AUSTRALIAN COMPETITION & CONSUMER COMMISSION

Airport monitoring report 2019–20

March 2021

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Australian Competition and Consumer Commission
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COVID-19

Airports were dramatically impacted by the global COVID-19 pandemic in the latter part of the 2019–20 monitoring period. Total passenger numbers fell by 26.5% for the year as a result.

Aeronautical revenue dropped for the full year across the four monitored airports by between 15.5% and 21.6%.

With high fixed costs, the monitored airports' aeronautical operating profit also fell by between 47.4% and 61.8% for the year.

While results for the full set of quality of service measures were not collected to reduce the burden on airlines and airports, all airports remained in the 'good' range for passenger satisfaction.

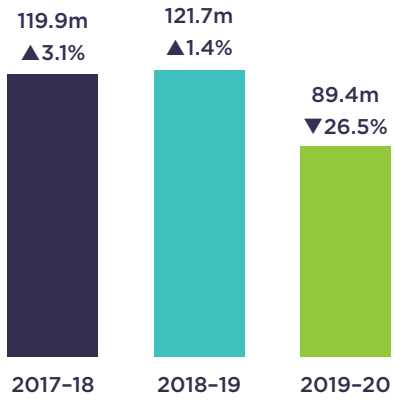
Car parking revenue was also down by between 20.5% and 26.1% across the monitored airports due to substantially reduced demand for airport car parking.

The ACCC expects 2020–21 results to continue to reflect the impact of the COVID-19 pandemic, as the industry is likely to see reduced travel demand for the full financial year.

Key industry results 2019–20*

AERONAUTICAL SERVICES

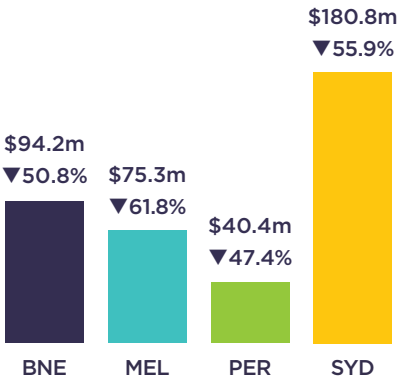
Total passenger volumes at the 4 monitored airports



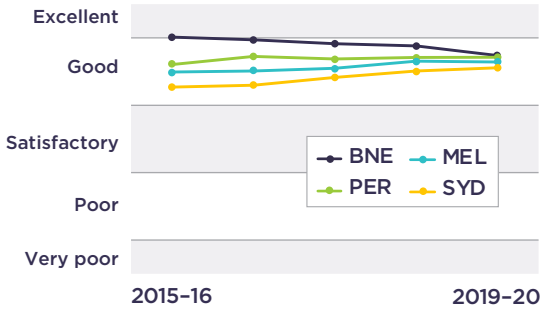
Return on aeronautical assets

BNE	3.1%	▼ from 7.2%
MEL	2.9%	▼ from 8.5%
PER	4.1%	▼ from 7.6%
SYD	5.6%	▼ from 12.5%

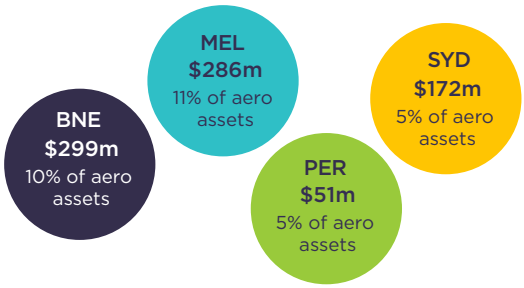
Operating profit**



QUALITY OF SERVICE***

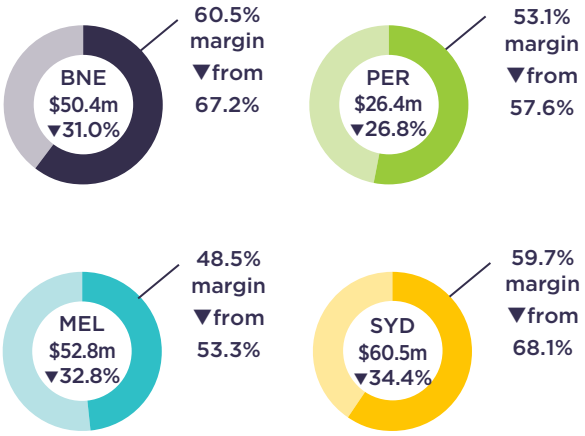


AERONAUTICAL INVESTMENT

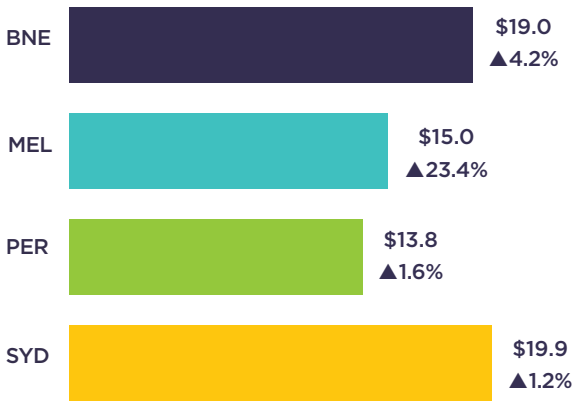


CAR PARKING SERVICES

Operating profit** and profit margin****



Drive-up price for at-terminal parking: 30 to 60 minutes



* Note that the COVID-19 pandemic did not fully affect the industry until the fourth quarter of the 2019-20 monitoring period.
** Operating profit is measured as earnings before interest, taxes, and amortisation (EBITA).
*** The 2019-20 report does not present results for overall quality of service. This chart presents quality of service measured by average ratings of the passenger survey only.
**** Operating profit margin refers to EBITA as a percentage of revenue.
Note: Items described as '▼ from' are comparisons to 2018-19.

Key performance indicators 2019–20

Table 1: Key aeronautical indicators for 2019–20

Airport	Passenger numbers (m)	Aero revenue ($m)	Aero revenue per passenger ($)	Aero operating profit ($m)	Return on aero assets (%)
Brisbane	18.1	344.3	19.01	94.2	3.1
Melbourne	27.3	404.1	14.82	75.3	2.9
Perth	11.7	188.1	16.05	40.4	4.1
Sydney	32.3	713.3	22.10	180.8	5.6

Table 2: Changes in key aeronautical indicators from 2018–19 to 2019–20

Airport	Passenger numbers (%)	Aero revenue (%)	Aero revenue per passenger (%)	Aero operating profit (%)	Return on aero assets (pp)
Brisbane	-24.5	-15.5	11.9	-50.8	-4.1
Melbourne	-27.2	-17.7	13.0	-61.8	-5.6
Perth	-19.5	-16.2	4.1	-47.4	-3.5
Sydney	-29.3	-21.6	10.9	-55.9	-6.8

Note: pp = percentage points. Changes for financial data are presented in real terms (base year = 2019–20).

Table 3: Key car parking indicators for 2019–20

Airport	Revenue ($m)	Operating profit ($m)	Profit margin (%)	Car parking spaces	Revenue per car park space ($)	Operating profit per car park space ($)
Brisbane	83.2	50.4	60.5	19,091	4,359	2,638
Melbourne	109.0	52.8	48.5	26,654	4,088	1,983
Perth	49.7	26.4	53.1	22,081	2,252	1,195
Sydney	101.3	60.5	59.7	14,493	6,991	4,174

Table 4: Changes in key car parking indicators from 2018–19 to 2019–20

Airport	Revenue (%)	Operating profit (%)	Profit margin (pp)	Car parking spaces (%)	Revenue per car park space (%)	Operating profit per car park space (%)
Brisbane	-23.3	-31.0	-6.7	12.6	-31.9	-38.7
Melbourne	-26.1	-32.8	-4.8	0.0	-26.1	-32.8
Perth	-20.5	-26.8	-4.6	0.0	-20.5	-26.8
Sydney	-25.2	-34.4	-8.4	-20.3	-6.1	-17.7

Note: pp = percentage points. Changes for financial data are presented in real terms (base year = 2019–20).

Glossary

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.
Aircraft-related services and facilities	Services and facilities provided by airports that are specifically utilised by aircrafts (for example, runways, aircraft parking bays and taxiways). The full list of aircraft-related services and facilities for monitoring purposes are listed in the Airports Regulations 1997.
Airside	Refers to areas specifically in the airport that are dedicated to the provision of aircraft-related services and facilities and most passenger-related services and facilities (for example, terminal buildings, runways and taxiways).
Aeronautical services and facilities	As defined under the *Airports Regulations 1997,* services and facilities at an airport that are necessary for the operation and maintenance of civil aviation at the airport (including both passenger-related and aircraft-related services and facilities).
Apron	Airport aprons are areas 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 free shuttle that is operated by the airport.
At-terminal car park	A car park that is within walking distance of the terminal
General aviation	Aircraft operations that are not regular public transport, such as private charter and aircraft training flights, and Royal Flying Doctor Services.
Landside	Parts of an airport that are not airside areas (for example, access roads and walkways within airport precincts).
Monitored airports	Airports which are subject to price and quality of service monitoring and are specified in Parts 7 and 8 of the *Airports Regulations 1997*; currently Brisbane, Melbourne, Perth and Sydney airports.
Objective indicators	Airport services and facilities listed in the *Airports Regulations 1997* 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 display screens) and other measurements (for example, number of passengers during peak hour).
Off-airport car park	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.
On-carriage passengers	Passengers that arrive on one flight and depart on another flight generally without leaving the airport.
Operating profit	Earnings before interest, tax and amortisation (EBITA).
Operating profit margin	Ratio of EBITA relative to revenue.
Overall 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.

Passenger-related services and facilities	Services and facilities provided by airports that are specifically utilised by passengers (for example, check-in desks, aerobridges and gate lounges). The full list of passenger-related services and facilities for monitoring purposes are listed in the *Airports Regulations 1997*.
Peak hour	The hour that, on average for each day in the financial year, has the highest number of (arriving/departing/total of both) passengers.
Real terms	A value expressed in the money of a particular base time period (for example, 2019–20 dollars) in order to remove the impact of inflation.
Return on assets	Ratio of EBITA relative to average tangible non-current assets.
Taxiway	A road for aircraft that connects runways with airport facilities including ramps, hangers and terminals

Executive summary

The travel and aviation sectors have been dramatically impacted by the COVID-19 pandemic and airports are no exception. Although the full impact of the pandemic was not apparent until the fourth quarter of the 2019–20 monitoring period, aggregate annual measures of airport and car parking performance were substantially lower than in 2018–19. Passenger numbers and revenue were significantly down, yet costs remained high due to a range of fixed costs for the airports, including those that allowed them to continue to remain open.

The scale and speed of the pandemic's impact on air travel was significant. Australia's domestic passenger numbers fell from around 5 million in January 2020 to around 145,000 just 3 months later in April 2020. International passenger numbers also dropped by a similar magnitude.

Despite 6 months of typical aviation activity from July to December 2019, aeronautical revenue for 2019–20 across the 4 monitored airports (Brisbane, Melbourne, Perth, Sydney) dropped by between 15.5% and 21.6% from 2018–19. While still remaining profitable, the 4 monitored airports' aeronautical operating profit fell by between 47.4% and 61.8% for the year. The ACCC expects the results in the next monitoring report to more fully reflect the impact of COVID-19. Airports' short term investments have softened, though longer term investments continue to be implemented.

The ACCC did not collect the full set of quality of service data this year to reduce the burden on airlines and airports. However, the passenger satisfaction survey was collected for the first 9 months of the monitoring period and showed only minor variations, with all airports remaining in the 'good' range.

Car parking revenue was also down by between 20.5% and 26.1% across the 4 monitored airports on the back of substantially reduced demand for airport car parking. Towards the end of the 2019–20 monitoring period, Melbourne and Sydney airports offered free parking for consumers.

Since the end of the 2019–20 monitoring period, domestic aviation is showing some recovery as passenger numbers increase but international travel remains very low. The ACCC will be closely observing conduct and the use of market power in the sector to ensure the recovery phase does not give rise to behaviour that damages competition or results in unreasonable price increases. This will occur through the ACCC's airport monitoring work and particularly the new quarterly reports on airline competition in Australia. This is in addition to our general enforcement and compliance role for competition law.

1. Introduction

1.1 The ACCC's monitoring role

This report presents the results of the ACCC's monitoring of the quality, prices, costs and profits at Brisbane, Melbourne (Tullamarine), Perth and Sydney (Kingsford Smith) airports for 2019–20. The monitoring relates to the airports' supply of aeronautical, car parking and landside services.

The ACCC's monitoring functions originate from directions issued pursuant to section 95ZF of the *Competition and Consumer Act 2010* and from the *Airports Act 1996*.

The price monitoring regime was established in 2002 following the consideration of the recommendations of a Productivity Commission inquiry. The move from a price regulation regime to a monitoring regime was intended to facilitate investment and innovation. The move 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 airport users at some airports, such as airlines, do not possess enough bargaining power to ensure efficient outcomes.

An unconstrained airport could be expected to exercise its market power to earn monopoly profits to the detriment of the broader Australian economy. For example, an airport may not face sufficient incentive to constrain its prices and/or improve the quality of its services and facilities. It could also under- or over-invest in key 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 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 assist airlines in their negotiations with airports regarding prices and service standards.

However, monitoring is limited in its ability to address behaviour that is detrimental to the market and consumers, particularly as a longer-term measure where the threat of regulation is diminished. Monitoring does not directly restrict the airports from increasing prices or allowing service quality to decline. It also 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 Expiry of domestic terminal leases will affect some monitoring results this year

For many years, some terminals at the monitored airports have been operated on an exclusive basis by a single airline under a domestic terminal lease (DTL).

The ACCC's monitoring role for aeronautical services and facilities relates only to those terminals that are owned and operated by each of the 4 monitored airports.

For the 2019–20 report, the terminals that operated under a DTL at Brisbane, Melbourne and Perth airports will all be fully captured in financial and quality of service monitoring. Accordingly, as of this year, all terminals that have operated under a DTL previously have now reverted back to airport control.

The inclusion of data for the terminals that previously operated under the DTLs has an impact on the results presented in the ACCC's monitoring reports. The main impact is on the airports' financial monitoring. As a DTL expires and the airport takes over operations of the terminal, it will see an increase in both its aeronautical revenues and expenses. This is because the airport will begin charging aeronautical fees for the airlines' use of the terminal, instead of lease payments which are not considered to be aeronautical revenue. Expenses will also increase because the airport will now have responsibility for operating the terminal.

2. Industry observations and developments

2.1 The significant impact of COVID-19 on the industry

Prior to the start of the COVID-19 pandemic, the monitored airports witnessed strong growth in passenger numbers and aeronautical operating profit. Between 2009–10 and 2018–19, passenger numbers increased at an average annual rate of between 2.5% and 4.0% and aeronautical operating profit increased at an average annual rate of between 4.9% and 8.7%.

Table 2.1 Historical yearly average growth in key aeronautical indicators: 2009–10 to 2018–19 (not including 2019–20)

Airport	Passenger numbers (%)	Aero revenue (%)	Aero revenue per passenger (%)	Aero operating profit (%)
Brisbane	2.5	7.1	4.5	8.7
Melbourne	4.0	7.4	3.2	5.6
Perth	3.7	8.5	4.6	6.9
Sydney	3.0	4.8	1.7	4.9

Note: Changes for financial data are presented in real terms (base year = 2019-20).

However, Australia's airports have been significantly impacted by the COVID-19 pandemic. In the first few months of 2020, passenger numbers fell dramatically as the Australian Government announced international border closures.[1] This was exacerbated by the closure of state and territory borders.

Airline passenger services declined significantly as a result. International passenger numbers fell from 4.2 million inbound and outbound passengers in January 2020 to a monthly average of 64,000 for the last quarter of 2019–20.[2] Domestic passenger numbers fell from 5.1 million inbound and outbound passengers in January 2020 to a monthly average of 234,000 for the last quarter of 2019–20.[3]

The monitored airports charge a number of aeronautical fees on a per passenger basis, while many expenses remain fixed. As such, the decline in demand has not only significantly affected the financial results for airports but has also had operational impacts, with most of the monitored airports closing off terminals to manage costs.

