVID-19 vehicle visits in 2018–19.

Figure 6.1 below shows the number of vehicles that visited each monitored airport from 2009–10 to 2022–23.

³³ For information on the limitations of the ACCC's monitoring of landside transport access operations, refer to Appendix C.

³⁴ Melbourne airport landside vehicle data excludes 'private bus' as it includes the total passengers entering and exiting the airport through Skybus and other off airport transport operators.

Figure 6.1: Vehicle numbers, by airport, 2009–10 to 2022–23



Source: ACCC analysis of information received from the monitored airports.

A detailed table outlining landside vehicle numbers from 2018–19 to 2022–23, broken down by transport mode is presented in the database of supplementary information to this report. Available at <https://www.accc.gov.au/by-industry/travel-and-airports>.

The growth in vehicle numbers is further illustrated in Table 6.1 below. There was triple digit growth in year-on-year vehicle numbers across all airports, except Perth Airport. Perth Airport’s growth in landside transport volumes was not as high as the other monitored airports in 2022–23. This is in the context that many fly in fly out workers in the resources sector continued to travel during the pandemic.

Compared with 2018–19, before the COVID-19 pandemic, all airports were yet to fully recover vehicle numbers in 2022–23. Perth Airport’s vehicle numbers were still 6% below 2018–19. Brisbane Airport numbers were 15% below, Sydney Airport numbers were 19% below and Melbourne Airport numbers were 31% below.

Table 6.1: Growth in total vehicle numbers since 2021–22 and 2018–19

Airport	Growth since 2021–22 (%)	Growth since 2018–19 (%)
Brisbane	108%	-15%
Melbourne	145%	-31%
Perth	70%	-6%
Sydney	156%	-19%

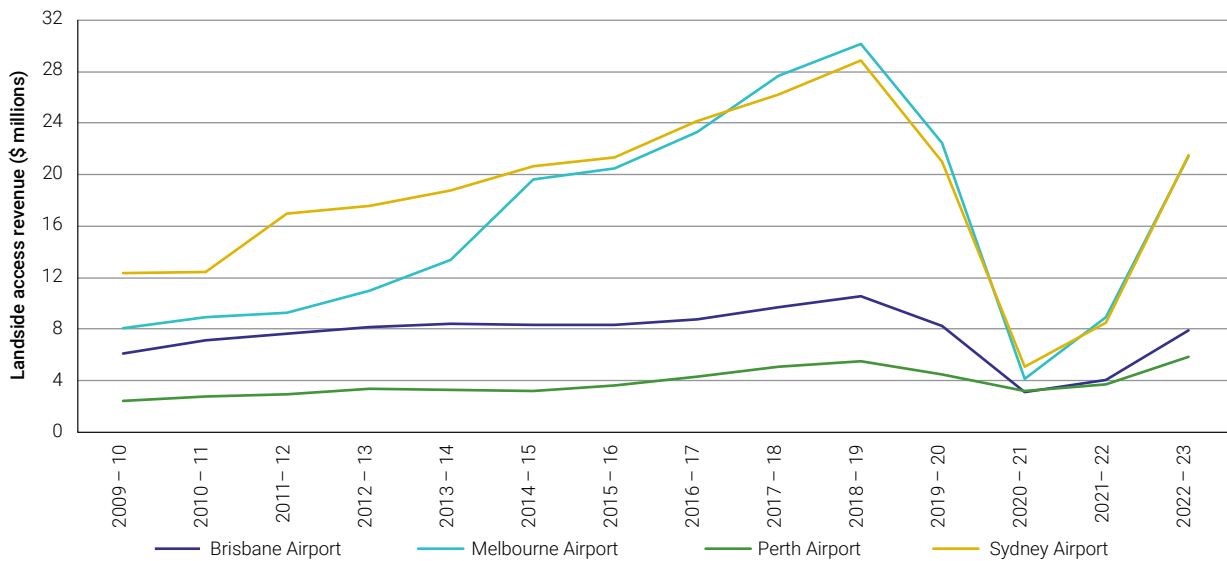
Source: ACCC analysis of information received from the monitored airports.

6.2 Landside transport access revenues rose but had not yet returned to pre pandemic levels

Consistent with the rise in vehicle numbers, landside transport access revenues were higher in 2022–23 than in the previous financial year for all 4 of the monitored airports, as indicated in figure 6.2 below. Aggregate revenue for the 4 airports combined grew by 125% to \$56.7 million.

Perth Airport was the only airport that had returned to pre pandemic levels of revenue. Sydney Airport reported the highest landside transport access revenue (\$21.5 million), followed by Melbourne Airport (\$21.4 million), then Brisbane Airport (\$7.9 million) and finally Perth Airport (\$5.9 million).

