6. Melbourne airport

Key points

- Passenger numbers, tonnes landed and aircraft movements all increased in 2007–08.
- All aeronautical charges at Melbourne airport increased in the most recent period.
  - From 2005–06 to 2007–08, the list price for aircraft movement facilities and activities increased by between 5 per cent and 21 per cent. Passenger processing facilities and activities increased by between 46 per cent and 61 per cent over the same period.
- Aeronautical revenues per passenger increased by 8.9 per cent from $7.10 per passenger in 2006–07 to $7.73 per passenger in 2007–08.
- In 2007–08, total aeronautical operating revenue and expenses increased by 20 per cent and 9 per cent respectively, which led to an increase in the operating margin of 32 per cent in the period.
  - On a per passenger basis, the operating margin for aeronautical services increased from $3.24 per passenger in 2006–07 to $3.81 in 2007–08.
  - Additional 'line in the sand' measures are not reported for Melbourne airport as it does not record revaluations of its aeronautical assets.
- For aeronautical services, earnings before interest, tax and amortisation (EBITA) on average tangible non-current assets increased from 14 per cent in 2005–06 to around 16 per cent in 2007–08.
- Over the whole reporting period (2003–04 to 2007–08), overall ratings for availability and standard of airport facilities were stable at satisfactory, though both measures decreased slightly in 2007–08.
- Similarly, overall ratings for terminal facilities and services were stable at around satisfactory, though measures for both international and domestic terminal users decreased slightly in the most recent period.
  - Airside services ratings decreased slightly in 2007–08.

Melbourne airport decreased its Australian Protective Service passenger charges by 100 per cent from 2005–06 to 2007–08. The most significant decrease occurred in 2006–07 due to a new arrangement with the government whereby the government directly met the cost of the Australian Government's Counter Terrorism First Response services (provided by the Australian Federal Police) from 1 January 2006 rather than charging monitored airports.

In average revenue terms (more specifically, revenue divided by the number of units provided) the average price of general aviation charges increased by around 94 per cent since 2003–04, which is primarily affected by the increase in the minimum charge. However, the list price for general aviation charges increased by 23 per cent over the same period.

6.1.3. Revenues, costs and profits

Table 6.1.2 lists the revenues, operating costs and operating margins for aeronautical services at Melbourne airport from 2003–04 to 2007–08.[60]

60 Melbourne airport transitioned to the Australian equivalent International Financial Reporting Standards (AIFRS) in 2004–05. A re–statement of the airport's regulatory accounts for 2004–05 was not available. Although the airport provided comparative information demonstrating the impact of the adoption of AIFRS, this report is based on the regulatory account statements that split information between aeronautical, aeronautical–related and non–aeronautical according to the Airports Act 1996 and direction 27 (as described in chapter 1), and therefore all 2004–05 figures remain stated under Australian Generally Accepted Accounting Principles.