Data collected for this report is aggregated for the full 2019–20 financial year, so it is not possible to ascertain the exact impact of COVID-19 from this information. However, the data still demonstrates significant impacts on the airports despite only affecting the latter part of the monitoring period, with a 26.5% fall in aggregate passenger numbers compared to 2018–19. Operating profits fell by between 47.4% and 61.8% for the period for the 4 monitored airports.

The Bureau of Infrastructure and Transport Research Economics (BITRE) publishes monthly data on international and domestic aviation activity. The data shows that in April 2020, international air passenger numbers were down 97.9% compared to April 2019.[4] Figure 2.1 highlights the monthly trend in both domestic and international passengers between January 2019 and December 2020.

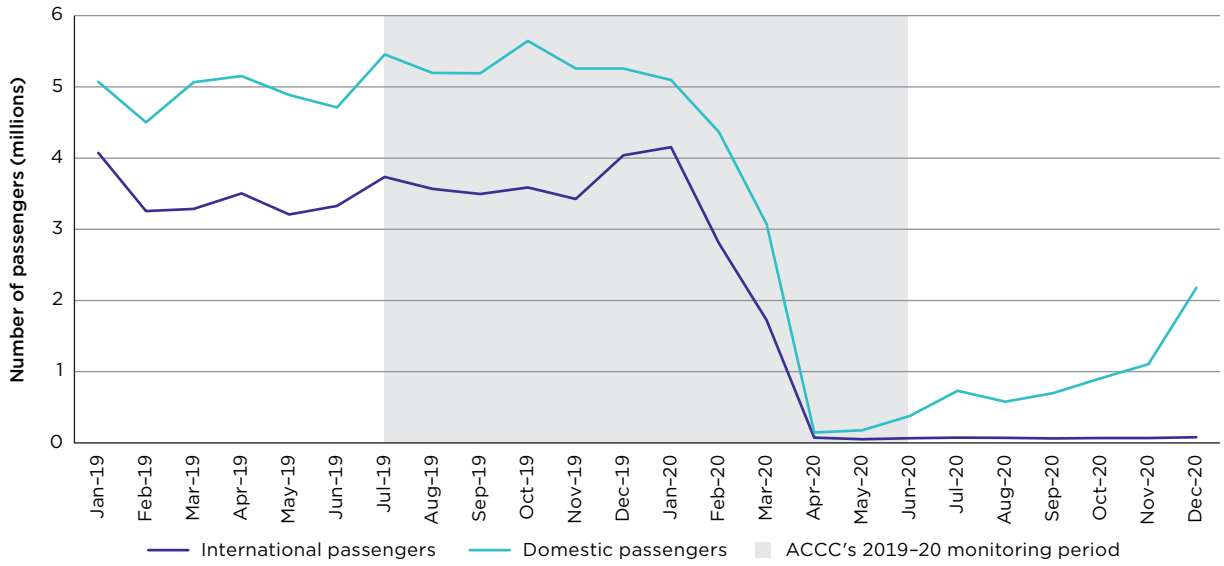
1 Australian Government, 'March 2020 news archive', 2020, accessed: https://www.australia.gov.au/news-and-updates/march-2020-news-archive.

2 Bureau of Infrastructure, Transport and Regional Economics, 'International Airline activity monthly publications – January 2021', accessed: https://www.bitre.gov.au/sites/default/files/documents/international_airline_activity_monthly_airline_performance_1120.xlsx

3 Bureau of Infrastructure, Transport and Regional Economics, 'Domestic aviation activity monthly publications – January 2021', accessed: https://www.bitre.gov.au/sites/default/files/documents/toproutesjuly2014nov2020.xlsx

4 Bureau of Infrastructure, Transport and Regional Economics, 'Domestic aviation activity monthly publications – January 2021'.

Figure 2.1 Monthly passengers: January 2019 to December 2020



Source: Bureau of Infrastructure and Transport Research Economics.

The domestic air passenger market is showing a recovery for the next 2020–21 monitoring period. However, the international air passenger market is expected to take longer to recover.

2.1.1 The impact on airports generally

COVID-19 has created financial and operational issues for all of Australia's commercial airports. The Australian Airports Association (AAA) noted the following impacts in its submission to the inquiry into the Australian Government's response to the COVID-19 pandemic:

- Aeronautical revenues across all of Australia's commercial airports reduced by over $455 million (over $150 million a month) between February and April 2020 - a drop of at least 75% compared to the same period of 2019.
- Non-aeronautical revenues across all of the airports fell by around $438 million (around $145 million a month) over the same period – a fall of over 65% below pre-COVID-19 levels.
- Airport infrastructure investment has slowed dramatically since the crisis began, with many projects delayed or cancelled, although a base level of maintenance and repair continues.
- To maintain future capability, airports have reduced activity levels in their workforces, mostly by redeploying staff, reducing hours and leave taking, with redundancies a last resort.[5]

The AAA noted that Australia's airports collective revenue fell by $300 million a month. It also noted that even at low levels of passenger throughput, increased cleaning regimes, physical distancing, 'sneeze guards', temperature checking equipment and additional lanes to promote physical distancing in terminals have increased airport costs.

In the longer term, the AAA considers that some of these pandemic practices may become mandatory. This means airports will need to shoulder these 'new normal' operating costs, affecting future airport budgets either through airports absorbing the costs or passing them on to airport users.

2.1.2 The impact on airlines

COVID-19 has substantially reduced demand for airline travel and in turn impacted on the viability of the airline industry.

5 Australian Airports Association, 'Inquiry into the Australian Government's response to the COVID-19 pandemic submission', 2020, accessed: https://www.aph.gov.au/DocumentStore.ashx?id=47d0bafa-2200-4a81-88a2-664acaa5c2f6&subId=686620.

In April 2020 Virgin entered voluntary administration with an aim to restructure and refinance the airline. This followed Virgin carrying significant debt at the onset of the pandemic. Virgin announced in June 2020 that Bain Capital had entered into an agreement with the administrator, Deloitte, to become the new owner of the airline. An announcement of restructuring plans followed in August 2020, in which Virgin outlined its plans to:

- reduce the cost base and simplify operations by streamlining its fleet and reset operations to meet reduced global and domestic demand
- secure approximately 6,000 jobs, with the potential number to increase to 8,000 jobs in future, and to pay entitlements in full to employees who depart from the company
- formally discontinue the Tigerair brand.

In June 2020 the Treasurer issued a direction to the ACCC to monitor prices, costs and profits relating to the supply of domestic air passenger transport services.[6] In announcing the direction, the Treasurer stated that the ACCC's monitoring will assist in protecting competition in the sector and provide another avenue for the raising of concerns about anti-competitive conduct.[7] This monitoring role will see the ACCC report publicly every quarter over the period of 3 years. While the ACCC will take enforcement action if it identifies any breaches of the *Competition and Consumer Act 2010*, it will also consider possible policy options for government if there are signs that competition is not effective.

The pandemic appears to have created an opportunity for Rex, which began running services on the Sydney–Melbourne route in March 2021. It also began selling tickets for flights in late March/April between Melbourne and both Adelaide and the Gold Coast, as well as between Sydney and the Gold Coast. With a depressed market, Rex has been able to secure the aircraft and pilots needed for its expansion. While historically it has been difficult for a new entrant to compete over the longer term against incumbents on the major city routes, Rex is building from a large established regional network it has operated since 2002. A key consideration will be Rex's ability to access future take-off and landing slots at Sydney Airport.

Given the importance of Australia's domestic aviation industry, the ACCC is prepared to take enforcement action or recommend an appropriate policy or regulatory response by the government. The industry provides the majority of Australia aeronautical activity and it also provides a service to the domestic tourism industry and enables a significant amount of economic activity.

2.1.3 Government response to COVID-19

As part of the economic response to COVID-19, the Australian Government announced the provision of a financial assistance package of up to $715 million to support the aviation sector, from 1 February 2020.[8] This included:

- reimbursement of aviation fuel taxes
- relief from Airservices Australia charges
- rebates for domestic aviation security and funding for regional aviation security.

There was also support provided to airlines on regional and selected domestic routes to support their operations through subsidised costs. The Regional Airlines Network Support (RANS) and Domestic Aviation Network Support (DANS) programs were introduced in March 2020 and April 2020 respectively. In March 2021, the Australian Government extended both RANS and DANS programs until the end of September 2021, and announced that it would be subsidising tickets to key tourist destinations under a new Tourism Aviation Network Support program.

6 Subsection 95ZE(1) of the *Competition and Consumer Act 2010*.

7 The Treasurer of Australia, 'ACCC directed to monitor domestic air passenger services', media release, 19 June 2020.

8 Australian Government, 'Assistance for severely affected regions and sectors', 2020, accessed: https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Assistance_for_severely_affected_regions_and_sectors.pdf.

Slot management at Sydney Airport

To address economic uncertainty and provide flexibility to airlines in the COVID-19 environment, the Deputy Prime Minister issued Directions to the Sydney Airport Slot Manager in March 2020 and August 2020. The Directions effectively waived the need for airlines holding historical slots at Sydney Airport to comply with a 'use it or lose it' rule in accordance with the Sydney Airport Slot Management Scheme 2013. Under this rule, an airline must ordinarily operate at least 80% of their allocated slots during a scheduling season to be reallocated those slots in the equivalent subsequent season.[9]

A more recent Direction in February 2021 further extended some of the flexibility regarding the need for airlines to use slots, although the arrangements differ significantly between international and domestic services. The ACCC understands that the Direction, combined with the rules of the existing slot scheme, has created circumstances whereby some domestic airlines will have precedence to more slots in the future than they had pre-COVID. While this may allow airlines to develop more consistent or better integrated flight schedules, the ACCC will have concerns where airlines do not return excess slots or where this behaviour is opportunistic and limits access to slots for new and expanding airlines.

Access to slots is a key barrier to entry and expansion at slot-constrained airports, such as Sydney (Kingsford Smith) Airport. Rex is relying on access to peak period slots at Sydney Airport to progress its plan to expand into major domestic routes between Sydney and Melbourne. It has secured slots until October 2021 and is working on obtaining slots beyond that period.[10]

In November 2020 the Australian Government released a discussion paper into Sydney Airport's demand management as the first step of conducting a comprehensive review of demand management at Sydney Airport.[11] The ACCC's submission highlighted that the existing slot management scheme could impede competition. We consider that changes to the slot management scheme should ensure the most efficient use of slots and foster an environment of robust competition between airlines.

2.1.4 Productivity Commission inquiry update

In December 2019 the government responded to the Productivity Commission's (PC's) final report into the Economic Regulation of Airports.[12] Of particular relevance, the government supported the recommendation that it ask the ACCC to collect more detailed information on the monitored airports' performance and review the airports' quality of service monitoring within 12 months.

Due to COVID-19, the consultation on new data requirements and the ACCC's review of the quality of services indicators were not progressed as planned during 2019–20. We await advice from the government to proceed with implement the PC's recommendations once the industry is back to some degree of normality during 2020–21. At an appropriate time, the ACCC would then seek views from the interested parties on any changes that may be required to the quality of service indicators used to assess airport performance.

While the latest changes to the monitoring regime arising from the PC report are supported, the ACCC remains of the view that monitoring alone does not provide an effective constraint on the ability of monopoly airports to use their market power to the detriment of consumers.

9 Department of Infrastructure, Transport, Regional Development and Communications, 'Sydney Airport Demand Management: Discussion Paper', 2020, accessed: https://www.infrastructure.gov.au/aviation/airport/review-sydney-airport-demand-management/files/sadm-discussion-paper.pdf.

10 Australian Competition and Consumer Commission, 'Airline competition in Australia – December 2020 report', 2020, accessed: https://www.accc.gov.au/system/files/20-61RPT_Airline%2520Quarterly%2520Report_December_D04.pdf.

11 Department of Infrastructure, Transport, Regional Development and Communications, 'Sydney Airport Demand Management: Discussion Paper', 2020, accessed: https://www.infrastructure.gov.au/aviation/airport/review-sydney-airport-demand-management/files/sadm-discussion-paper.pdf.

12 Australian Government, 'Australian Government response to the Productivity Commission Inquiry into the Economic Regulation of Airports', 2019, accessed: https://treasury.gov.au/sites/default/files/2019-12/41706_govreponseairports.pdf.

Providing airlines with access to arbitration would provide a constraint on the monopoly airports' market power without jeopardising investment. A commercial arbitration regime would be a pragmatic and flexible solution should negotiations breakdown due to the exercise of market power.

2.1.5 Free airport car parking at Melbourne and Sydney Airports

For short periods at the end of the 2019–20 monitoring period, Melbourne and Sydney airports offered free parking for consumers. In late March 2020 Melbourne Airport announced that airport car parking would be provided free of charge. The offer was originally to be provided until the COVID-19 lockdown ended; however, it was later extended until the end of October 2020. Sydney Airport also offered free parking for durations of up to 3 hours from 29 March 2020 to 2 August 2020.

The decision to offer free parking for a period would have assisted with social distancing by reducing the need for people to transit on shuttle buses. However, some third-party transport operators were still required to pay standard fees when they entered terminal precincts to pick up their passengers. In April 2020 some transport and off-airport parking operators considered that airports should remove access (and where applicable congestion) fees where they were providing free parking at their own car parks during the pandemic.[13]

In response, Melbourne Airport indicated it would provide a shuttle service to those off-airport car parks free of charge, so that they could avoid access charges and operational costs. However, off-airport car park operators indicated at the time that the proposal would not enable their customers got to the airport fast enough to compete with the airport's free parking.[14] Melbourne Airport has advised only around $120 in time-based congestion fees were charged across all transport operators during the period free parking was being offered and these were credited back.

On the face of it, maintaining the access fees while offering free parking during times of low demand has the potential to create competition concerns. The ACCC notes that had the free parking alongside full access charges continued beyond the relevant COVID-19 restrictions, competition concerns would have increased.

2.1.6 Update on investments at the airports

In response to the uncertainty resulting from the COVID-19 pandemic, some airports have either deferred their major investment projects or scaled back less essential projects. Three out of the 4 monitored airports are currently in various stages of building or planning for a new runway to increase capacity and manage congestion. A new airport is also now being built in Western Sydney.

Brisbane Airport's $1.1 billion new parallel runway was one of the largest aviation construction projects undertaken in Australia and continued during the pandemic.[15] On-site work began in 2012 with the major stages of construction completed in mid-2020 and the new runway was officially opened in July 2020 (see section 4.3.4 for more information).[16]

Perth Airport received the Australian Government's approval for its new parallel runway project in November 2020.[17] It will reinforce the airport's future operations and provide airlines with the opportunity to grow and expand their route network. Perth Airport currently is working on delivering the project's approval conditions.

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13 Wiggins, J., 'Airports urged to drop landside fees as car park battle brews', *The Australian Financial Review*, 2020, accessed: https://www.afr.com/companies/infrastructure/airports-urged-to-drop-landside-fees-during-covid-19-outbreak-20200331-p54fk5.

14 Wiggins, J., 'Airports urged to drop landside fees as car park battle brews', *The Australian Financial Review*, 2020, accessed: https://www.afr.com/companies/infrastructure/airports-urged-to-drop-landside-fees-during-covid-19-outbreak-20200331-p54fk5.

15 Brisbane Airport, 'Brisbane's New Runway', accessed: https://www.bne.com.au/corporate/projects/bne-projects/completed-projects/brisbanes-new-runway. This refers to the actual cost of Brisbane Airport's new parallel runway.

16 Brisbane Airport, 'Brisbane's New Runway', accessed: https://www.bne.com.au/corporate/projects/bne-projects/completed-projects/brisbanes-new-runway. This refers to the actual cost of Brisbane Airport's new parallel runway.

17 Perth Airport, 'Approval granted for Perth's New Runway', 2020, accessed: https://www.perthairport.com.au/Home/corporate/articles/2020/12/01/04/04/new-runway-approval.