Figure 6.2: Total landside transport access revenue, 2009–10 to 2022–23

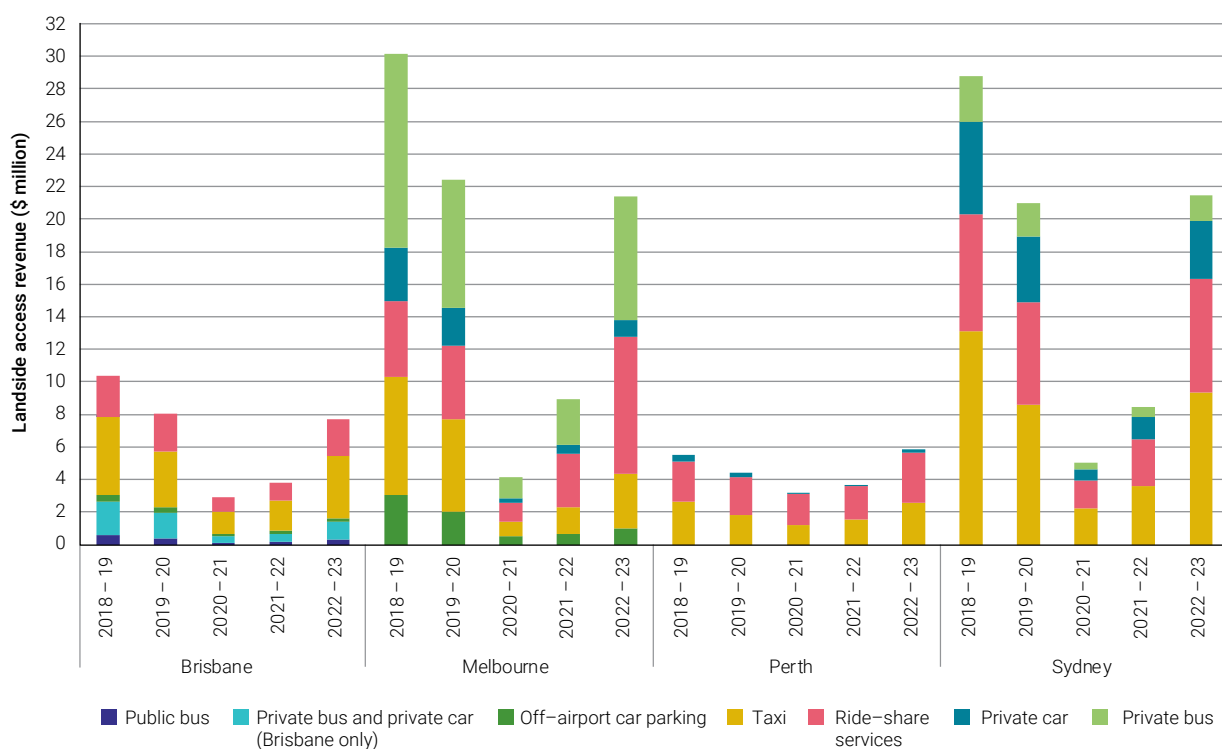


Source: ACCC analysis of information received from the monitored airports.

Overall, airport landside revenues have grown substantially from 2021–22 to 2022–23. Landside revenue growth was strongest in Sydney (154%), followed by Melbourne (139%), Brisbane (97%) and finally Perth (59%). The rise in landside revenues coincides with the rebound in vehicle numbers from 2021–22.

Figure 6.3 below shows components of the monitored airports' reported landside transport access revenues, by various landside transport modes, such as taxi versus rideshare. For Melbourne Airport, the Skybus (referred to as private bus), has routinely contributed a large share of landside transport access revenues. It is evident across the 4 monitored airports that landside transport access revenue from rideshare services has grown significantly since 2021–22 and since the lows of the pandemic. Perth Airport and Melbourne Airport received greater revenue from rideshare services since before the pandemic, while Brisbane Airport and Sydney Airport are reporting revenue levels almost approaching pre-pandemic levels.

Figure 6.3: Landside transport access revenue by transport mode, by airport, 2018–19 to 2022–23



Source: ACCC analysis of information received from the monitored airports.

We provide detailed revenue compositions in the database of supplementary information to this report, available at <https://www.accc.gov.au/by-industry/travel-and-airports>.

6.3 Landside investments

The ACCC notes in particular the following major landside transport access investments reported to the ACCC as completed or underway in the 2022–23 monitoring period.

Brisbane Airport

As noted in the car parking chapter, Brisbane Airport reported that its ‘International car park and access solution’, which it valued at \$126 million, would provide more car parking bays and road infrastructure. Brisbane Airport reported it was due to complete the project by the end of 2026.

Melbourne Airport

Melbourne Airport reported that it was constructing an elevated access road from the Tullamarine Freeway into the T4 car park, to relieve traffic congestion at peak times, with completion scheduled for 2033–34. Melbourne Airport valued this Terminal 4 Express Link project at \$73 million.

Melbourne Airport also advised of its elevated road and forecourt stage 2 project, valued at \$545 million and scheduled for completion in 2026–27. The airport advised that this project involved building an elevated access road from the Tullamarine Freeway into the T1/T2/T3 car park, reconfiguring the forecourt and relocating the public pick up and drop off into the T1/T2/T3 car park. This would reduce traffic congestion and reduce pedestrian/vehicle access.

Perth Airport

Perth Airport advised it conducted road renewals, valued at \$4 million. It also advised that it made an investment to T3/T4 for forecourts monitoring and control, valued at \$3.8 million. This includes the introduction of a camera and boom gate system designed to reduce congestion on the forecourt and surrounding access roads caused by motorists parking in the pick-up zone.

Sydney Airport

Sydney Airport reported that it was conducting ground access and car park improvements valued at \$6.4 million. It also advised of its T2 ground access improvements, valued at \$8.9 million, which was completed in Q2 2023. Sydney airport also increased the capacity for number of vehicles to drop off by re-purposing the top end of the departures road into a drop off area.

Further information can be found in Appendix D.

6.4 Quality of landside transport access services and facilities

As noted in the aeronautical operations and car parking chapters and in the Appendix, the ACCC assesses the quality of the monitored airports' landside transport access services and facilities. This is done through a collection of a variety of information which the ACCC refers to as 'subjective' (survey) and 'objective' (activity) information.

Passenger ratings

Table 6.2 below shows that passengers have generally been satisfied with waiting time for taxis across the monitored airports.

Brisbane Airport domestic and international terminals have held their 'excellent' rating for taxi waiting times in 2022–23. From 2014–15 to 2022–23, Brisbane's domestic terminal has held an 'excellent' rating in 4 of the years where quality data has been collected in the period (the airports and the ACCC suspended collecting this data during the COVID-19 pandemic). Over the same period, Brisbane Airport's international terminal has held onto an 'excellent' rating in 5 of the years where quality data has been collected since 2014–15.

Perth Airport has held a 'good' rating across all terminals, except T4, which only received a 'satisfactory' rating with regards to its waiting time for taxis in 2022–23. Perth Airport advised that 2022–23 was marked by significant construction works in and around the T3/T4 forecourt, aimed at reducing congestion and improving drop off and pick up. Passengers frequenting Perth Airport have consistently rated its taxi wait times 'good' from 2014–15 to 2022–23.

Sydney Airport held onto a 'good' rating for taxi wait times in 2022–23 for its domestic terminals T2 and T3. From 2014–15 to 2022–23 passengers have rated waiting times as 'good' consistently in 6 of the years where quality data has been collected.

For 2022–23, Melbourne Airport did not conduct passenger surveys regarding taxi waiting times.

Table 6.2: Passenger ratings on taxi waiting times, by airport and terminal, 2014–15 to 2022–23 (excluding when monitoring suspended)

Airport	Domestic/ international	Terminal	2014–15	2015–16	2016–17	2017–18	2018–19	Monitoring suspended	2022–23
Brisbane									
	Domestic	Domestic	Good	Excellent	Excellent	Good	Excellent		Excellent
	International	International	Excellent	Excellent	Excellent	Good	Excellent		Excellent
Perth									
	Domestic	T1	[No data]	Good	Good	Good	Good		Good
	Domestic	T2	Good	Good	Good	Good	Good		Good
	Domestic	T3	Good	Good	Good	Good	Good		Good
	Domestic	T4	[No data]	[No data]	[No data]	[No data]	[No data]		Satisfactory
	International	T1	Good	Good	Good	Good	Good		Good
	International	T3	[No data]	[No data]	[No data]	[No data]	[No data]		Satisfactory
Sydney									
	Domestic	T2	Good	Good	Good	Good	Good		Good
	Domestic	T3	[No data]	Good	Good	Good	Good		Good

Source: ACCC analysis of information received from the monitored airports.

