7. Melbourne Airport

Key points

- In 2008–09, there was a slight increase in the number of passengers, tonnes landed and aircraft movements at Melbourne Airport.
- The majority of Melbourne Airport's list prices for aeronautical services increased in 2008–09.
  - For example, landing charges for the international terminal increased by 4.4 per cent in 2008–09. Since 2004–05, these charges have increased by 23.1 per cent.
- Aeronautical revenue, operating expenses and operating margin increased by 5.2 per cent, 8.2 per cent and 2 per cent respectively in the most recent period.
- On a per passenger basis, aeronautical revenue, expenses and margin were constant or increased in 2008–09. Aeronautical revenue per passenger increased by around 20.6 per cent from $6.60 in 2004–05 to $7.96 in 2008–09.
  - Additional 'line in the sand' measures are not reported for Melbourne Airport as it does not record revaluations of its aeronautical assets.
- Investment lead to higher asset values, and contributed to the rate of return on aeronautical assets decreasing in 2008–09. Over the whole reporting period (2004–05 to 2008–09), the return on assets measure was relatively stable at around 14 per cent.
- From 2004–05 to 2008–09, Melbourne Airport's overall rating for terminal facilities and services was stable at around 3.52 (satisfactory) on average, and measures for both international and domestic terminal users increased slightly in the most recent period. The overall rating for other airport services also increased in 2008–09.
- Car parking prices at Melbourne Airport were mostly unchanged during 2008–09. Over the whole reporting period, the largest price increase was for three days parking at the long-term car park (from $29 in 2004–05 to $65 in 2008–09).
- Car parking revenue was considerably above operating expenses over the whole reporting period.
  - Notably, operating margin per car space fluctuated between $2850 and $3520 over the period 2004–05 to 2008–09.
- Melbourne Airport's car parking quality of service, in terms of *availability* and *standard*, was rated at good on average over the whole reporting period.

Landing charges for the international terminal increased by 4.4 per cent from $13.75 per passenger in 2007–08 to $14.36 in 2008–09. Since 2004–05, these charges have increased by 23.1 per cent.

Common user domestic terminals charges were slightly increased in 2008–09, by around 1.3 per cent. International and domestic freight and general aviation charges all increased by approximately 4.4 per cent in 2008–09, as did the minimum charges applying to these.

From 2004–05 to 2008–09, the list price for international passenger and baggage screening increased by 57.9 per cent despite a decrease from $5 per passenger in 2007–08 to an average of $4.58 per passenger in 2008–09 (8.4 per cent).

In 2008–09, Melbourne Airport introduced a new charge for pre-conditioned air.

7.1.3. Revenues, costs and profits

Table 7.1.2 lists the revenues, operating costs and operating margins for aeronautical services at Melbourne Airport from 2004–05 to 2008–09.