Melbourne Airport announced its plan to build a third runway in a north-south orientation in November 2019. It is currently preparing its major development plan, which will be available for public comment in the second half of 2021. If the runway is approved, it is expected to be operational in 2027.[18]

In November 2020 the Victorian and Australian governments committed $5 billion each in funding the Melbourne Airport rail link via the Sunshine route. Construction is expected to begin in 2022, and passengers landing at Melbourne Airport will be able to take trains to the heart of the CBD every 10 minutes once it is completed in 2029.[19]

Western Sydney Airport update

Despite COVID-19 challenges, the construction of Western Sydney International (Nancy-Bird Walton) Airport that began in September 2018 is currently well underway and on track to begin operations in 2026. The Australian Government included an equity commitment of $5.3 billion in the 2017–18 budget to deliver the airport through a government-owned company, 'Western Sydney Airport'. The new airport will be a full service airport operating curfew free, delivering international, domestic and freight services.[20]

Major earthworks at Western Sydney Airport commenced in March 2020. It involved moving 25 million cubic metres of earth to facilitate the construction of the runway, terminal, roads, and other airport infrastructure.[21] The $11 billion Sydney Metro-Western Sydney Airport rail project was officially announced in June 2020, where the Australian and NSW Governments agreed to inject a further $3.5 billion into the project to serve the greater Western Sydney region in time for the opening of Western Sydney Airport in 2026.[22]

Western Sydney Airport may place a limited competitive constraint on Sydney Airport.[23] Both Qantas and Virgin Australia have entered into Memoranda of Understanding that would pave the way for them to fly out of Western Sydney Airport.[24] However, Sydney Airport believes the constraint will be limited as Western Sydney Airport would attract low cost carriers and budget airlines, while Sydney Airport would act as the 'premium' airport.[25]

18 Melbourne Airport, 'Third runway', accessed: https://www.melbourneairport.com.au/Corporate/Planning-projects/Projects/Third-runway.

19 Prime Minister of Australia, 'Melbourne Airport Rail to create jobs for years to come – Media Release', 2020, accessed: https://www.pm.gov.au/media/melbourne-airport-rail-create-jobs-years-come.

20 Western Sydney Airport, 'Western Sydney Airport', accessed: https://www.westernsydneyairport.gov.au/.

21 Minister for Infrastructure, Transport and Regional Development, 'Major earthworks at Western Sydney International Airport kick off – Media Release', 2020, accessed: https://minister.infrastructure.gov.au/mccormack/media-release/major-earthworks-western-sydney-international-airport-kick.

22 Minister for Population, Cities and Urban Infrastructure, 'New agreement keeps Sydney Metro (Western Sydney Airport) jobmaker project on track – Media Release', 2020, accessed: https://minister.infrastructure.gov.au/tudge/media-release/new-agreement-keeps-sydney-metro-western-sydney-airport-jobmaker-project-track.

23 Australian Competition and Consumer Commission, 'Airport monitoring report 2018–19', 2020, accessed: https://www.accc.gov.au/system/files/1655_Airport%20monitoring%20report_D09.pdf.

24 Minister for Population, Cities and Urban Infrastructure, 'MOUs pave way for Qantas and Virgin to fly out of Western Sydney Airport – Media Release', 2019, Accessed: https://minister.infrastructure.gov.au/tudge/media-release/mous-pave-way-qantas-and-virgin-fly-out-western-sydney-airport.

25 Wiggins, J., 'Sydney Airport will be the 'premium' airport when Badgerys Creek opens in 2026', *The Australian Financial Review*, 2018, https://www.afr.com/companies/sydney-airport-will-be-the-premium-airport-when-badgerys-creek-opens-in-2026-20180524-h10i5m.

2.1.7 Issues arising since 30 June 2020

Beyond the monitoring period, the COVID-19 pandemic has continued to have an immense impact on the monitored airports. State border closures in response to recent outbreaks that have occurred around Australia have also made for a lumpy recovery in domestic aviation.

Despite these border closures, there has been some recovery in the industry. Since the end of the monitoring period, the number of domestic passengers has increased from around 400,000 per month to 2.2 million per month between June 2020 and December 2020. The number of domestic flights also doubled during the same period.

However, the industry still has a long way to go to return to pre-pandemic demand, with domestic passenger numbers around 50% below the most recent pre-pandemic figure. It is unlikely that there will be a recovery in international passenger numbers until after the 2020–21 monitoring period.

3. Industry overview

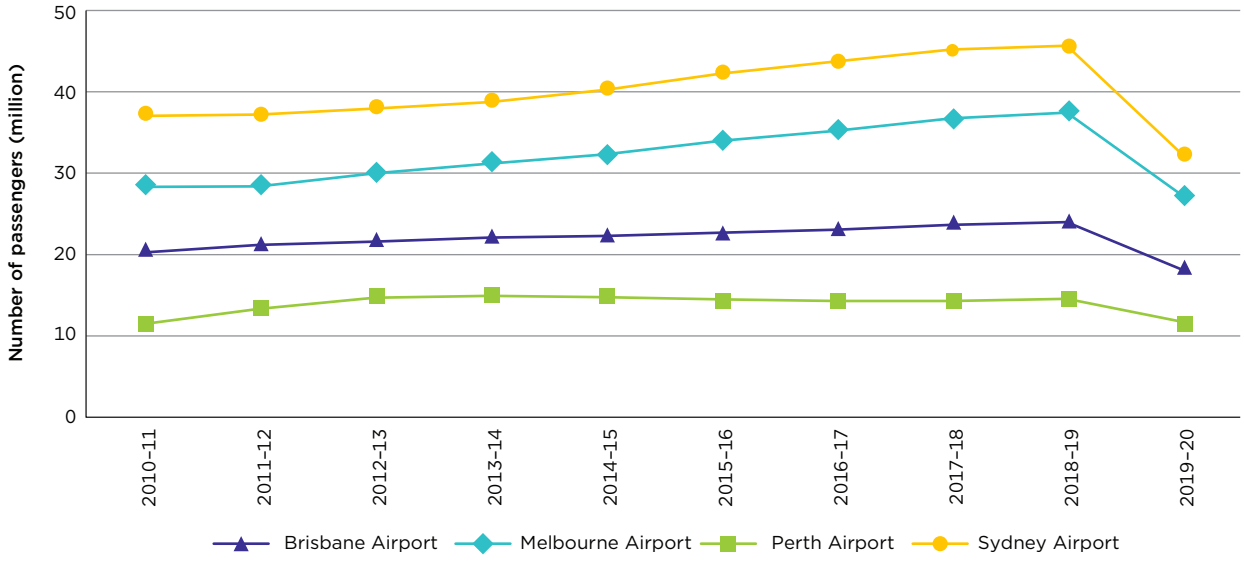
This chapter presents an overview of the supply of aeronautical, car parking and landside services across the monitored airports. We have chosen to reduce the direct comparative analysis between the airports this year in the context of the COVID-19 pandemic.

3.1 Passenger volumes and aircraft movements

The pandemic impacted the latter part of 2019–20, resulting in a decrease in total passenger numbers across the 4 airports over the year by 26.5% to 89.4 million passengers in 2019–20. This comprised a 25.1% decrease in domestic passengers and a 29.4% decrease in international passengers.

Figure 3.1.1 shows total passenger numbers for each of the monitored airports over the past decade. Further detail can be found in table 3.1.1 in the appendix.

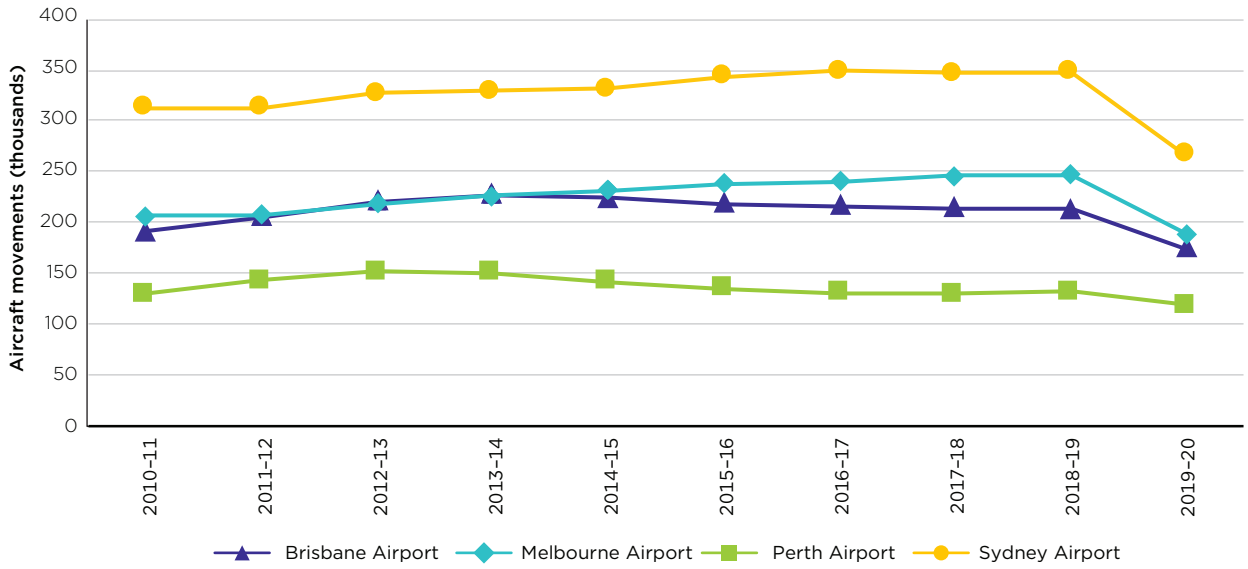
Figure 3.1.1 Total number of passengers at Brisbane, Melbourne, Perth and Sydney airports: 2010–11 to 2019–20



There was also a reduction in the number of aircraft taking off and landing at the monitored airports, thought to a lesser extent than the impact on passenger numbers. In 2019–20, total aircraft movements decreased by 20.3% compared to the previous year.

Figure 3.1.2 shows total aircraft movements for each of the monitored airports over the past decade. Further detail can be found in table 3.1.2 in the appendix.

Figure 3.1.2 Total aircraft movements at Brisbane, Melbourne, Perth and Sydney airports: 2010–11 to 2019–20



3.2 Aeronautical prices and financial results

This section presents the key financial results in relation to the aeronautical operations of the monitored airports. Financial performance results include prices, revenues, costs and profits per passenger, total revenues, costs and profits, assets, changes in the asset base and rate of return on tangible non-current assets.

These operations directly relate to the provision of aviation services including runways, aprons, aerobridges, departure lounges, check-in facilities and baggage handling facilities.

3.2.1 Revenue

Aeronautical revenue per passenger

Airports earn most of their aeronautical revenue from charges to airlines for accessing a range of airport services and facilities such as runways, aircraft parking, aerobridges and terminals. Charges are typically applied on a per-passenger basis or by aircraft weight.

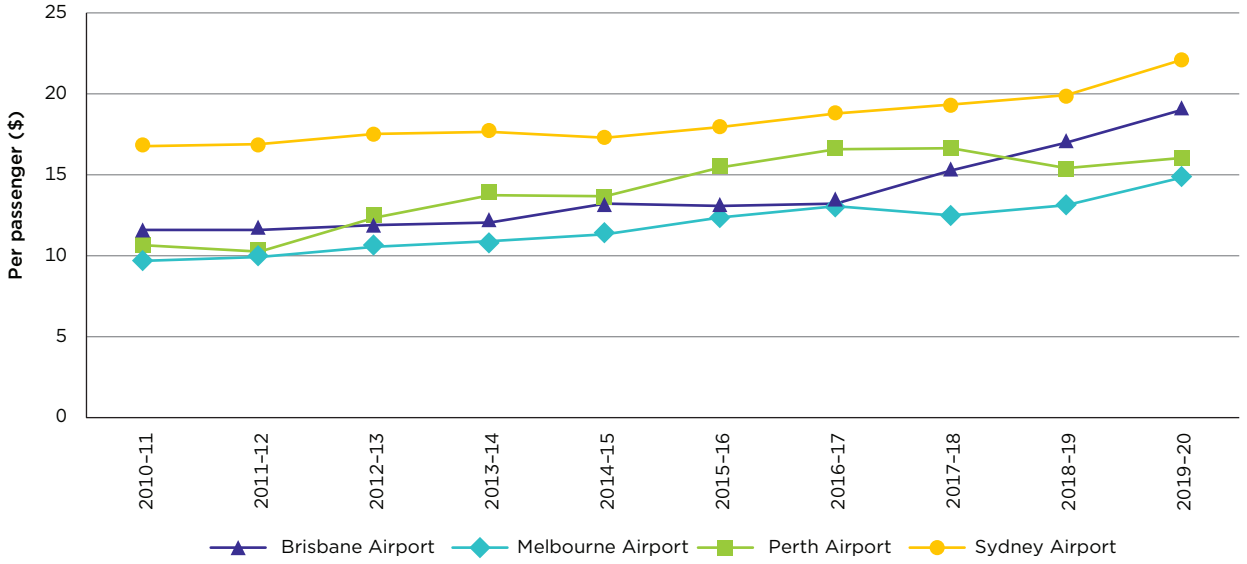
However, comparing charges across airports is complicated by the various pricing structures employed by each airport. To address this issue, the ACCC uses aeronautical revenue per passenger as a proxy for analysing movements in an airport's average charges over time. This is because aeronautical revenue per passenger is a useful proxy measure of the various aeronautical charges applied by airports.

Figure 3.2.1 shows that aeronautical revenue per passenger at each monitored airport trended upwards over the past decade. While somewhat unintuitive during a massive disruption for the industry, this increase is driven by multiple factors:

- Several fees that are charged on a per-passenger basis, have increased, including charges for government-mandated security requirements.
- Revenue from services that are fixed or charged on a per-movement basis, such as aircraft parking and landing fees, did not fall as significantly as passenger numbers.
- Several of the monitored airports have seen terminals revert back to airport control following the expiry of domestic terminal leases that occurred in 2018–19. As these terminals revert back, passenger numbers will stay the same but the revenue generated by the terminals will now be counted as aeronautical revenue for the monitored airports. Refer to section 1.2 for more detail on domestic terminal leases.

The effect of COVID-19 is not evident in per passenger revenue, which is borne out in per passenger expenses through high fixed costs and subsequently in profits. See box 3.2.1 in the appendix for more information on the impact of the now expired domestic terminal leases.

Figure 3.2.1 Aeronautical revenue per passenger in real terms: 2010–11 to 2019–20



Notes: Figures do not include revenue from leased terminals (Qantas and Virgin parts of the domestic terminal in Brisbane (until December 2018), Qantas terminals in Sydney (until September 2015), Perth (until January 2019) and Melbourne Airport (until June 2019). Real values are in 2019–20 dollars. In 2018–19, figures for Sydney Airport between 2010–11 and 2017–18 (inclusive) were revised slightly downwards from previous monitoring reports due to revised passenger numbers.

Aeronautical revenue

As a result of the impact of COVID-19, passenger numbers have fallen dramatically. This has caused aggregate aeronautical revenue for the monitored airports to decrease by 18.8% in real terms, to $1.6 billion in 2019–20.

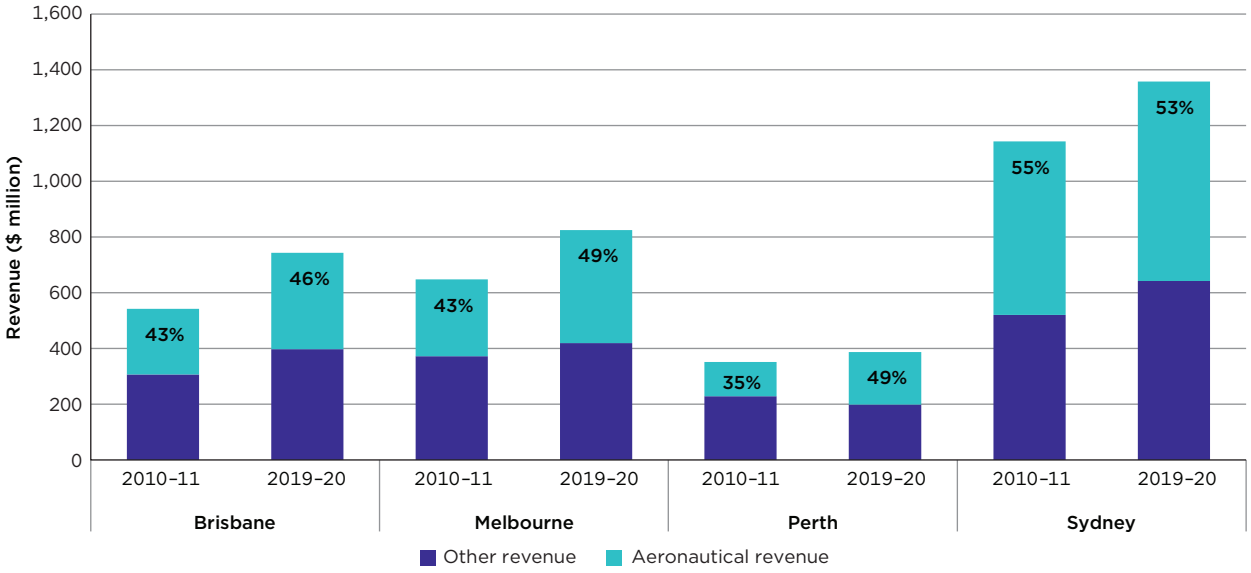
This is the first time since the line-in-the-sand accounting method was adopted (see box 3.2.2 in the appendix for more information) that aeronautical revenue has decreased.