Note: Perth Terminal 1 handles domestic and international passengers.

Landside objective indicators

The landside objective indicators have changed marginally across some monitored airports between 2018–19 and 2022–23:

- At **Brisbane Airport**, no major changes have occurred to the total car spaces allocated to passenger pick up and drop off to the public, remaining at 271 for domestic and 41 for international. Similarly, total car spaces allocated to passenger pick up and drop off to landside operators has remained at 123 for domestic and 101 for international.
- At **Melbourne Airport**, T1 has 48 additional car spaces available to the public for pick up and drop off. At T3, the airport removed 8 car spaces for public pick up and drop off, with 12 car parking spaces available. At T2 International, Melbourne airport removed 50 car spaces to the public for pick up and drop off, with 77 car spaces available. The number of car spaces available at T4 for both the public and landside transport operators has remained at 84 and 121 respectively.
- At **Perth Airport**, no major changes have occurred to the total car spaces allocated to passenger pick up and drop off to the public or landside operators. T1, T2, T3 and T4 offered 18, 32, 50 and 50 car spots respectively to the public. T1, T2, T3 and T4 offered 54, 84, 34 and 34 car spots respectively to landside operators.

- At **Sydney Airport**, both domestic terminals have seen an increase in public pick up and drop off. Terminal 2 and terminal 3 have increased total public pick up and drop off to 1429 car spaces.³⁵ At T1 international, Sydney airport has increased public pick up and drop off capacity by 52 car spaces. The rise in public pick up and drop off spaces has coincided with a reduction in capacity to landside transport operators for pick up and drop off at Sydney Airport. The largest reduction in landside capacity has occurred at T2 and T3 domestic (reduction of 76 car spaces to 44 and 38 respectively), followed by T1 international with a reduction of 4 car spaces.³⁶

35 Sydney Airport states that it offers 15 minute free parking in its terminal car parks, and therefore this number reflects these car spaces.

36 The reduction in landside capacity has occurred gradually since 2018–19.

Appendix: background and methodology

A. Aeronautical measures

Changes to terminal leases impact the financial data

The historical financial results the ACCC reports, particularly in chapter 4 – aeronautical services, are affected by how the monitored airports' terminals have operated over time. Some of the airports' terminals were operated by the airport and some by airlines under a domestic terminal lease. This meant, for example, that the airports did not report certain terminal related revenues as 'aeronautical revenues'. With leases expiring, airports have taken over terminal operations and the monitored airports are now reporting all associated revenues and costs as aeronautical.

Stakeholders should take this into account when examining aeronautical results over time.³⁷

Aeronautical revenue per passenger

The ACCC calculates 'aeronautical revenue per passenger' as total aeronautical revenue divided by total passenger numbers. For the purposes of the airport monitoring report, we do not request from the airports the actual prices per passenger the airports agree with individual airlines. We calculate aeronautical revenue per passenger to provide airport's revenues in the context of the number of passengers it is handling.

The monitored airports note that aeronautical revenues encompass a range of revenue sources not related to passengers, such as fees related to freight and parking aircraft. Some airports have also noted that a change in their mix of domestic versus international travellers can affect their revenues. Airports typically generate more revenue from each international passenger than each domestic passenger.

'Line in the sand' for aeronautical assets

The ACCC uses a 'line in the sand' approach to valuing aeronautical assets. In practical terms, this affects reporting on Brisbane and Sydney airports only.

As background, in 2006 the Productivity Commission noted that most of the monitored airports had revalued some assets since the Australian Government privatised them. The Productivity Commission noted that one possible effect of these revaluations was to justify higher charges over time.³⁸ For instance, an upward revaluation of airports' aeronautical assets usually results in a lower return on assets measure. The lower rate of return on average assets could be used to argue for the raising of airport charges.

37 Further information is available in ACCC, *Airport Monitoring Report 2021–22*, August 2023, p 54. See https://www.accc.gov.au/system/files/22-05RPT_Airport%20Monitoring%20Report_D06.pdf.

38 Productivity Commission, *Inquiry Report*, Economic Regulation of Airport Services (2019), p 12, accessed March 2024. See <https://www.pc.gov.au/inquiries/completed/airports-2019#report>.

The Productivity Commission recommended that we adopt a line in the sand approach for valuing tangible, non-current aeronautical assets, to remove the effect of the airports revaluing aeronautical assets. The Productivity Commission recommended that, for the purpose of the monitoring regime, the value of an airport's asset base should be rolled forward as follows: the value of tangible non-current aeronautical assets reported to us as at 30 June 2005; plus new investment; less depreciation and disposals.

We have required airports to report under the line in the sand approach since 2007–08. Only Brisbane and Sydney airports lodge separate line in the sand accounts, as Melbourne and Perth airports have not reported revaluations of aeronautical assets. Brisbane Airport reported aeronautical assets in 2022–23 of \$3.2 billion on a revalued basis and \$2.9 billion against the line in the sand. Sydney Airport reported aeronautical assets in 2022–23 of \$2.7 billion revalued, \$2.9 billion line in the sand including landfill and \$2.8 billion line in the sand excluding landfill.

COVID-19 affected the amount of aeronautical revenue per passenger

During the COVID-19 pandemic, all 4 monitored airports reported large reductions in aeronautical revenue, in the context of handling far fewer passengers. However, in some instances, aeronautical revenue declined proportionately less than the number of passengers, resulting in higher aeronautical revenue per passenger.

The monitored airports have explained that aeronautical revenue includes a range of non-passenger related revenue sources, including freight and aircraft parking. The monitored airports stated that during the COVID-19 pandemic, these revenue sources contributed a significantly larger proportion of revenue and therefore resulted in a higher effective aeronautical revenue per passenger.

Additionally, Brisbane and Perth airports commented that fluctuations in their revenues per passenger during COVID-19 were impacted by a change in the mix of domestic and international travellers as they have different revenue charges. Further, Perth Airport reported that its security revenue per passenger increased, in the context of fixed security costs and increased security requirements from government.

Operating revenues, costs and profits

There are typically at least 3 ways to measure a business' operating profit:

- earnings before interest and taxes (EBIT)
- earnings before interest, taxes and amortisation (EBITA)
- earnings before interest, taxes, depreciation and amortisation (EBITDA).

The ACCC has historically used EBITA as the profit measure for our airport monitoring rather than EBIT or EBITDA. EBITA includes depreciation but excludes the associated financing costs and amortisation of any intangible assets. We have taken the view that excluding amortisation can produce a consistent profit estimate across airports. The accounting treatment for, and amount of, the amortisation of an airport's intangible aeronautical assets (if any) can vary due to, for example, the subjective value placed on intangibles such as goodwill.

As the value of intangible assets (particularly among aeronautical assets) has traditionally been small or negligible for the monitored airports other than Sydney Airport, we have taken the view that the differences between EBIT and EBITA should not be considered material; and that for airport monitoring reporting, the use of EBITA compared with EBIT does not have a material difference in assessing profitability.

Return on aeronautical assets

The ACCC reports a return on aeronautical assets, as calculated based on accounting information from the airport businesses. Stakeholders may use this information towards forming views on how effectively the airport businesses are using their assets; and whether they are earning an ‘appropriate’ rate of return. Stakeholders can, for example, compare the calculated rates of return with entities they consider might be benchmarks.

For the purposes of monitoring airports, we report a rate of return on aeronautical assets by calculating a ratio of aeronautical operating profit – specifically, earnings before interest, taxes and amortisation (EBITA) – relative to average tangible non-current assets. For further information about EBITA, see the section above on Operating revenues, costs and profits. With regard to the asset base:

- ‘average’ means the average value of asset balances at the start and end of the financial year, to try and smooth out to a degree the effects of changes the airport(s) have made to assets and asset values during the year
- ‘tangible’ means excluding intangibles such as goodwill (for instance, a business’ reputation and its relations with its customers); and including assets such as property, plant and equipment
- ‘non-current’, similarly means excluding ‘current assets’ such as cash; and to, focus on ‘hard’ assets such as property, plant and equipment.

The ACCC uses a ‘line in the sand’ approach to valuing aeronautical assets. See item C above for more information.

Aeronautical list prices

Airports require airlines to pay charges for the use of the airfield and terminals. Some charges are levied on a per-passenger basis and others are based on aircraft size (maximum take-off weight (MTOW)). The most significant aeronautical charges are typically per-passenger charges for the airline to use the runway and the relevant terminal.

Airports publish list prices (or ‘rack rates’) that represent the maximum charge applicable to an airline operating out of the airport. However, airports typically enter into negotiations that result in airlines paying rates below the list prices.

Brisbane Airport

Table A.1: Brisbane Airport – schedule of published aeronautical charges in real terms and movements over time: 2018–19 to 2022–23

	Charge per unit (\$)	Indexed list prices (2022–23 base year = 100)				
		2018–19	2019–20	2020–21	2021–22	2022–23
Landing fees						
Freight landing fees (per MTOW)	\$26.18	107.2	119.4	119.1	110.3	100.0
General aviation landing fees (per MTOW)	\$26.18	107.2	119.4	119.1	110.3	100.0
Rotary wing landing fees (per MTOW)	\$15.71	107.1	119.4	119.1	110.4	100.0
International private charter and non scheduled air service landing fee (per MTOW)	\$26.18	107.2	119.4	119.1	110.3	100.0
Aircraft parking fees						
0 to 5,000kg	\$124.45	103.0	105.5	106.4	104.4	100.0
5,001 to 20,000kg	\$124.45	103.0	105.5	106.4	104.4	100.0
20,001 to 40,000kg	\$124.45	103.0	105.5	106.4	104.4	100.0
40,001 to 100,000kg	\$182.08	103.0	105.5	106.4	104.4	100.0
100,001 to 250,000kg	\$415.56	103.0	105.5	106.4	104.4	100.0
250,001 to 400,000kg	\$604.47	103.0	105.5	106.4	104.4	100.0
400,001kg +	\$800.87	103.0	105.5	106.4	104.4	100.0
Noise surcharge for relevant aircraft – excluding GST	\$124.45	103.0	105.5	106.4	104.4	100.0
Runway Charges						
Domestic Runway charge (per passenger)	\$6.14	100.5	117.7	119.2	110.4	100.0
International Runway charge (per passenger)	\$10.52	107.5	122.3	122.1	111.5	100.0
Terminal charges						
International passenger service charge (per passenger)	\$26.81	118.8	111.5	112.6	108.5	100.0
Domestic passenger service charge common user terminal—including aerobridge (per passenger)	\$8.92	117.9	106.9	107.1	103.2	100.0
Domestic passenger service charge common user terminal—excluding aerobridge (per passenger)	\$8.46	116.4	106.7	106.8	103.0	100.0
Government mandated security charges						
International passenger government mandated security charge (per passenger)	\$4.75	96.3	90.0	590.0	356.5	100.0
Domestic passenger government mandated security charge common user terminal (per passenger)	\$2.15	136.5	129.6	216.1	71.2	100.0

Domestic passenger government mandated security charge Qantas/Virgin terminal (per passenger)	\$2.15	118.3	129.6	216.1	71.2	100.0
Other charges						
Peak period minimum movement charge	-	n/a	n/a	n/a	n/a	n/a

Source: ACCC analysis of information received from monitored airports as part of the monitoring regime.

Note: Values in 2022–23 dollars.

Melbourne Airport

Table A.2: Melbourne Airport – schedule of published aeronautical charges in real terms and movements over time: 2018–19 to 2022–23

	Charge per unit (\$)	Indexed list prices (2022–23 base year = 100)				
		2022–23	2018–19	2019–20	2020–21	2021–22
Landing fees						
International terminal (per passenger)	\$26.71	96.9	98.8	102.9	103.4	100.0
Other (domestic services under the ASA) (per passenger)	\$6.36	85.2	90.8	98.3	103.4	100.0
Common-user domestic terminals (walk-up rate) (per passenger)	\$7.16	103.6	103.4	104.5	100.9	100.0
International freight (per MTOW)	\$13.63	96.0	99.5	102.8	103.3	100.0
Domestic freight (per MTOW)	\$13.63	96.0	99.5	102.8	103.3	100.0
General aviation (per MTOW)	\$25.58	96.1	99.5	102.8	103.4	100.0
Aircraft parking (per 15 minutes)	\$58.01	96.1	99.6	102.9	103.4	100.0
Check-in desks (per hour)	\$38.60	103.3	104.4	105.4	103.4	100.0
Minimum charges						
International and domestic freight (per landing)	-	n/a	n/a	n/a	n/a	n/a
General aviation (per landing)						
Government mandated security charges						
International terminal passenger and baggage screening (per passenger)	\$6.16	77.7	75.4	391.0	484.0	100.0
Common user domestic terminals passenger and baggage screening (per passenger)	\$4.66	83.1	98.4	183.6	172.4	100.0
Airport security charge - passengers (per passenger)	\$0.54	66.5	120.4	237.0	220.1	100.0
Airport security charge - freighters and general aviation (per MTOW)	\$0.54	63.4	87.8	625.3	638.3	100.0

Source: ACCC analysis of information received from monitored airports as part of the monitoring regime.

Note: Values in 2022–23 dollars.