Total airport revenue

In addition to aeronautical revenue, the monitored airports collect revenue from other sources. Over the past decade, this included revenue from car parking, retail leases and commercial property, as well as payments under the domestic terminal leases.

Figure 3.2.2 highlights total revenue that the airports earn and the percentage that comes from aeronautical sources for the years 2010–11 and 2019–20. The 4 airports combined earned $3.3 billion in total revenue in 2019–20, which is down on the previous year as total airport revenue fell by between 13% and 22.8%. However, the 4 monitored airports earned 23.5% more in total airport revenue than they did a decade ago. Aeronautical revenue has become relatively more significant for most airports over that period.

Figure 3.2.2 Aeronautical and other revenue as a percentage of total airport revenue in real terms at Brisbane, Melbourne Perth and Sydney airports: 2010–11 to 2019–20



Note: Values in 2019–20 dollars.

3.2.2 Expenses

Aeronautical expenses

Aeronautical expenses per passenger increased for all of the monitored airports. This was largely driven by the impact of the decrease in passenger numbers due to the COVID-19 pandemic. The falling passenger numbers means that there were fewer passengers to spread out fixed costs, such as baseline terminal operating costs and depreciation.

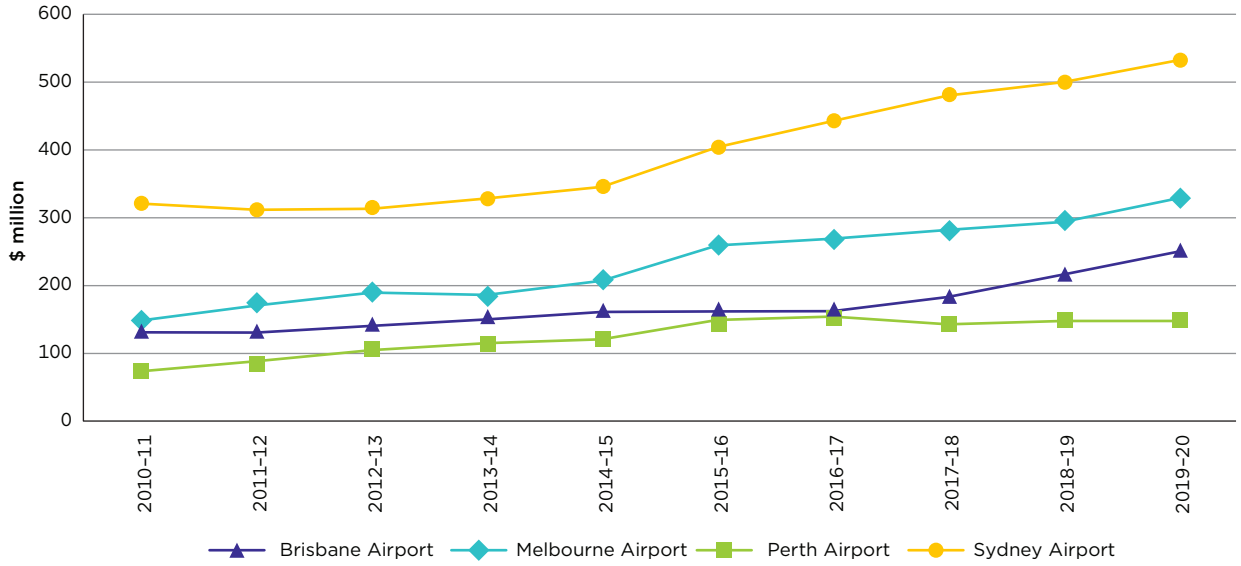
Aeronautical expenses per passenger have risen for all of the airports in real terms over the past decade. The Australian Airports Association (AAA) addressed this issue in its 2018 submission to the Productivity Commission's review of airport regulation. It said that the incremental cost of aeronautical capacity has increased over the decade for a number of reasons, including:

- new investments offer much greater amenity than existing assets, and this can be expected to be reflected in higher construction costs
- the cost of construction significantly increased during the decade
- space constraints at the airports can result in increasingly expensive projects
- capacity development projects typically involve upgrading existing assets that still need to be operational, which is inherently more expensive than capacity at greenfield sites. [26]

During 2019–20 total aeronautical expenses across all 4 monitored airports increased by 8.7% in real terms to $1.3 billion.

26 Australian Airports Association (AAA), submission to the Productivity Commission's review of airport regulation, September 2018, pp. 43–44.

Figure 3.2.3 Aeronautical expenses in real terms at Brisbane, Melbourne, Perth and Sydney airports: 2010–11 to 2019–20



Note: Values in 2019–20 dollars.

Total airport expenses

Expense items incurred by the monitored airports include depreciation, wages, services and utilities and property/leasing maintenance-related expenses. For total airport operations, expenses among the 4 monitored airports reached $1.9 billion in 2019–20. This represents a 10.5% increase from the previous year.

3.2.3 Operating profit

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

EBITA is a useful measure of profitability because it is not affected by management decisions regarding capital structures and taxation arrangements, which can vary substantially between airports. However, this measure does not, on its own, enable an assessment of whether an airport's prices are generating revenues consistent with the efficient long-run costs of providing aeronautical services.

Aeronautical operating profit per passenger

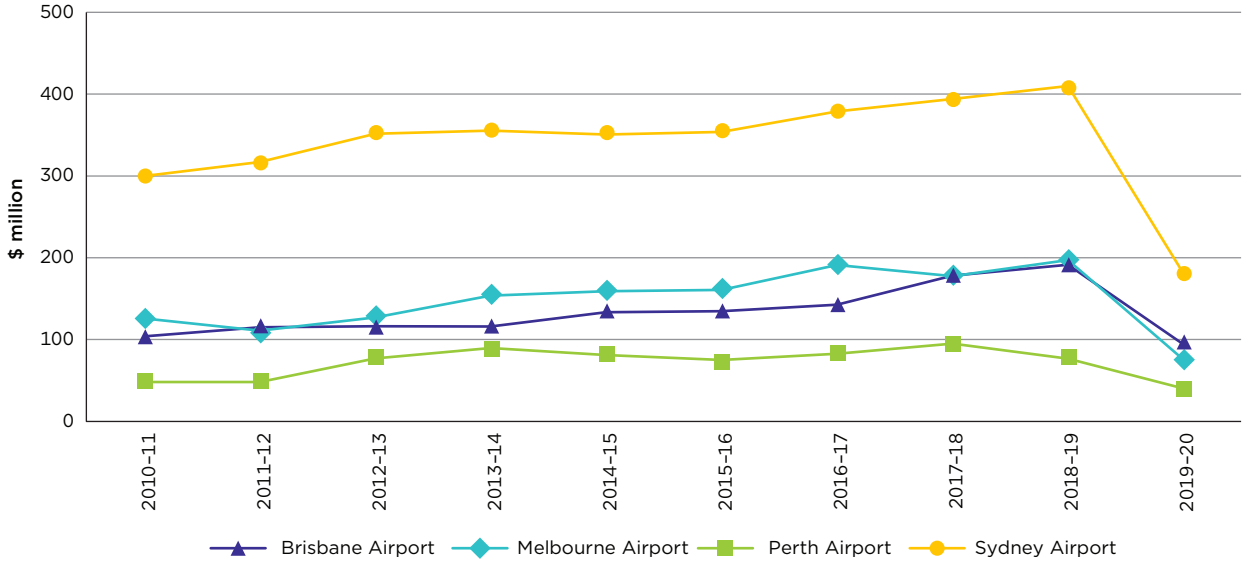
Aeronautical operating profit per passenger decreased at all of the monitored airports in 2019–20, with operating profit per passenger decreasing by between 34.7% and 47.5%.

Over the past decade, aeronautical operating profit per passenger has either decreased or remained flat.

Total aeronautical operating profit

Falling passenger numbers in the latter part of the monitoring period has reduced the aeronautical operating profit of the monitored airports substantially. In 2019–20 operating profit from aeronautical activities fell but still remained positive, decreasing by 55.4% to $390.7 million. The ACCC expects COVID-19 to have an even bigger impact on next year's results. The 4 airports have collectively generated aeronautical operating profits in every year over the 18-year lifespan of the airport monitoring regime.

Figure 3.2.4 Aeronautical operating profit in real terms at Brisbane, Melbourne, Perth and Sydney airports: 2010–11 to 2019–20

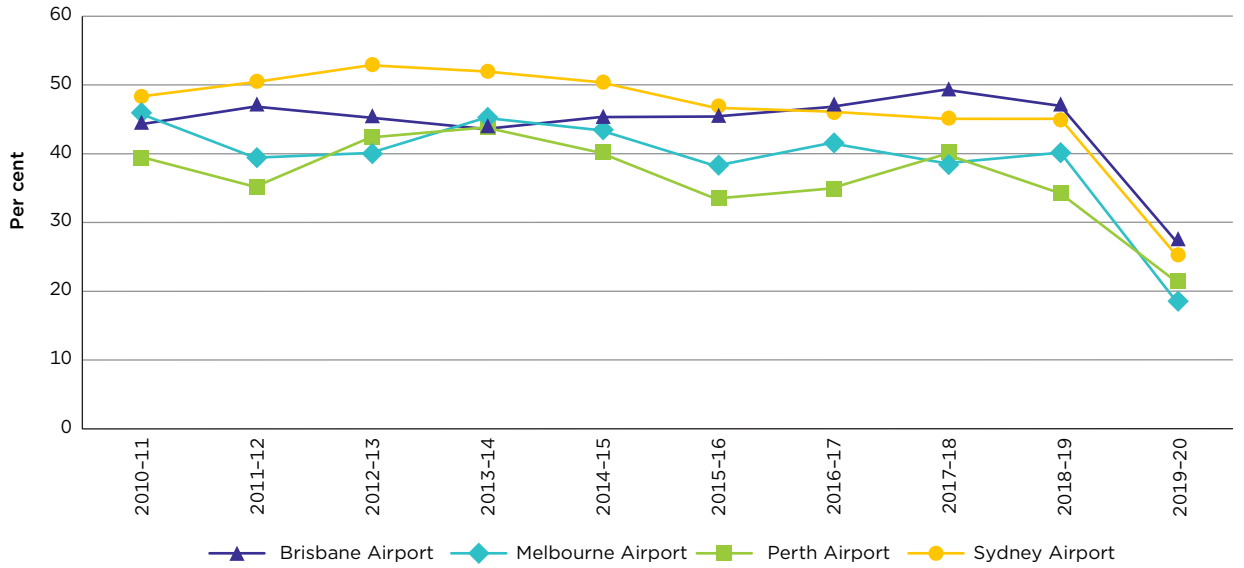


Note: Values in 2019–20 dollars.

Aeronautical operating profit margins

Operating profit margin is calculated as EBITA as a percentage of revenue. Figure 3.2.5 shows that all of the monitored airports have seen their aeronautical operating profit margins fall. The decrease in the aeronautical operating profit margin ranged between 12.8 and 21.5 percentage points in 2019–20.

Figure 3.2.5 Aeronautical operating profit margins at Brisbane, Melbourne, Perth and Sydney airports: 2010–11 to 2019–20

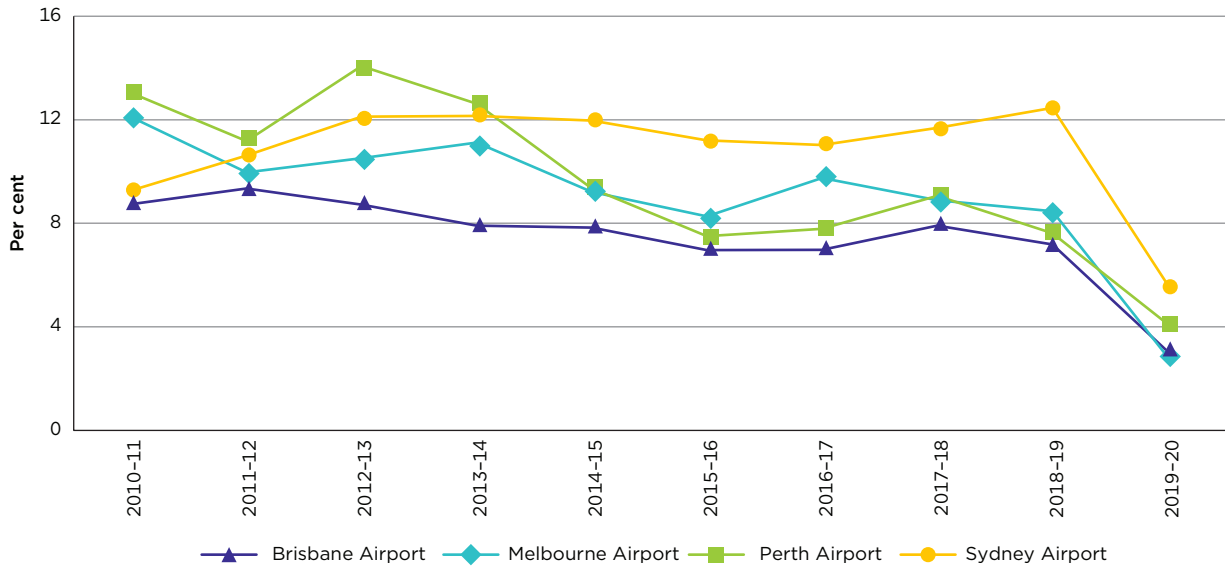


Return on aeronautical assets

Return on assets is a key measure of profitability. It is calculated by dividing EBITA by the average value of tangible non-current aeronautical assets over the year.

Figure 3.2.6 presents the return on aeronautical assets of the monitored airports over the past decade. This highlights the impact of COVID-19 on the airports, with the return on aeronautical assets falling by between 3.5 and 6.8 percentage points in 2019–20.

Figure 3.2.6 Return on aeronautical assets at Brisbane, Melbourne, Perth and Sydney airports: 2010–11 to 2019–20[27]



Total airport operating profit

In 2019–20 the total airport operating profit fell for all of the monitored airports. The decreases ranged from 35.7% to 47.5%.

Return on total airport assets

In 2019–20 the return on total airport assets falling by between 4 and 6.3 percentage points across the 4 monitored airports.

3.2.4 Asset values and investment

Aeronautical services

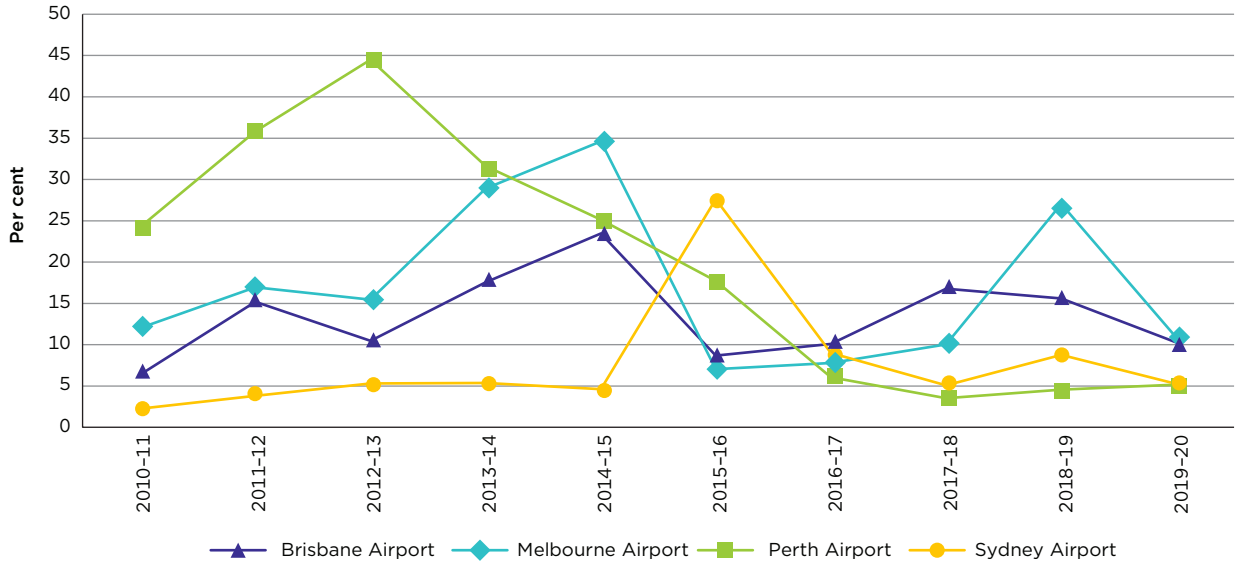
Tangible non-current aeronautical assets are assets that are directly used for the supply of aeronautical services. These include runways, taxiways, parking bays, aprons and terminal facilities. The ACCC reports asset values using a line-in-the-sand approach (see box 3.2.2 in the appendix).