Perth Airport

Table A.3: Perth Airport – schedule of published aeronautical charges in real terms and movements over time: 2018–19 to 2022–23

	Charge per unit (\$)	Indexed list prices (2022–23 base year = 100)				
		2022–23	2018–19	2019–20	2020–21	2021–22
Landing fees						
Basic landing charge						
International regular passenger transport (per arriving and departing passenger)	\$7.37	92.8	103.3	104.2	106.5	100.0
Domestic and regional regular passenger transport (per arriving and departing passenger)	\$7.37	92.8	103.3	104.2	106.5	100.0
Fixed wing (GA, freight and other) (per tonne MTOW)	\$13.15	94.8	105.5	106.4	104.4	100.0
Rotary wing (per tonne MTOW)	\$6.57	94.8	105.5	112.5	104.5	100.0
Minimum landing charge						
Fixed wing (per landing)	\$59.68	97.2	108.1	109.1	107.0	100.0
Rotary wing (per landing)	\$29.84	97.2	108.1	109.1	107.0	100.0
Basic aircraft parking charge (GA) (per aircraft per day)	\$54.64	94.8	105.5	106.4	104.4	100.0
Aircraft storage charge	\$14.86	94.8	105.5	106.4	104.4	100.0
Peak-period minimum movement charge (on airfield usage) ^(a)	\$279.76	101.7	102.9	103.8	101.9	100.0
Passenger-related services and facilities						
International terminal charge (per arriving and departing passenger)	\$12.70	107.8	98.7	104.7	104.3	100.0
Common user terminal equipment (CUTE) usage charge (per departing international passenger)		n/a	n/a	n/a	n/a	n/a
Domestic terminal charge (per arriving and departing passenger)	\$13.32	94.8	105.5	106.4	104.5	100.0
Government mandated security charges						
Counter terrorism first response - regular passenger transport (per passenger)	\$1.31	105.4	115.2	116.2	218.4	100.0
Counter terrorism first response - freight and other (aircraft > 20 tonne) (per tonne MTOW)	\$3.29	39.2	43.0	106.3	104.3	100.0
International passenger and checked bag screening (per departing international passenger)	\$4.61	134.1	144.1	481.3	549.5	100.0
Common user domestic terminal passenger and checked bag screening (per departing domestic passenger)	\$7.15	56.4	56.2	56.7	78.8	100.0

Source: ACCC analysis of information received from monitored airports as part of the monitoring regime.

Note: Values in 2022–23 dollars.

Sydney Airport

Table A.4: Sydney Airport – schedule of published aeronautical charges in real terms and movements over time: 2018–19 to 2022–23

	Charge per unit (\$)	Indexed list prices (2022–23 base year = 100)				
		2018–19	2019–20	2020–21	2021–22	2022–23
International passenger services charge (per passenger) ^{(a)*}	\$36.94	104.2	107.9	107.9	105.0	100.0
Domestic passenger services charge (per passenger) ^{(b)*}	\$6.22	102.8	105.6	106.0	105.3	100.0
Runway charge—non-passenger movements and GA (per MTOW)*	\$7.60	103.7	106.4	106.6	106.3	100.0
Runway charge—regional services (per MTOW)**	\$3.78	115.2	113.7	111.9	107.0	100.0
Landing charge—rotary wing (per movement)	\$33.00	115.1	113.6	111.8	107.0	100.0
Apron charge—major aprons (per 15 minutes)	\$38.50	115.1	113.6	111.8	107.0	100.0
Apron charge—GA aprons—regional services (per day)	\$66.00	115.1	113.6	111.8	107.0	100.0
Apron charge—GA aprons—0 to 20 tonnes (per day)	\$154.00	115.1	113.6	111.8	107.0	100.0
Apron charge—GA aprons—20 to 40 tonnes (per day)	\$209.00	115.1	113.6	111.8	107.0	100.0
Apron charge—GA aprons—greater than 40 tonnes (per day)	\$308.00	115.1	113.6	111.8	107.0	100.0
Domestic terminal infrastructure charge	Commercial agreement	n/a	n/a	n/a	n/a	n/a
Aircraft refuelling services	Commercial agreement	n/a	n/a	n/a	n/a	n/a
T3 domestic terminal infrastructure	Commercial agreement	n/a	n/a	n/a	n/a	n/a
Light and emergency aircraft maintenance	Commercial agreement	n/a	n/a	n/a	n/a	n/a
Aeronautical services – passenger processing facilities and activities						
International security charges—including passenger screening, checked bag screening and additional security measures (per passenger) ^(c)	\$4.55	121.2	114.2	425.7	643.7	100.0
T2 domestic passenger facilitation charge (per passenger) ^(d)	\$9.44	115.1	113.6	111.8	107.0	100.0
T2 regional passenger facilitation charge (per passenger) ^(d)	\$4.95	115.1	113.6	111.8	107.0	100.0

T2 domestic security charges—including passenger screening, checked bag screening and additional security measures (per passenger) ^(e)	\$2.80	73.8	70.6	94.6	94.8	100.0
T2 regional security charges—including passenger screening and checked bag screening (per passenger) ^(f)	\$0.96	114.8	113.2	111.4	107.0	100.0
T2 new investment charge (per passenger) ^(g)	\$0.44	115.1	113.6	111.8	107.0	100.0
International check-in counters (per hour)	\$28.04	110.4	110.4	110.7	107.0	100.0
Terminal access roads (per vehicle - various charges) ^(h)	\$5.35	115.1	113.6	111.8	107.0	100.0
Minimum charges						
Minimum charge for runway use (per movement)	\$66.00	115.1	113.6	111.8	107.0	100.0
Minimum charge for regional services (0 - 5 tonnes)	\$22.00	115.1	113.6	111.8	107.0	100.0
Minimum charge for regional services (5 - 10 tonnes)	\$45.38	115.1	113.6	111.8	107.0	100.0
Minimum charge for regional services (over 10 tonnes)	\$55.00	115.1	113.6	111.8	107.0	100.0

Source: ACCC analysis of information received from monitored airports as part of the monitoring regime.

Note: Values in 2022–23 dollars.

- * Minimum charge for runway use is applicable.
- ** Minimum charge for regional air services is applicable.
- (a) Charged per arriving and departing international passenger, excluding transfer and transit passengers, and infants and positioning crew. Applies to runway use and terminal facilities.
- (b) Charged per arriving and departing domestic passenger, excluding infants and positioning crew. Applies to runway use, however, commercially agreed charges also applied.
- (c) Charged as a component of the international PSC, and recovers the cost of passenger screening, checked bag screening and additional security measures. This charge includes an element that relates to security charges.
- (d) Levied per arriving and departing passenger, excluding infants and positioning crew. This is a scheduled charge – specific arrangements apply under commercial agreements with major users.
- (e) Applies to domestic users of T2 to recover the cost of passenger, checked bag screening and additional security measures. This charge includes an element that relates to security charges—note comments in (d) above.
- (f) Applies to regional users of T2 to partly recover the cost of passenger and checked bag screening.
- (g) Levied per arriving and departing domestic passenger in T2.
- (h) Levied on vehicle pick-ups to recover costs associated with the provision of ground access facilities.

B. Quality of service ratings

The *Airports Act 1996* requires the ACCC to monitor and evaluate each aspect against criteria we have determined in writing. The current criteria are set out in our *Guideline for quality of service monitoring at airports – June 2014* (ACCC 2014 guidelines), and include both objective criteria (the data provided in respect of each of the Schedule 2 matters) and subjective criteria.³⁹

The subjective criteria include, across the various aspects, surveys of airlines, which we administer as well as passenger surveys, which the airport operators administer.

To evaluate quality, we use the objective and subjective data to produce a single rating of quality for each airport.

This evaluation is a rating between one and 5 for each airport, as shown in the table below.

Table B.1: Ratings for airport services and facilities

1-1.49	1.5-2.49	2.5-3.49	3.5-4.49	4.5-5
Very poor	Poor	Satisfactory	Good	Excellent

Source: ACCC analysis of quality of service data.

The overall rating is the simple average of the scores that the airport achieved against each of the specific quality of service measures from airline surveys, passenger surveys and objective indicators. For example, Sydney Airport scored an average of 3.60 across 105 performance measures in 2018–19. Among those measures, 30 were obtained from airline surveys, 48 were from passenger surveys and the remaining 27 were objective indicators. The bulk of inputs are taken from surveys of passengers administered by the airports, followed by responses from surveys of airlines and the ‘matters’ the airports must report under the Airports Regulations.

While airports’ performance against the quality of service measures in the airline surveys and passenger surveys are already rated as scores out of 5, ratings of performance against objective indicators need to be calculated.

This process consists of producing a set of benchmarks for each measure based on how the 4 airports performed against that measure. If an airport’s performance against that measure is equal to the average performance across the 4 airports in that year, it will receive a score of 3 out of 5. If an airport performs better than the benchmark average, it will receive a score of 4 or 5 depending how close its performance is compared to the benchmark. Similarly, if its performance is below the benchmark, it will be scored a 1 or 2.

An implication of this methodology is that an airport’s rating with respect to objective indicators is relative to that of the other 3 airports. This means an airport can report the same raw performance numbers to us as the previous year but find its rating for that measure going up or down. It also means that it is not possible for all airports to be rated highly or rated poorly. This is not the case for an airport’s ratings based on airline and passenger surveys, which are independent of ratings given to the other airports.

³⁹ See: <https://www.accc.gov.au/about-us/publications/guideline-for-quality-of-service-monitoring-at-airports>.

C. Monitoring landside transport access operations

The ACCC collects information on charges and revenues the airports levy to access their sites. We consider that the dynamics of such landside transport access, as discussed below, create a need for us to monitor airports' provision of landside transport access.

Access to the airport is a necessary input in the supply of services such as taxis, buses and off-airport parking. The suppliers of these services require landside access to drop off and/or pick up airport users. Airports provide such third party transport providers with, for example, forecourt and transport hubs, waiting areas and roads to facilitate movements around the airport. Without enough landside vehicle access area and facilities, it can be difficult for third party transport providers to operate effectively.

While airports are responsible for the provision of landside access, these alternative ground transport modes can be a substitute to at airport parking, potentially impacting on one of the airports' revenue streams. Airports may set higher charges or limit access for third party transport operators to shift demand towards on airport car parking. Airports may have incentives to obstruct competition from alternative transport modes to on airport car parking by imposing excessive charges or restrictive terms and conditions for landside access. Additionally, the airports may provide insufficient space for landside operators, so their quality of service reduces thereby making at-terminal car parking more appealing. These behaviours may shift demand to an airport's own car parking services and over time allow the airports to increase their car parking charges.⁴⁰

The ACCC collects information about airports' charges for operators who provide competing services to on airport car parking as well as the amount of revenue received from those operators.

Limitations of the ACCC's monitoring

Chapter 6, on landside transport access, is based on information voluntarily provided by the monitored airports. The monitored airports are not required to provide information about landside transport access to us. As a result, the monitored airports provide varied information to us about prices, revenues, expenses and the number of vehicles accessing the airports.

Given the nature of the information received, we do not:

- report on cost and profitability of landside transport access operations
- analyse whether changes in prices, terms and conditions of landside transport access are reasonable
- analyse whether airports have undertaken efficient levels of investment in landside facilities.

Table C.1 below indicates some of the key limitations in the information the monitored airports provide the ACCC.

⁴⁰ The ACCC notes that airports may have an incentive to allocate pick up zones to receive higher revenues from particular transport modes; or in response to changing consumer demand.

Table C.1: Examples of the differences in, and limitations of, the landside transport access data available to the ACCC

Vehicle numbers	<p>Some monitored airports do not provide data for certain transport modes, typically because they do not charge for that mode. For example, the number of buses accessing landside is not available for Perth Airport because it does not levy a charge for buses. This includes ‘public’ and ‘private’ buses and shuttles operated by off-airport parking operators. Sydney Airport also does not levy a charge for public buses or report how many visit the airport; and it does not report to the ACCC the number of visits from off-airport car parking operators.</p> <p>Some monitored airports aggregate the number of vehicles for more than one transport mode. For example, Melbourne and Sydney airports aggregate access by private buses, such as Skybus in Melbourne, together with access by shuttle buses operated by off-airport parking operators.</p>
Charges, revenue and expenses	<p>Sydney Airport does not report disaggregated revenue from private buses and off-airport parking operators. It has advised us that access fees apply to off-airport parking operators’ shuttles but has not reported related revenue to us.</p> <p>Brisbane Airport includes the revenue it receives from the lease for the corridor for the Airtrain connection to the airport.</p> <p>Some monitored airports provide total amounts for landside expenses. Monitored airports have previously advised that it is difficult to allocate expenses for landside access services among different transport modes (such as taxis versus private buses).</p>
Car rental	<p>Monitored airports do not provide consistent and comparable data, such as number of vehicles or revenue, for car rentals, and the ACCC does not analyse this activity.</p>

Melbourne airport

Melbourne airport landside access volume data excludes ‘private bus’ data. This has been removed as it includes the total passengers entering and exiting the airport through Skybus, Gull and other off-airport transport operators.

Melbourne Airport chose not to undertake customer surveys in relation to passenger wait times during the pandemic as a result of the public health situation. It did not conduct these surveys in 2022–23.

D. Monitored airports’ major investments

The monitored airports provide information on major investments to the ACCC. The monitored airports provide a list of major investments for aeronautical, car parking and landside transport access. This list of information below covers investments completed in the reporting period, investments that are underway in the reporting period and investments which are planned to start after the reporting period⁴¹. Below there is a breakdown of aeronautical, car parking and landside major investments.