In 2019–20 the value of additions to tangible non-current aeronautical assets across the 4 monitored airports was 8.2%. Figure 3.2.7 shows investment in aeronautical assets made by each monitored airport each year from 2010–11, represented as a percentage of the total value of aeronautical assets as at the start of the financial year.

Discussions with the airports suggested that COVID-19 has impacted on existing investment plans, which will have a flow-on effect in future years.

27 The ACCC uses unindexed asset bases for calculating returns on assets across the monitored airports. Sydney Airport, however, uses asset base indexation when setting its prices, which has the effect of increasing its asset values with inflation.

Figure 3.2.7 Additions as a percentage of tangible non-current assets for aeronautical services at Brisbane, Melbourne, Perth and Sydney airports: 2010–11 to 2019–20



Note: The spike in investment rate for Perth Airport in 2012–13 reflects the completion of the T2 Terminal and the associated infrastructure. The spikes in investment rates for Sydney Airport in 2015–16 and Melbourne Airport in 2018–19 largely reflect the amounts paid for the facilities contained within their respective Qantas domestic terminals following the end of the domestic terminal leases.

Total airport

In 2019–20 the aggregate value of total airport tangible non-current assets across the 4 monitored airports increased to $29.6 billion, up 1.8% from the previous year.

The 4 monitored airports combined invested $1.3 billion on a total airport basis in 2019–20. The aggregate level of investment was 21% lower than the previous monitoring period.

3.3 Airport car parking prices and financial results

This section presents an overview of the car parking services across the monitored airports. It discusses car parking activities, prices, and financial results. As mentioned in chapter 2, some airports offered free car parking from the fourth quarter of 2019–20, therefore, the first 9 months' data is used for car parking prices, while throughput and financial information are reported for the full year in 2019–20.

Each of the 4 monitored airports provides a range of on-site car parking facilities for the public and staff. During 2019–20 car parking revenue accounted for between 7.5% (Sydney) and 13.2% (Melbourne) of total airport revenue.

Airports hold market power in airport 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, cost) can be met by alternative transport modes or an independent car park operator located in close proximity to the airport.

This section provides an overview of the ACCC's monitoring results of the prices, revenues, costs and profits relating to airport car parking. More detailed information on the car parking facilities and prices offered at each airport are provided in chapters 4 to 7.

3.3.1 Car parking throughput and spaces provided

Each day, an average of 24,038 cars entered the monitored airports' carparks in 2019–20. Table 3.3.1 shows that Sydney Airport reported the highest throughput at 7,964 vehicles per day, followed by Melbourne (6,651), Brisbane (5,895) and Perth (3,527) airports. Due to the impact of COVID-19 in

the June quarter, the daily car parking throughput across 4 airports fell between 21.2% and 28.8% in 2019–20. Car parking throughput has been on a gradual decline in recent years as passengers find other ways to get to and from the airport.

Table 3.3.1 Change in car parking throughput and spaces at Brisbane, Melbourne, Perth and Sydney airports: 2019–20

Airport	Total car parking spaces		Daily car parking throughput	
	2019-20	% change	2019-20	% change
Brisbane	19,091	12.6%	5,895	-21.2%
Melbourne	26,654	0.0%	6,651	-23.8%
Perth	22,081	0.0%	3,527	-26.0%
Sydney	14,493	-20.3%	7,964	-28.8%

During 2019–20 Sydney Airport experienced a 20.3% decline in car parking spaces, mostly due to the closure of parts of the Blu Emu at-distance car park for facilitating additional aircraft apron parking in future. In contrast, car parking expansion project drove Brisbane Airport's car parking spaces up 12.6% in 2019–20.

3.3.2 Car parking prices

Car parking prices at the monitored airports are determined by a number of factors including the length of stay, the proximity of the car park to the terminal, whether the car park is covered or open, whether it is booked in advance and customer demand.

Given the wide range of pricing configurations, the ACCC focuses its analysis on two common types of parking in particular:

- short-term parking (parking for a period of up to a day) at a car park located at the terminal, with the motorist paying drive-up rates
- long-term parking (parking for a period of one or more days) at a car park located at a distance from the terminal, with prices measured as the average rate paid by motorists who booked online.

Short-term parking at the terminal

The most common form of parking at airports is motorists parking near the terminal as they drop-off or pick-up friends and relatives. Prices charged for parking near the terminal are typically higher than those for parking at some distance from the terminal.

Figure 3.3.1 in the appendix shows selected drive-up prices for at-terminal parking at the monitored airports.

Table 3.3.2 Change in short-term drive-up car parking prices at Brisbane, Melbourne, Perth and Sydney airports—at-terminal: 30 June 2019 to 28 March 2020

	At-terminal parking		
Airport	**30 to 60 mins**	**2 to 3 hours**	**24 hours**
Brisbane	4.2%	2.3%	0.4%
Melbourne	23.4%	19.2%	-1.3%
Perth	1.6%	0.4%	2.7%
Sydney	1.2%	1.1%	1.7%

Note: The changes in drive-up car parking prices are for the following car parks: International terminal car park (Brisbane), At-terminal T123 car park (Melbourne), T1/T2 short-term car park (Perth) and International multi-level car park P7 (Sydney).

Table 3.3.2 shows how the drive-up prices for short-term parking at the terminal changed between 30 June 2019 and 28 March 2020. It shows a moderate increase in prices almost in all 3 durations. The most notable increase was for the 30-60 minute and 2-3 hour durations at Melbourne Airport,

coinciding with the opening of a new dedicated 'Short and Sweet' parking service for durations under 6 hours at the front of the At Terminal 123 car park in February 2020. This price increase at Melbourne Airport was only effective from 1 February 2020.

In response to COVID-19, Melbourne Airport offered free parking from 30 March 2020 to 31 October 2020, while Sydney Airport's offer for free parking for durations of up to 3 hours was valid from 29 March 2020 to 2 August 2020, as discussed in Chapter 2. As noted above, the last 3 months of the period were excluded from pricing information for that reason.

Long-term parking at distance

Each of the monitored airports offers at-distance car parking facilities to the public. At-distance car parking is generally not located within walking distance of the terminals and therefore requires shuttle bus access. Despite the lower level of convenience, at-distance car parks are often favoured by motorists parking for extended durations because of the cheaper parking rates.

Figure 3.3.2 in the appendix shows the average prices paid by motorists that booked their parking online at each of the monitored airports' at-distance carparks. Sydney and Perth airports were the most expensive for the durations shown. Average prices paid online for 2-3 day parking at Sydney Airport's Blu Emu carpark were more than double those paid at Brisbane Airport's Airpark.

Table 3.3.3 shows how average online prices for at-distance car parking have changed from the previous year. Despite Perth Airport reporting the second highest average price paid for 2 to 3 days parking of the 4 airports, it also reported that this figure decreased by 7.6% in 2019–20.

Table 3.3.3 Change in average prices paid for booking long-term parking online at Brisbane, Melbourne, Perth and Sydney airports—at-distance: 2018–19 to 2019–20

Airport	At-distance parking	
	2 to 3 days	6 to 7 days
Brisbane	-0.6%	-5.5%
Melbourne	2.6%	1.5%
Perth	-7.6%	-9.5%
Sydney	5.7%	8.4%

Note: The changes average prices paid are for the following car parks: Airpark uncovered (Brisbane), Long Term Car Park (Melbourne), T1/T2 long-term car park (Perth) and Blu Emu uncovered (Sydney).

Motorists booking their car parking online

Car parking at the monitored airports can be purchased when a motorist arrives at the car park (drive up), or online in advance. Online prices are always less than drive up rates. The discounts available for online booking can vary greatly, depending on airport, type of parking, how far in advance the booking was made, and demand for carparks at that time of year. The ACCC compared the average amounts paid for at-distance parking by motorists that booked their parking online compared to those that paid drive-up prices. Table 3.3.4 below shows that the average savings during 2019–20 from booking parking online ranged from 5.9% to 36.9% for 2 to 3 days.

Table 3.3.4 Savings from booking at-distance car parking online at Brisbane, Melbourne, Perth and Sydney airports: 2019–20

Airport	At-distance parking	
	2 to 3 days	6 to 7 days
Brisbane	36.9%	21.5%
Melbourne	15.0%	10.2%
Perth	21.5%	27.6%
Sydney	5.9%	14.7%

Note: The savings are for the following car parks: Airpark uncovered (Brisbane), Long Term Car Park (Melbourne), T1/T2 long-term car park (Perth) and Blu Emu uncovered (Sydney).

Booking online is a very common practice for motorists parking at Brisbane's at-distance Airpark, with 92.7% of motorists that park long-term taking advantage of online discounts. The take-up rates at the other monitored airports suggest that many motorists may be unaware of the available savings. About 40% of motorists parking for long-term durations at the at-distance carparks at Melbourne and Sydney airports did not book online, while this even higher (about 60%) for Perth Airport. However, the share of customers choosing to pre-book long-term parking online at Perth Airport increased over the past year.

3.3.3 Car parking revenues, costs and profits

Table 3.3.5 presents car parking EBITA in 2019–20 for the monitored airports, as well as changes since 2018–19. As to be expected, car parking financial measures were significantly down in 2019–20.

Table 3.3.5 Car parking revenue, costs and operating profit at Brisbane, Melbourne, Perth and Sydney airports: 2019–20

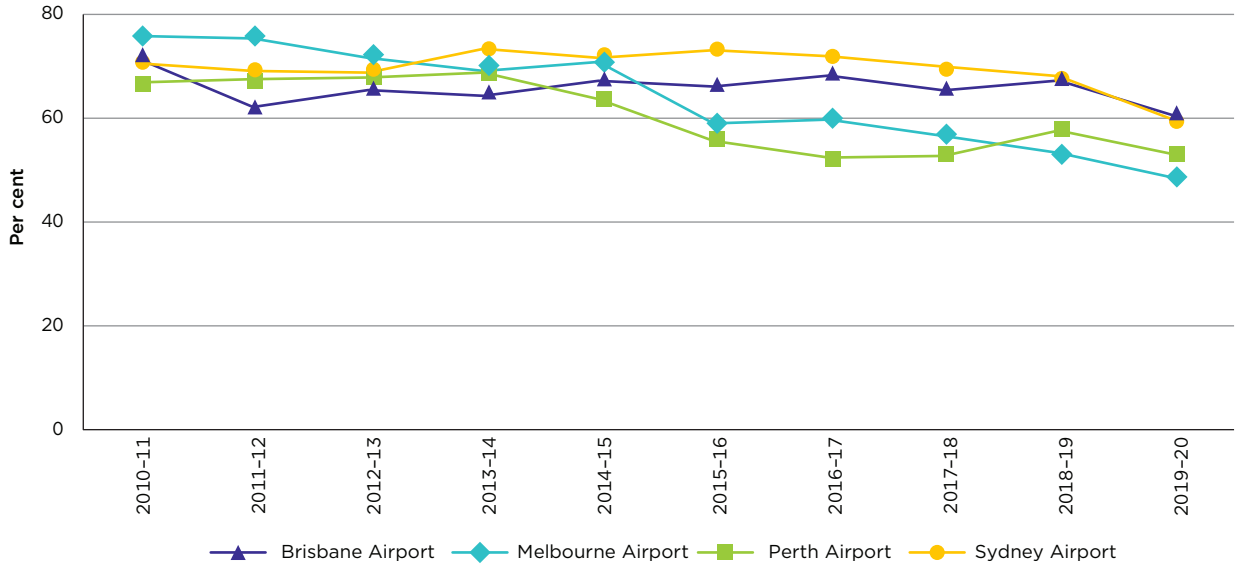
Airport	Revenue		Expenses		Operating profit	
	Total ($m)	Change since 2018–19	Total ($m)	Change since 2018–19	Total ($m)	Change since 2018–19
Brisbane	83.2	-23.3%	32.9	-7.6%	50.4	-31.0%
Melbourne	109.0	-26.1%	56.1	-18.5%	52.8	-32.8%
Perth	49.7	-20.5%	23.3	-11.9%	26.4	-26.8%
Sydney	101.3	-25.2%	40.8	-5.5%	60.5	-34.4%

Note: Charges are calculated using prices in real terms.

The two largest airports have consistently reported the highest revenues and operating profits from car parking over the last decade. In particular, Melbourne Airport has reported the highest revenue for each year, while Sydney Airport has reported the highest operating profit for the last 5 consecutive years.

Figure 3.3.3 presents the operating profit margins (EBITA as a percentage of revenue) from car parking for each of the 4 monitored airports from 2010–11 to 2019–20. It shows that car parking continues to generate very high operating profit margins for all 4 of the monitored airports.

Figure 3.3.3 Car parking operating profit margin at Brisbane, Melbourne, Perth and Sydney airports: 2010–11 to 2019–20



Note: Calculated from real values in 2019–20 dollars.

Melbourne Airport has been reporting a lower operating margin since the airport revised its cost allocation methodology in 2015–16. Sydney Airport has consistently reported the highest operating profit margin from 2013–14 to 2018–19.

3.3.4 Revenues, costs and profits per vehicle

Table 3.3.6 shows car parking revenue, expenses and operating profit per vehicle for each airport in 2019–20. In contrast to the trends in total car parking revenue and expenses, almost all monitored airports reported growth in revenue and expenses per vehicle during 2019–20. The increase in revenue per vehicle was mostly due to a moderate increase in price and a significant fall in the number of vehicles using airports' car parks. The combination of falling throughput and large fixed cost components such as depreciation contributed to increased expenses per vehicle. While operating profit per vehicle fell across all 4 airports, they continued to earn profits with car parking. As with aeronautical operating profits, the ACCC expects car parking profits to continue to decrease in the 2020–21 monitoring period.

Table 3.3.6 Car parking revenue, costs and operating profit per vehicle at Brisbane, Melbourne, Perth and Sydney airports: 2019–20

Airport	Revenue		Expenses		Operating profit	
	Per vehicle ($)	Change since 2018–19	Per vehicle ($)	Change since 2018–19	Per vehicle ($)	Change since 2018–19
Brisbane	38.67	-2.6%	15.27	17.3%	23.40	-12.4%
Melbourne	47.94	3.5%	24.69	14.2%	23.26	-5.8%
Perth	38.62	7.4%	18.13	19.0%	20.49	-1.1%
Sydney	35.24	6.3%	14.20	34.2%	21.04	-6.8%

Note: Charges are calculated using real values in 2019–20 dollars.

3.4 Landside access revenue

Aside from driving and parking on airport land, the public can choose to travel to and from the airport using a range of transport modes such as taxis, rideshare services, off-airport car parking, terminal pick-up and drop-off, rental cars, private cars (for example, limousines), public and private buses and trains. Airports are responsible for providing ground transport providers with landside access (for example, forecourt and transport hubs), waiting areas and roads to facilitate movements around the airport.