Table D.1 to D.3 below are for aeronautical investments which were completed in 2022–23, underway in 2022–23 and planned as of 2022–23.

⁴¹ Some investments appear more than once in the tables below as the investment has components of the different categories.

Aeronautical investment

Table D.1 below lists aeronautical investments completed in 2022–23 for the monitored airports.

Table D.1: Major aeronautical investments completed in 2022–23

	Investment	Value (\$m)	Project Start Date	Projected Completion Date
Brisbane	ITB apron taxilane replacement (bays 74 to 77)	\$30.2m	1/07/20	15/07/22
	ITB CUTE equipment replacement	\$2.1m	30/09/21	31/03/23
	Runway 01L/19R surface regrading works	\$4.4m	30/09/2021	2022-23
Melbourne	T3 redevelopment (stage 1)	\$33m	2017–18	2022–23
	CT scanning implementation (stage 2)	\$25m	2017–18	2022–23
Sydney	T3 Passenger Screening Upgrade	\$15-20m	Q1 2022	Q3 2022
	AOS upgrade	\$2.2m	Q4 2021	Q1 2023
	Taxilane Pavement Replacement	\$2-5m	Q4 2021	Q1 2023
	Gateway Services Relocation Works	\$15-20m	Q4 2020	Q3 2022

Source: ACCC analysis of information from the monitored airports.

Table D.2 below lists aeronautical investments underway in 2022–23 for the monitored airports.

Table D.2: Aeronautical investments underway in 2022–23, by airport

	Investment	Value (\$m)	Project Start Date	Projected Completion Date
Brisbane	DTB & ITB - Standard 3 passenger and check bag screening and capacity upgrades	\$495.5m	10/01/18	31/12/25
	AGL Cable Upgrade (Stage 2)	\$10.9m	1/06/21	30/09/23
Melbourne	Runway overlays Runway 16/34	\$97m	2020–21	2023–24
	Runway overlays Runway 09/27	\$50m	2022–23	2024–25
	Pavement replacement Program	\$164m	2017–18	2024–25
	T1 redevelopment	\$46m	2018–19	2024–25
	Alpha Apron North	\$112m	2022–23	2025–26
	T3 redevelopment (stage 2)	\$84m	2021–22	2025–26
	Terminal 1-4 amenities redevelopment	\$90m	2019–20	2026–27
	Taxiway Zulu (stages 2-4)	\$216m	2014–15	2026–27
	International Terminal apron parking	\$105m	2022–23	2026–27
	Checked bag scanning implementation (Terminal 1,3,4)	\$69m	2017–18	2026–27
	T2 North Infill Expansion (includes T2 checked bag screening)	\$514m	2017–18	2027–28
	Melbourne Airport 3rd Runway	\$2,204m	2013–14	2029–30
	T2 Airside Satellite development	\$364m	2017–18	2029–30
	International check In redevelop.	\$169m	2022–23	2029–30
9th & 10th reclaim	\$92m	2018–19	2036–37	
Hotel Apron South	\$111m	2022–23	2037–38	
Perth	Runway renewals and overlays	\$20m	9/01/2023	12/01/2024
	Apron renewals	\$8m	9/01/2023	12/01/2024
	Taxiway renewals	\$8m	9/01/2023	12/01/2024
	T2 apron expansion	\$35m	2/01/2023	10/01/2024
	Terminal Security Screening Reform Project	\$70.5m	14/12/2018	30/09/2023
Sydney	T1 Forecourt	\$15-20m	Q4 21	Q3 23
	Pier B South New Gen Aircraft Capability	\$100-150m	Q2 22	Q2 27
	New Conveyor Sort Loop	\$20-25m	Q4 19	Q3 23
	T2 Substation Upgrade	\$15-20m	Q2 2021–22	Q2 2023–24
	T3 Baggage Upgrade	\$10-15m	Q3 2020–21	Q4 2023–24
	Security System	\$15-20m	Q1 2021–22	Q4 2024–25

Investment	Value (\$m)	Project Start Date	Projected Completion Date
T2 Baggage High Level Control System	\$5-10m	Q2 2021-22	Q4 2023-24
LIDAR Deployment	\$2-5m	Q3 2021-22	Q2 2024
Safeguarding Assets Program	\$40-50m	Q3 2021-22	Q2 2024-25
Data & Insights Program	\$5-10m	Q3 2021-22	Q2 2024-25
Airport Zone Substation Replacement	\$40-50m	Q2 2020-21	Q4 2023-24
International Zone Substation Upgrade	\$2-5m	Q3 2021-22	Q3 2022-23
South East Sector Apron	\$100-150m	Q4 2021-22	Q1 2024-25
Aerobridge Upgrades	\$5-10m	Q2 2022-23	Q4 2024-25
Baggage System Upgrades & Renewal	\$20-25m	Q2 2022-23	Q4 2026-27
Passenger Bathroom Refurbishment	\$5-10m	Q1 2022-23	Q4 2025-26
Check-in & Security Hall Redevelopment	\$150-200m	Q1 2022-23	Q2 205-26
Arrivals Passenger Screening Upgrade	\$5-10m	Q2 2022-23	Q4 2023-24
Safeguarding Assets Program (tech)	\$40-50m	Q3 2021-22	Q2 2024-25
Security & Access Control (tech)	\$10-15m	Q3 2021-22	Q2 202-25
Digital Transformation (tech)	\$5-10m	Q3 2021-22	Q2 2024-25

Source: ACCC analysis of information from the monitored airports.

Table D.3 below lists aeronautical investments planned in 2022-23 for the monitored airports.

Table D.3: Major planned aeronautical investments

	Investment	Value (\$m)	Project Start Date	Projected Completion Date
Brisbane	DTB & ITB Self-service kiosk and Auto Bag Drop ('ABD') implementation	\$96m	1/07/23	30/06/28
	Airside GSE charging stations	\$30m	1/07/23	30/06/30
	DTB Terminal bus lounge	\$20m	1/07/23	30/06/27
Perth	Terminal 2 expansion	\$10m	2/01/2024	7/01/2025
	Parallel runway construction	\$1,035m	4/01/2024	31/10/2027
	New terminal & aprons	\$2,500m	7/01/2026	31/12/2029
	Terminal 2 aprons stage 2 & 3	\$70m	7/01/2024	7/01/2026

	Investment	Value (\$m)	Project Start Date	Projected Completion Date
	Runway renewals and overlays	\$15m	7/01/2024	30/06/2025
Sydney	Building & Services Upgrades	\$25-30m	Q3 2023	Q4 2025
	Pier B East Bussing Facility Upgrade	\$30-35m	Q4 2023	Q2 2025
	Check-in Redevelopment	\$40-50m	Q4 2023	Q4 2028
	Passenger Screening Upgrade	\$100-150m	Q3 2023	Q4 2025
	Baggage System Upgrades & Renewal	\$50-75m	Q4 2023	Q2 2025
	Passenger Bathroom Refurbishment	\$5-10m	Q1 2024	Q2 2025
	Building & Services Upgrades and Renewal	\$15-20m	Q3 2023	Q2 2025
	Electrical Resilience	\$5-10m	Q1 2024	Q2 2025
	Aerobridge Upgrades	\$10-15m	Q3 2023	Q2 2026
	Baggage System Upgrades & Renewal	\$50-60m	Q1 2024	Q4 2026
	Building & Services Upgrade	\$25-35m	Q2 2024	Q4 2026
	Electrical Resilience	\$15-20m	Q3 2024	Q2 2027
	T3 Baggage Control Software Replacement	\$5-10m	Q4 2023	Q4 2025
	Airfield Lighting Program	\$10-15m	Q3 2023	Q2 2025
	Airfield Pavement Program	\$50-75m	Q4 2023	Q2 2025
	Airfield Maintenance	\$40-50m	Q3 2023	Q2 2025
	Hydraulic Resilience	\$40-45m	Q1 2024	Q3 2025
	Bussing Fleet Replacement	\$10-15m	Q3 2023	Q2 2025
	Seamless transfer	\$25-50m	Q4 2024	Q3 2026

Source: ACCC analysis of information from the monitored airports.

Car parking investment

Below are tables for car parking investments which were completed in 2022–23, underway in 2022–23 and planned as of 2022–23.

Table D.4 below lists car parking investments completed in 2022–23 for the monitored airports.

Table D.4: Major car parking investments completed in 2022–23

	Investment	Value (\$m)	Project Start Date	Project Completion Date
Perth	Affleck Road Car Park	\$0.8m	11/01/2022	30/04/2023
	General Aviation Car Park Upgrade	\$1.9m	3/01/2023	10/01/2023
	Car park A Expansion	\$2.0m	11/01/2022	10/01/2023
Sydney	Ground Access & Car park Improvement ⁴²	\$6.4m	Q3 2022	Q2 2023

Source: ACCC analysis of information from the monitored airports.

Table D.5 below lists car parking investments underway in 2022–23 for the monitored airports.

Table D.5: Major car parking investments underway in 2022–23

	Investment	Value (\$m)	Project Start Date	Projected Completion Date
Brisbane	Domestic terminal building MLCP 1 and 2 Reconfiguration	\$3.4m (estimated)	01/07/2022	31/12/2023
	Domestic terminal building MLCP 2 Extension	\$90.7m (estimated)	01/07/2022	28/02/2025
	Airpark Extension	\$22.0m (estimated)	01/09/2018	31/12/2025
	International Car park and access solution	\$126.0m (estimated)	01/01/2023	31/12/2026
Melbourne	T4 Express Link	\$73.0m	2017–18	2023–24
Perth	T1–T2 Multi Storey Car park Pod 1	\$220.0m	7/01/2021	12/01/2026
	Frictionless Parking Solution	\$1.0m	1/01/2021	30/11/2023
	T3/T4 Car park expansion	\$20.0m	3/01/2021	30/11/2023
Sydney	Terminal 2 ground access improvements ⁴³	\$8.9 million	Q3 2021–22	Q2 2022–23

Source: ACCC analysis of information from the monitored airports.

Table D.6 below lists car parking investments planned as of 2022–23 for the monitored airports.

⁴² This includes improvements to both ground access and car parking. As such this number is also replicated in the completed landside access investments.

⁴³ This includes improvements to both ground access and car parking. As such this number is also replicated in the landside access investments underway.

Table D.6: Major planned car parking investments, by airport

	Investment	Value (\$m)	Projected Start Date	Projected Completion Date
Brisbane	Domestic Multi Level Car Park 3	\$330.0m	TBC	TBC
Melbourne	Value Carpark Expansion (Grassy Knoll Stage 2)	Not reported	2023–24	2024–25
	Staff Multilevel Carpark	Not reported	2024–25	2026–27
	T4 Car Park capacity enhancement	Not reported	2031–32	2033–34
	Value Carpark Expansion (Multi Level)	Not reported	2023–33	2033–34
	T4 Car park expansion	Not reported	2033–34	2036–37
Perth	T1-T2 Multi Storey Car Park Pod 2	\$250.0m	1/01/2027	1/01/2029
Sydney	Car Park Customer Experience, Ground Access and Staff Parking	\$73.0m	Q3 2022–23	Various

Source: ACCC analysis of information from the monitored airports.

Landside investment

Below are tables for landside investments which were completed in 2022–23, underway in 2022–23 and planned as of 2022–23.

Table D.7 below lists landside investments completed in 2022–23 for the monitored airports.

Table D.7: Major landside investments completed in 2022–23

	Investment	Value (\$m)	Project Start Date	Project Completion Date
Sydney	Ground access & car park improvements	\$6.4 million	Q3 2021–22	Q2 2022–23

Source: ACCC analysis of information from the monitored airports.

Table D.8 below lists landside investments underway in 2022–23 for the monitored airports.

Table D.8: Major landside investments underway in 2022–23

	Investment	Value (\$m)	Project Start Date	Projected Completion Date
Brisbane	International car park and access solution	\$126 m	1 Jan 2023	31 Dec 2026
Melbourne	Terminal 4 Express Link	\$73 m	2017–18	2023–24
	Elevated road and forecourt stage 2	\$545 m	2017–18	2026–27
Perth	Terminals 3/4 forecourt monitoring and control	\$3.8 m	1 Jan 2021	30 Nov 2023
	Road renewals	\$4 m	9 Jan 2023	5 Jan 2024
Sydney	Terminal 2 ground access improvements	\$8.9 million	Q3 2021–22	Q2 2022–23

Source: ACCC analysis of information from the monitored airports.

Table D.9 below lists landside investments planned as of 2022–23 for the monitored airports.

Table D.9: Major planned landside investments, by airport

	Investment	Value (\$m)	Projected Start Date	Projected Completion Date
Brisbane	International Level 1 road	\$34 m	1 July 2023	30 June 2026
Melbourne	Traffic signalisation/ intersection upgrades	Not available	2026–27	2027–28
	Mode share holding area expansio	Not available	2025–26	2028–29
	Replacement/ refurbishment of roads	Not available	Ongoing	Ongoing
Perth	Airport Drive Upgrade	\$250 m	1 July 2027	30 June 2029
Sydney	Car park customer experience, ground access and staff parking	\$73 m	Q3 2022–23	Various

Source: ACCC analysis of information from the monitored airports.