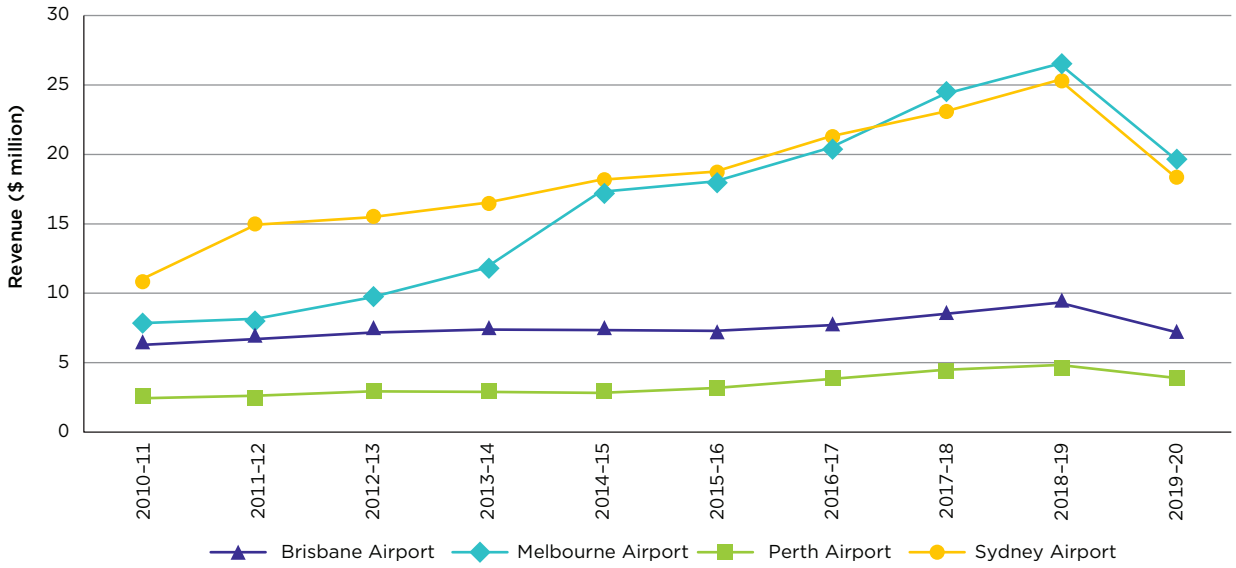
The monitored airports typically levy charges for operators of alternative transport modes to access landside areas at airports. The level of these charges, and the quality of the access provided, can potentially constrain landside operators' ability to compete with airports' own car parking businesses.

Unlike aeronautical activities, landside access data is provided by airports on a voluntary basis and may vary in the forms in which it is provided across the airports. For example, revenue from car rental operators is currently not included in total landside revenue figures because airports have inconsistent methods for reporting.

3.4.1 Total landside revenue

Figure 3.4.1 shows that total landside access revenue at each of the monitored airports decreased in 2019–20. Prior to this, the monitored airports had grown landside revenues over the past decade. Combined landside revenues have risen by 79.3% over this period.

Figure 3.4.1 Total landside access revenue at Brisbane, Melbourne, Perth and Sydney airports: 2010–11 to 2019–20



Note: Values in 2019–20 dollars. Totals for all 4 airports exclude revenue from car rental operators.

Prior to COVID-19, much of the strong growth in revenue over the decade can be attributed to greater demand for landside access services. The airports are catering to more passengers than they did in the past, while the emergence of rideshare services also appears to have grown landside access and not just replaced volumes previously served by taxis.

However, higher charges for certain transport modes at some airports have also played a role in growing revenues. For example, taxis at Melbourne Airport paid 188.1% more in 2019–20 (bringing the fee to $4.50 per pick-up) and private car operators paid 26.8% more in 2019–20 (bringing the fee to $4.50 for 30 minutes) than they did in 2010–11. At Sydney Airport, taxis paid 33.8% more in 2019–20 (bringing the fee to $4.75 per exit) than in 2010–11, while charges for private car operators almost tripled over the same period (bringing the fee to $11.35 for 55 minutes).

Figure 3.4.2 in the appendix compares the charges incurred by taxis and rideshare operators at each of the airports in 2019–20. Brisbane, Melbourne and Perth airports charge a single landside access fees for taxis and rideshare operators, while Sydney Airport charges a lower fee for rideshare operators.

3.5 Passenger quality of service

This section summarises the performance of the airports in relation to passenger quality of service. To evaluate airports' service quality for passengers, the ACCC collects passenger survey data gathered by the airports on various aspects of passenger experience.

The passenger surveys are conducted by market research companies in order to provide information to the ACCC as required under the Airports Regulations 1997. These surveys are organised by the monitored airports

The airline survey ratings and objective measures are not collected this year in order to reduce the burden on the airports and airlines as a result of the impact of COVID-19.

The airline surveys are typically conducted by the ACCC in order to collect data on availability and standard of services and facilities provided by the monitored airports.

The respondents of these surveys are asked to rate their level of satisfaction with airport services and facilities on a scaled of 1 to 5. The average scores are then converted into 5 ratings ranging from 'very poor' to 'excellent', as shown in table 3.5.1.

Table 3.5.1 Ratings of satisfaction for airport facilities and services

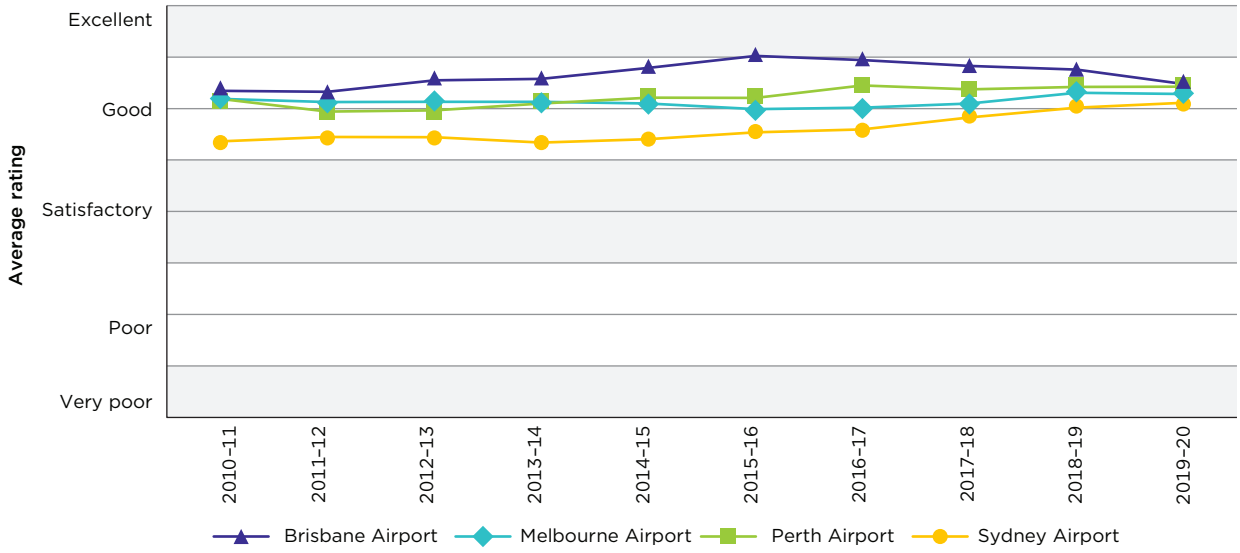
Scale	1–1.49	1.50–2.49	2.50–3.49	3.50–4.49	4.50–5
Rating	Very poor	Poor	Satisfactory	Good	Excellent

3.5.1 Passenger ratings of the airports' quality of service

Passengers are surveyed about the quality of service provided by each monitored airport 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, some security providers and the Australian Border Force.

Figure 3.6.2 shows the average passenger ratings of the quality of service for each monitored airport for the past decade. All 4 of the monitored airports were rated as 'good' by passengers in 2019–20. The passenger ratings of the quality of service for each of the airports have been converging with each other over the past 4 years.

Figure 3.5.1 Average passenger ratings of quality of service at Brisbane, Melbourne, Perth and Sydney airports: 2010–11 to 2019–20



Source: Passenger surveys collected from Brisbane, Melbourne, Perth and Sydney airports.

3.6 On-time performance by airlines at the monitored airports

Flight delays are frustrating for passengers. They may mean missed connecting flights, missed events, confusion regarding pick-ups by friends and relatives, and also less time at the destination. Delays can also be costly for airlines, through burning additional fuel, additional customer interaction, the need to build buffer time into schedules, operational challenges and a reduction in customer loyalty.

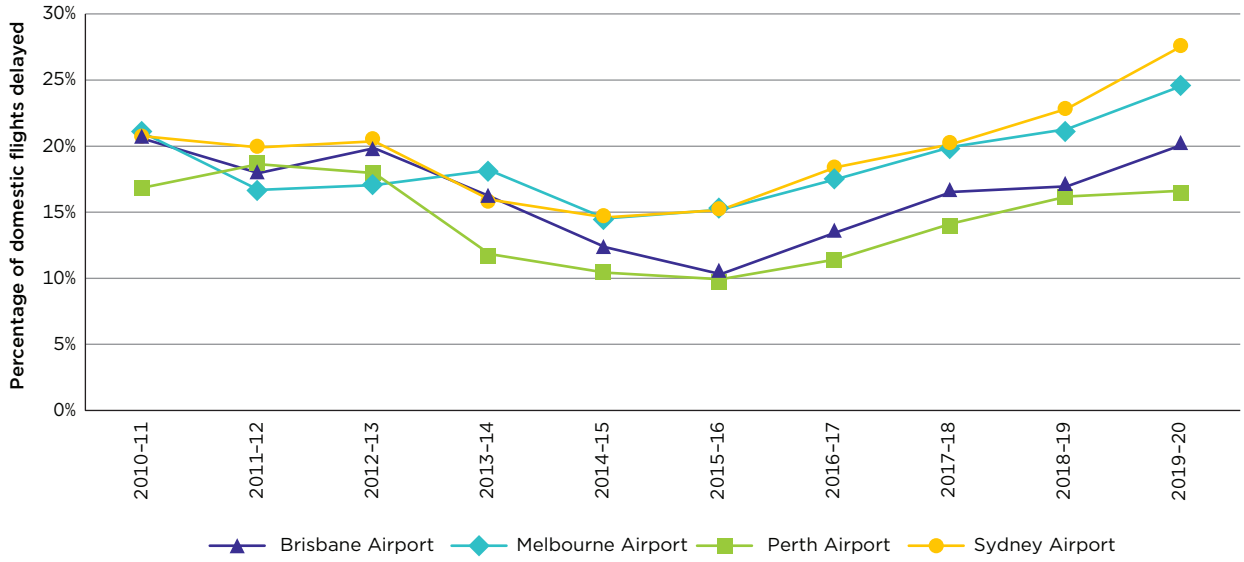
Flight delays can be caused by a variety of factors. These include:

- circumstances within some control of the airline, such as problems with maintenance of the aircraft or having the requisite crew
- extreme weather
- problems associated with passengers, such as the need to remove a bag from the aircraft due to a passenger not boarding
- late arriving aircraft, which is why poor on-time performance at one airport can spread to other airports.

Airports also play a key role in promoting on-time performance by airlines. This role relates to ensuring that there is sufficient infrastructure and facilities for the scheduled flights at all times of the day, as well as ensuring that facilities such as baggage handling equipment are sufficiently reliable and do not suffer from outages. Airports can also take action to address local challenges, such as Perth Airport upgraded its lighting and landing system in 2018 to make the airport more resilient in times of fog.

Figure 3.6.1 below shows average annual domestic departure on-time performance for each of the monitored airports over the past decade. It is measured as the proportion of departing flights that do not depart within 15 minutes of their scheduled time (excluding cancelled flights). Due to the impact of COVID-19, airline on-time performance statistics were only available until March 2020. The average of the first 9 months on-time performance data has been used for 2019–20, allowing a reasonable comparison with the previous years.

Figure 3.6.1 Delayed departures (domestic services) at Brisbane, Melbourne, Perth and Sydney airports: 2010–11 to 2019–20



Note: Delayed departures are measured as the proportion of departing flights that do not depart within 15 minutes of their scheduled time (excluding cancelled flights).

Source: ACCC analysis of BITRE monthly domestic airline on-time performance https://www.bitre.gov.au/publications/ongoing/airline_on_time_monthly.aspx.

The chart shows that on-time performance for domestic services has deteriorated at each of the monitored airports over the past 5 years. This follows an improvement in performance between 2012–13 and 2015–16. The proportion of delayed domestic departures has risen from a low of between 10% and 15% 5 years ago to between 17% and 28% in 2019–20. Despite the improvements seen several years ago, domestic on-time performance was lower for Sydney and Melbourne airports in 2019–20 than it was a decade earlier.

The performance in 2019–20 may be in part due to the effects of the 2019–20 bushfire season. However, comments made by airlines in response to the ACCC's quality of service survey during 2018–19 indicated that airlines consider congestion to be a problem for a range of aeronautical services across all 4 of the monitored airports. Specifically, the availability of runways and taxiways during peak hours is an issue of concern.

However, as discussed in section 2.1.5, 3 of the 4 monitored airports are at various stages of planning or building new runways, which will be expected to alleviate congestion and potentially contribute to improved on-time performance. Sydney Airport has limited ability to further increase its runway capacity due to its location, but the Australian Government plans to have completed building a new airport in western Sydney by 2026.

4. Brisbane Airport

4.1 Overview

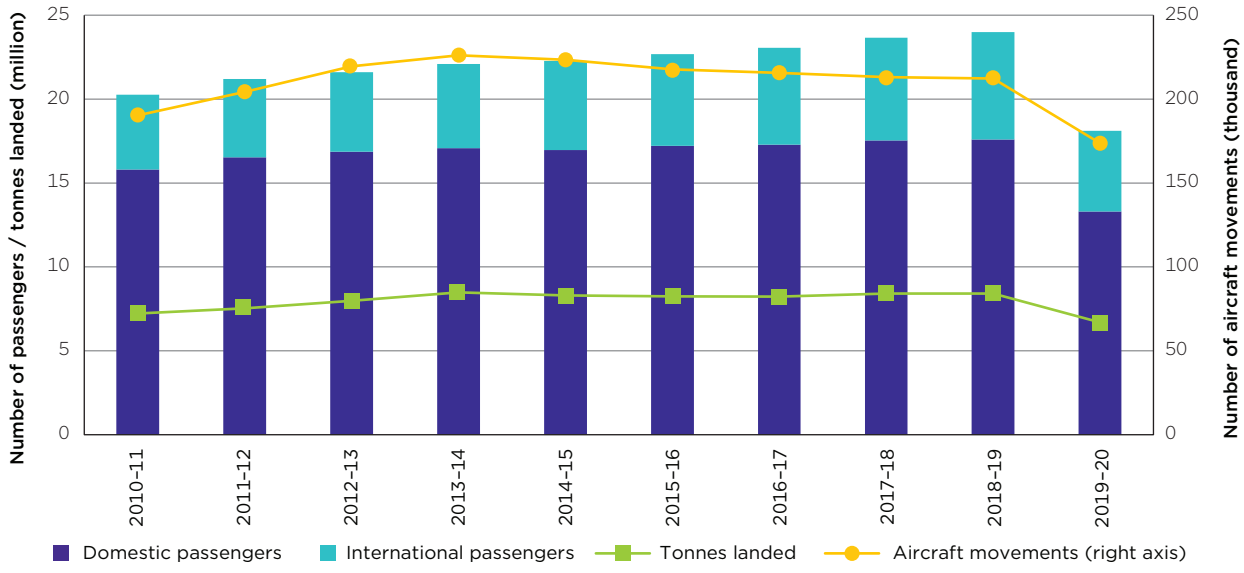
During the 2019–20 monitoring period:

- Brisbane Airport's aggregate financial performance has been substantially affected by the COVID-19 pandemic in the latter part of 2019–20. Passenger traffic fell by 24.5%, causing aeronautical revenue to decrease by 15.5% and aeronautical operating profit to decrease by 50.8%.
- Brisbane Airport's overall passenger satisfaction rating fell slightly. While the rating has remained within the 'good' category, passenger ratings have trended down gradually since 2015–16.
- As a result of the decrease in passenger volumes, Brisbane Airport's car parking revenue and operating profit also decreased by 23.3% and 31.0% respectively. Brisbane Airport earned 60.5 cents in operating profit for every dollar of car parking revenue in 2019–20.

4.2 Aeronautical activity

Figure 4.2.1 shows that in 2019–20, Brisbane Airport's passenger traffic fell by 24.5% to 18.1 million. Of this, domestic passenger traffic fell by a record 24.4% and international passenger traffic fell by 24.9%.

Figure 4.2.1 Brisbane Airport—volume of passengers, tonnes landed and aircraft movements: 2010–11 to 2019–20



Note: Prior to 2019–20, domestic passenger numbers include those passengers that travelled via an airline that used a terminal that was leased to Qantas and Virgin under a domestic terminal lease.

Figure 4.2.1 also shows that the volume of tonnes landed decreased by 20.4% to 6.7 million in 2019–20, while aircraft movements decreased by 18.2% to 173,758.

4.3 Aeronautical price monitoring and financial performance results

4.3.1 Prices

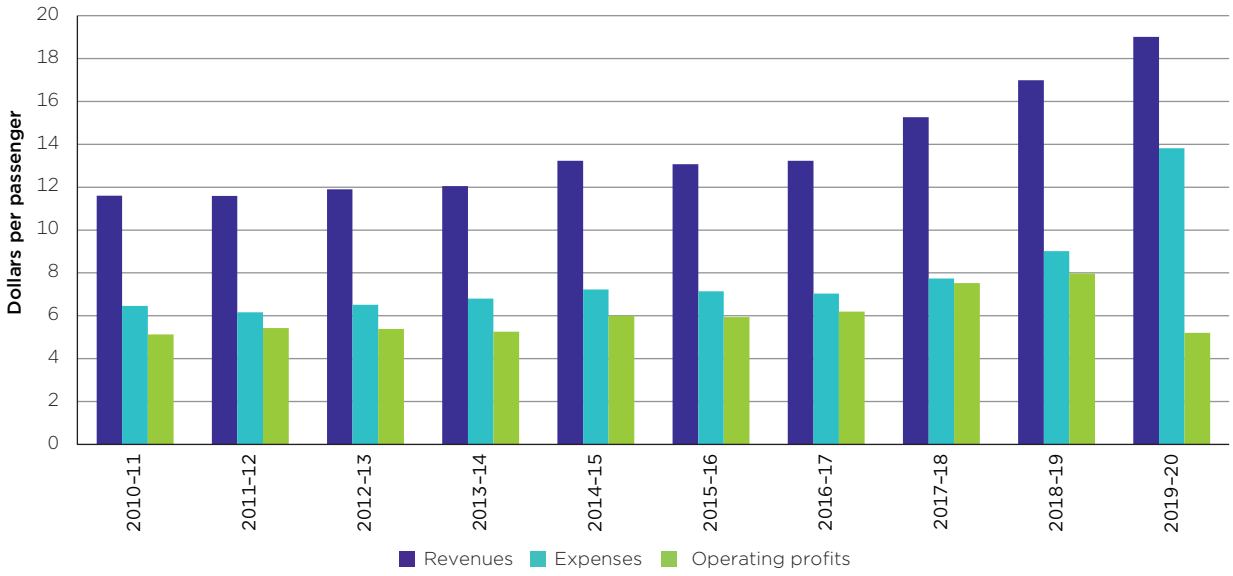
The published domestic runway charge increased by 17.1% to $6.36 per passenger in 2019–20, while the international runway charge increased by 13.7% to $11.32. In contrast, both the domestic[28] and international terminal charge decreased, by 9.4% to $8.39 and 6.2% to $26.30 respectively. A schedule of aeronautical prices can be found in table 4.3.1 in the appendix.

4.3.2 Revenues, costs and profits per passenger for aeronautical services

Figure 4.3.1 displays the aeronautical revenues, expenses and operating profits per passenger in real terms at Brisbane Airport from 2010–11 to 2019–20. Expenses and profits have been calculated using the line-in-the-sand approach to asset valuations (see box 3.2.2).

While per passenger revenue increased, the dramatic reduction in passengers in the latter part of 2019-20, combined with a large component of fixed costs contributed to an overall increase in expenses per passenger and a fall in operating profits per passenger.

Figure 4.3.1 Brisbane Airport—aeronautical revenue, expenses and operating profit per passenger: 2010–11 to 2019–20



Note: Real values in 2019–20 dollars.

4.3.3 Revenues, costs and profits for aeronautical and total airport services

During the monitoring period, Brisbane Airport's total aeronautical revenue decreased by 15.5% to $344.3 million. However, aeronautical revenue increased by 4.3% a year on average over the past decade.

Total aeronautical expenses increased by 15.6% to $250.2 million in 2019–20. This was largely driven by an increase in 'other costs'.

While aeronautical operating profit (EBITA) remained positive in 2019–20, it decreased by 50.8% to $94.2 million. This was the first time in a decade that the airport experienced a decrease in aeronautical

28 Published domestic passenger service charge including aerobridge.

operating profit. Brisbane Airport's aeronautical operating profit margin (EBITA as a percentage of revenue) fell sharply to 27.3%.

Table 4.3.2 in the appendix presents the revenues, costs and profits for aeronautical and total airport services over the past decade in 2019–20 dollars.

4.3.4 Investment, capital expenditure and asset values

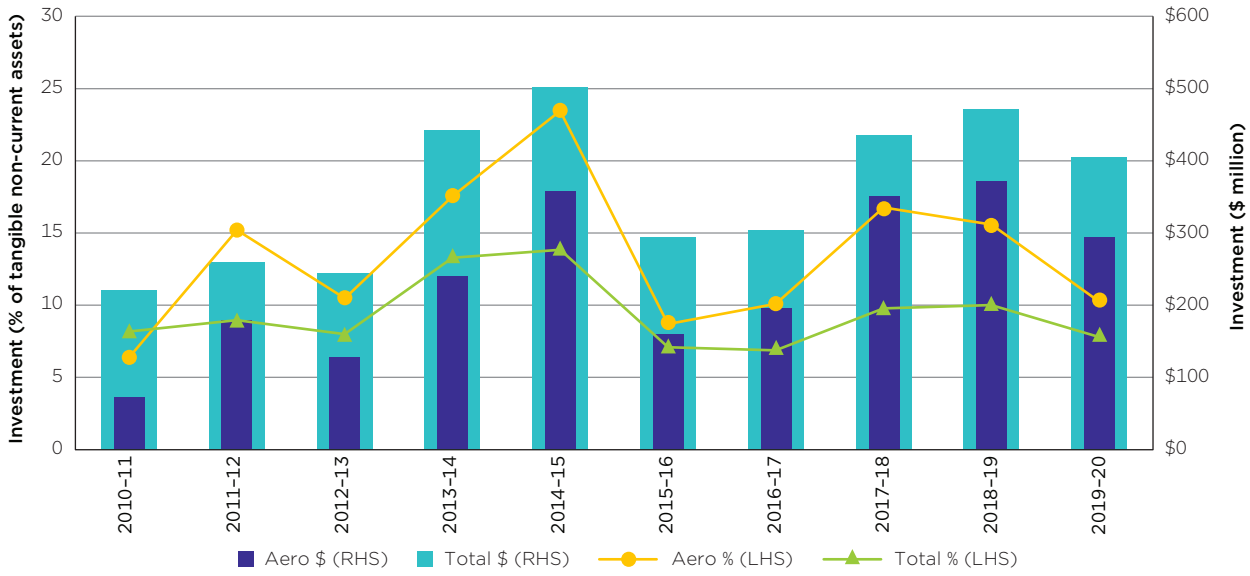
As a result of the uncertainty in the current economic environment due to COVID-19, Brisbane Airport did not commence any substantial investment projects. However, the airport's most significant investment to date, the new parallel runway officially opened just after the reporting period on 12 July 2020.[29] It cost $1.1 billion and is expected to double the airports capacity. [30]

During 2019–20, Brisbane Airport also completed the installation of a stop bar at Runway 01R/19L. Stop bars are a set of lights embedded in the pavement at right angles to the taxiway centreline. These are designed to provide protection of runway and taxiway intersections.

Table 4.3.3 in the appendix lists selected aeronautical investments that were completed or initiated at Brisbane Airport during 2019–20. A similar overview of car parking and landside-related investments can be found in section 4.5.1.

Figure 4.3.2 below shows Brisbane Airport's capital expenditure for aeronautical and total airport services over the past decade. Over this period, Brisbane Airport has invested a total of $3.6 billion in total airport assets, of which $2.4 billion related to aeronautical assets.

Figure 4.3.2 Brisbane Airport—investment in aeronautical and total airport operations: 2010–11 to 2019–20



Note: Real values in 2019–20 dollars.

Brisbane Airport invested $299.1 million in aeronautical operations in 2019–20. The major additions were construction projects under development ($210.4 million), plant and machinery ($56 million) and buildings ($32.7 million). The airport invested $405.1 million across the whole of its operations.

Brisbane Airport's rate of investment is represented as additions as a percentage of tangible non-current assets. In 2019–20 this rate was 10.3% for aeronautical operations and 7.8% for the total airport operations.

29 'Brisbane's New Runway' Brisbane Airport Corporation, https://www.bne.com.au/corporate/projects/bne-projects/completed-projects/brisbanes-new-runway.

30 Refers to actual cost of project. 'Brisbane's new runway' Brisbane Airport Corporation, https://www.bne.com.au/corporate/projects/bne-projects/completed-projects/brisbanes-new-runway.

Table 4.3.4 in the appendix presents Brisbane Airport's tangible non-current assets for aeronautical and total airport services in real terms from 2010–11 to 2019–20. The line-in-the-sand approach to asset valuations has been used. The total value of tangible non-current assets at the airport was $5.6 billion, of which $3.2 billion were aeronautical assets. Aeronautical assets have become increasingly significant for the airport over the past decade, particularly with the investment into the new runway.

4.3.5 Rates of return on tangible non-current assets

Figure 4.3.3 shows the rate of return on tangible non-current assets for aeronautical services and total airport operations at Brisbane Airport from 2010–11 to 2019–20.

Figure 4.3.3 Brisbane Airport—rate of return (EBITA) on tangible non-current assets for aeronautical and total airport services: 2010–11 to 2019–20

Brisbane Airport's return on tangible non-current aeronautical assets was 3.1% in 2019–20, down from 7.2% from the previous year. This is the lowest rate of return since the line-in-the-sand approach to asset valuation was adopted and reflects the impact of the COVID-19 pandemic on travel restrictions.

Brisbane Airport earned a higher return on its total airport operations, with a rate of return on tangible non-current assets of 6% in 2019–20. However, this is much lower than the rate of 10.2% from the previous year and is also reflective of the impact of the pandemic.

4.4 Quality of aeronautical services and total airport services

This section presents Brisbane Airport's ratings for passenger-related services and facilities for international and domestic terminals.[31] The passenger quality of service survey data for 2019–20 was collected prior to the pandemic that substantially affected air travel.

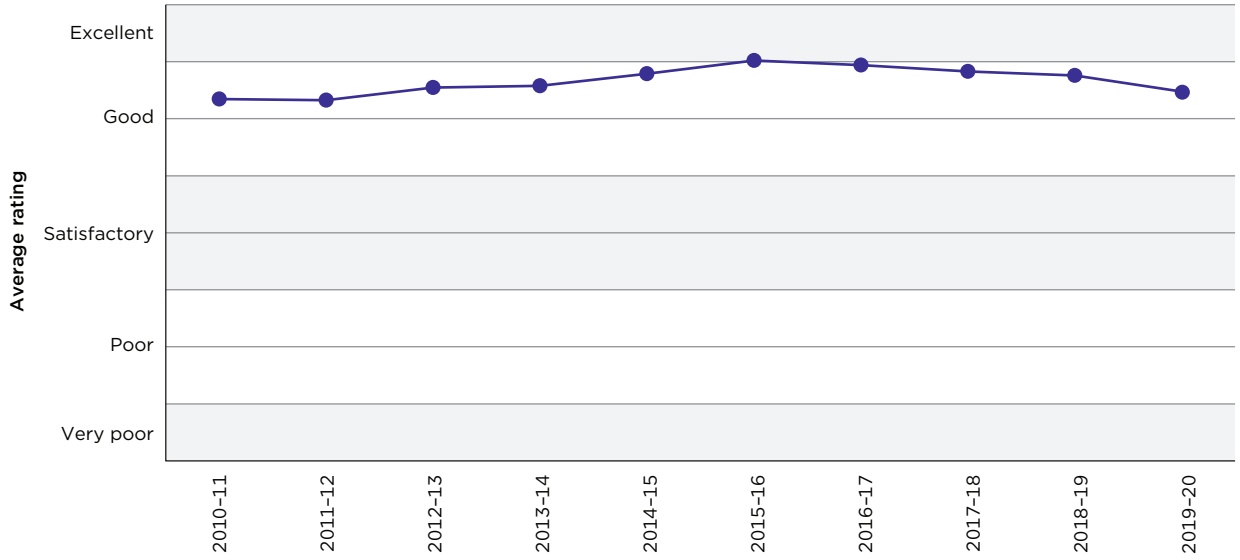
4.4.1 Passenger quality of service rating

For each airport, the ACCC presents a passenger quality of service rating for all of the terminals. These are based on surveys carried out by Brisbane Airport.

Figure 4.4.1 shows that in 2019–20, Brisbane Airport's passenger rating fell slightly. While the rating has remained within the 'good' category, passenger ratings have trended gradually downwards since 2015–16.

31 As discussed in chapter 2, airline survey results and objective indicators have not been published as part of our Quality of Service monitoring regime this year due to resourcing impacts on airlines and airports arising from COVID-19.

Figure 4.4.1 Brisbane Airport—rating of passenger surveys: 2010–11 to 2019–20



Source: Passenger surveys obtained from Brisbane Airport.

4.4.2 Biggest drivers of change in passenger ratings

International terminal

A number of indicators contributed to the fall in passenger rating in the international terminal over the past year. These included waiting times and availability of seating. This could be attributed to additional congestion that may have been experienced in the earlier part of the year before the opening of the second parallel runway in July 2020 (for the full set of results, see table 4.4.1 in the appendix).

Domestic terminal

Similar indicators contributed to the fall in passenger ratings in the domestic terminal, with waiting and baggage trolleys driving most of the change (for the full set of results, see table 4.4.2 in the appendix).

4.5 Car parking

This section presents an overview of the car parking services available at Brisbane Airport.

4.5.1 Car parking facilities and investments

Car parking facilities

Brisbane Airport has 3 separate car parking precincts, two at-terminals and one a distance away from the terminals. The two facilities that are located at-terminal are both multi-level car parks. One is located near the international terminal and the other is located near the domestic terminal (comprising of P1 and P2 car parks). The international terminal offers short-term (up to 4 hours of parking, also known as ParkShort), long-term (over 4 hours of parking, also known as ParkLong) and valet parking services. P1 offers ParkShort, ParkLong, valet, premium parking and guaranteed space services. P2 offers long-term and guaranteed space parking services.

The third precinct that is located at a distance from the terminals (Airpark) provides open air and undercover parking for longer stays. A free regular shuttle bus service picks up and drops off customers from 3 designated bus stops close to the entrance of both terminals.

Car parking and landside investments

Table 4.5.1 in the appendix lists selected car parking and landside-related investments that have been completed, are underway or planned during 2019–20. The planning and design phase of a $93 million

multi-level car park at the international terminal is currently in progress. Brisbane Airport has planned to expand its multi-level parking facilities ($177.5 million) at the domestic terminal. However, all running and future projects are currently on hold due to COVID-19.

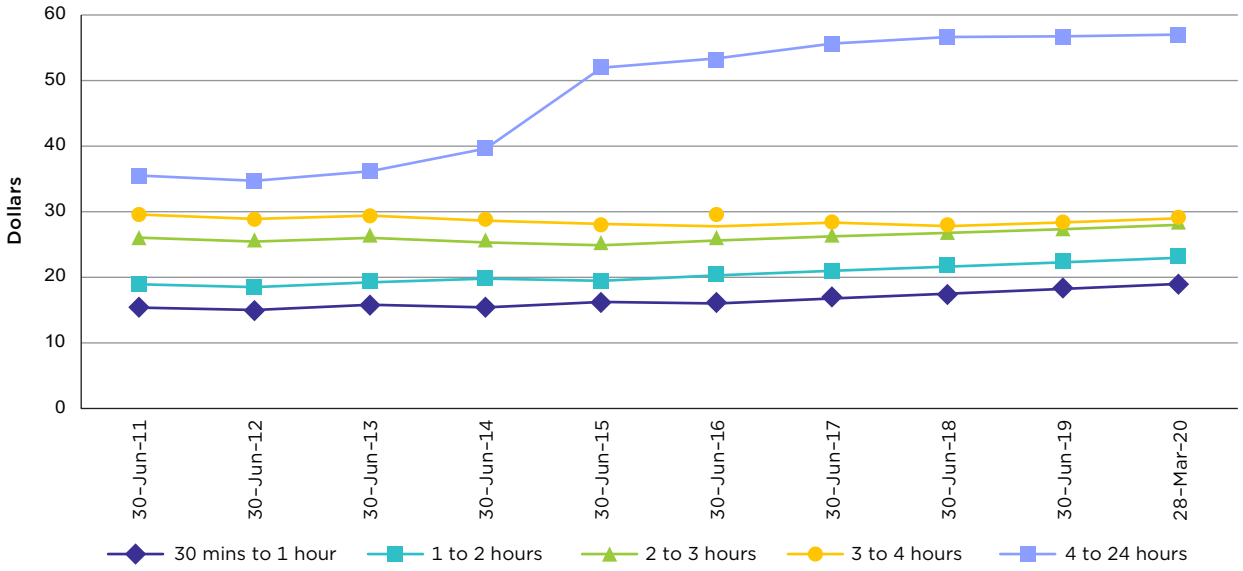
4.5.2 Car parking prices

This section presents an overview of prices for parking a car at Brisbane Airport.

Short-term parking at the terminal

Brisbane Airport provides short-term parking facilities close to each of the international and domestic terminals. Figure 4.5.1 shows the drive-up rates for the past decade. Prices increased moderately in all categories during 2019–20. Of the durations shown below, the biggest increase was the drive-up price for parking between 30 minutes and 1 hour, which increased by 4.2% to $19.

Figure 4.5.1 Brisbane Airport—selected short-term drive-up car parking prices—at terminal: 30 June 2011 to 28 March 2020



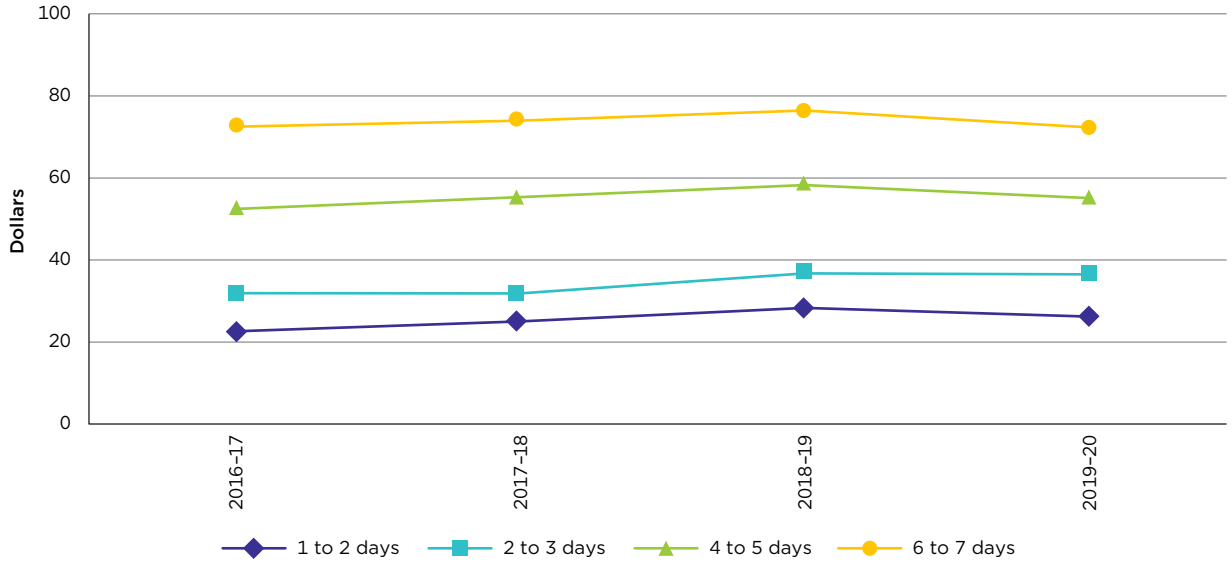
Note: Real values in 2019–20 dollars.

Long-term parking at distance

Although Brisbane Airport provides its 'ParkLong' parking product (for durations over 4 hours) at its at-terminal car parks, price-conscious motorists have the option of a cheaper at-distance car park called Airpark where they can take advantage of online discounts. Airpark offers free shuttle bus access to both the domestic and international terminals, with a bus scheduled every 15 minutes. It also offers both shaded and unshaded parking.

Figure 4.5.2 shows average prices paid by motorists who booked their long-term parking at Airpark online over the past 4 years. Average prices paid for all durations decreased in 2019–20. The biggest decrease was for 1 to 2 days, which decreased by 7.5% to $26.01. Brisbane Airport's Airpark remains the cheapest of the at-distance car parks provided by the 4 monitored airports during 2019–20 with average prices declining in 2019–20.

Figure 4.5.2 Brisbane Airport—average prices paid for booking long-term parking online—at-distance: 2016–17 to 2019–20



Note: Real values in 2019–20 dollars. Average prices paid are for unshaded parking booked online at Airpark.

There are currently 4 independent off-airport car parking facilities located near Brisbane Airport. The shuttle buses from these operators have a typical travel time ranging between 10 minutes and 18 minutes from the car park to the terminals.

4.5.3 Car parking activity

Table 4.5.2 in the appendix summarises the number of car parking spaces and throughput of those facilities at Brisbane Airport over the ten years to 2019–20.

Due to the impact of COVID-19 in the fourth quarter, average daily throughput decreased by 21.2% in 2019–20 to 5,895 vehicles. This comprised significant decreases in throughput at the international car park (21.9%) and the domestic short-term and long-term car parks (18.4 and 23.4% respectively).

Across the airport, car parking spaces increased by 12.6% to 19,091 spaces in 2019–20. This was mostly due to an increase in spaces at the staff car park, which increased by 53.6% to 5,841 spaces as a result of car park extension project.

Average at-terminal car parking occupancy rate at Brisbane Airport was 49.8% in 2019–20. During peak periods, its occupancy rate rose to 68.6%. Brisbane Airport's at-distance car park had an average occupancy rate of 59.0% while its peak period occupancy was 62.0%.

4.5.4 Car parking financial results

Table 4.5.3 in the appendix summarises Brisbane Airport's revenues, expenses and operating profits (EBITA) for car parking services over the past decade. As a result of COVID-19, car parking revenue decreased by 23.3% to $83.2 million during 2019–20. While car parking is still profitable, operating profits (EBITA) from car parking decreased by 31.0% to $50.4 million.

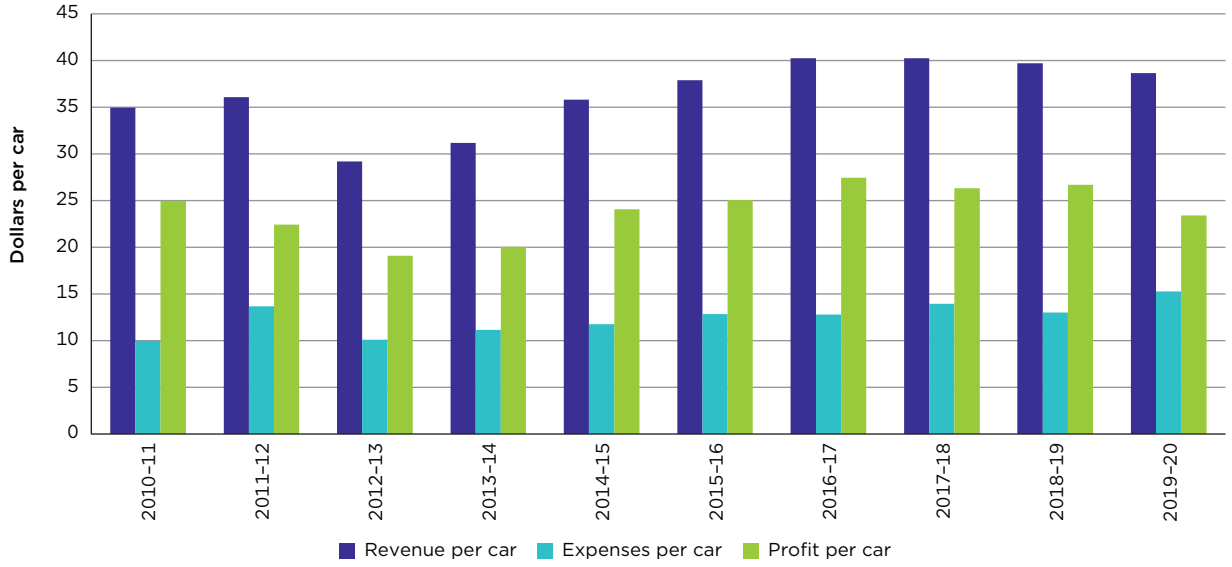
The airport made an operating profit of 60.5 cents for each dollar in car parking revenue, down from 67.2% in the previous year. This is still higher than the operating margin for total airport services of 43.7% in 2019–20.

On a per car space basis, revenue and expenses decreased by 31.9% and 17.9% respectively. This contributed to a 38.7% decrease in operating profit per car park space in 2019–20.

Figure 4.5.3 presents Brisbane Airport's revenues, expenses and operating profits per vehicle. Revenue per vehicle decreased by 2.6% to $38.67 in 2019–20. A fall in revenue per car may reflect falling prices, shorter parking durations, more motorists booking online, or the adoption of less costly parking

products. An increase in the average cost per vehicle (up 17.3% to $15.27) led to a decrease in operating profit per vehicle (down 12.4% to $23.40).

Figure 4.5.3 Brisbane Airport—average car parking revenue, costs and profit per car: 2010–11 to 2019–20



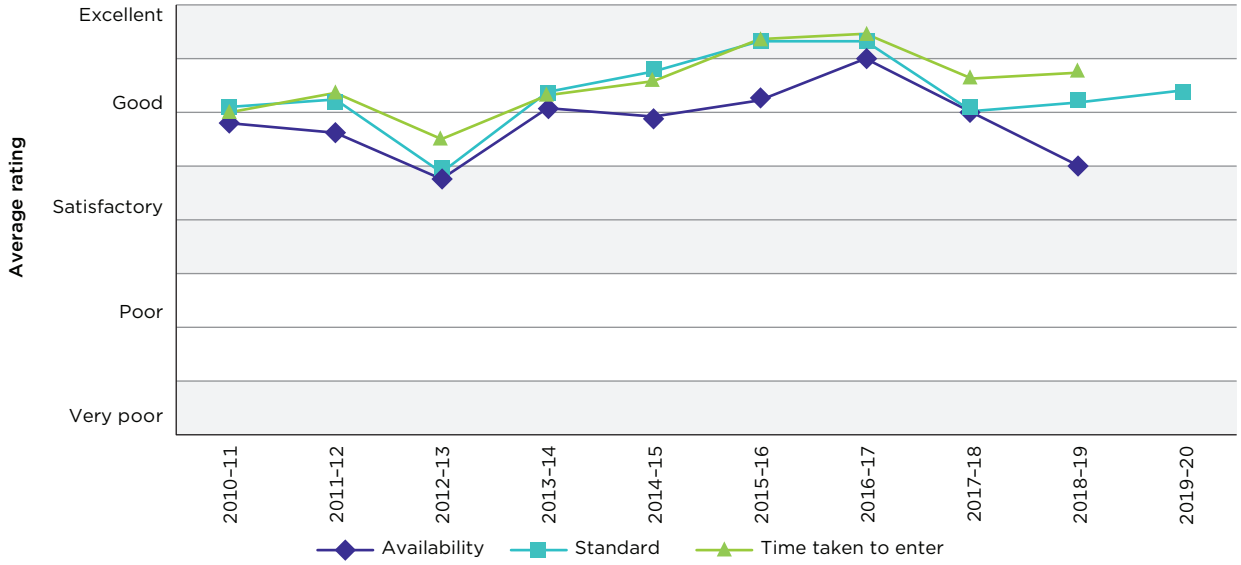
Note: Real values in 2019–20 dollars.

4.5.5 Car parking quality of service

During 2018–19, Brisbane Airport's ratings had improved for the time taken to enter the car park and declined for the car parking availability; both within the 'good' category. However, due to the COVID-19 pandemic, Brisbane Airport did not survey the time taken to enter and availability ratings. It only collected the standard of quality rating and was required to report on this measure.

Figure 4.5.4 shows passengers' ratings for the quality of Brisbane Airport's car parking facilities at the international terminal. Passenger ratings for car parking standard improved within the 'good' category in 2019–20. This may be attributed to the implementation of a capacity management strategy particularly for ParkLong and Park Valet services, the expansion of the valet check-in area, and the use of undercover parking areas for ParkShort customers.

Figure 4.5.4 Brisbane Airport—international passenger survey ratings of the quality of car parking facilities: 2010–11 to 2019–20



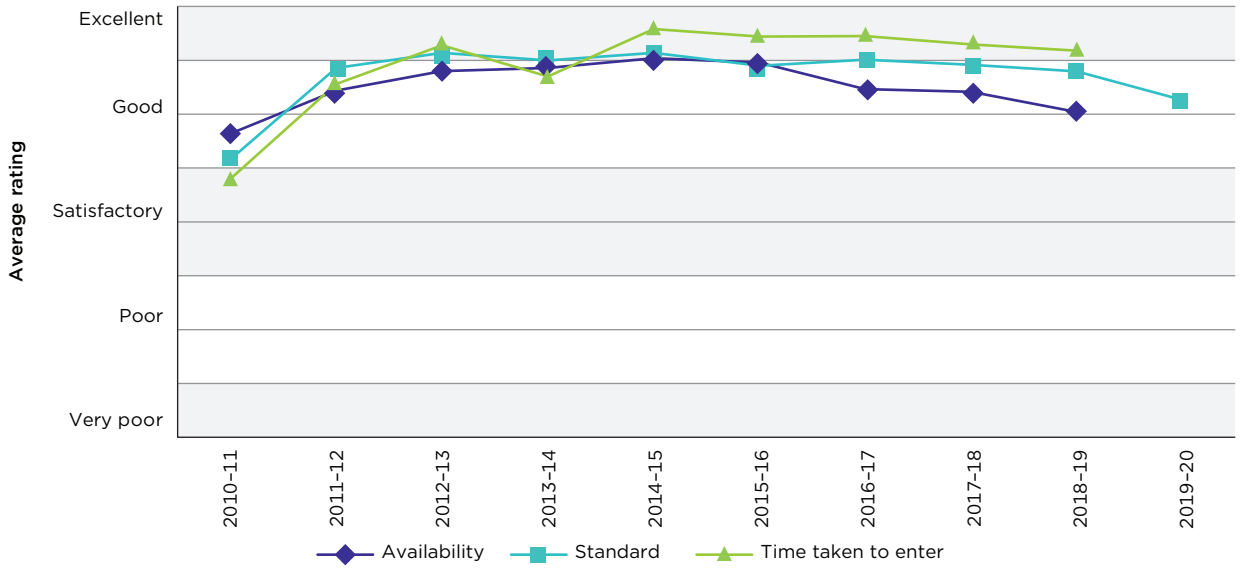
Source: Passenger surveys obtained from Brisbane Airport.

Note: For 2019–20, Brisbane Airport did not collect the 'Time taken to enter' and 'Availability' ratings.

Figure 4.5.5 shows passengers' ratings for Brisbane Airport's car parking facilities at the domestic terminal. Passenger ratings for the standard of car parking facilities declined within the 'good' category in 2019–20.

During 2018–19, passengers had rated the time taken to enter the car park as 'excellent', while the availability of car parking stayed at the 'good' rating. Both the indicators declined in 2018–19, however their ratings were not available for 2019–20 due to COVID-19.

Figure 4.5.5 Brisbane Airport—domestic passenger survey ratings of the quality of car parking facilities: 2010–11 to 2019–20



Source: Passenger surveys obtained from Brisbane Airport.

Note: For 2019–20, Brisbane Airport did not collect the 'Time taken to enter' and 'Availability' ratings.

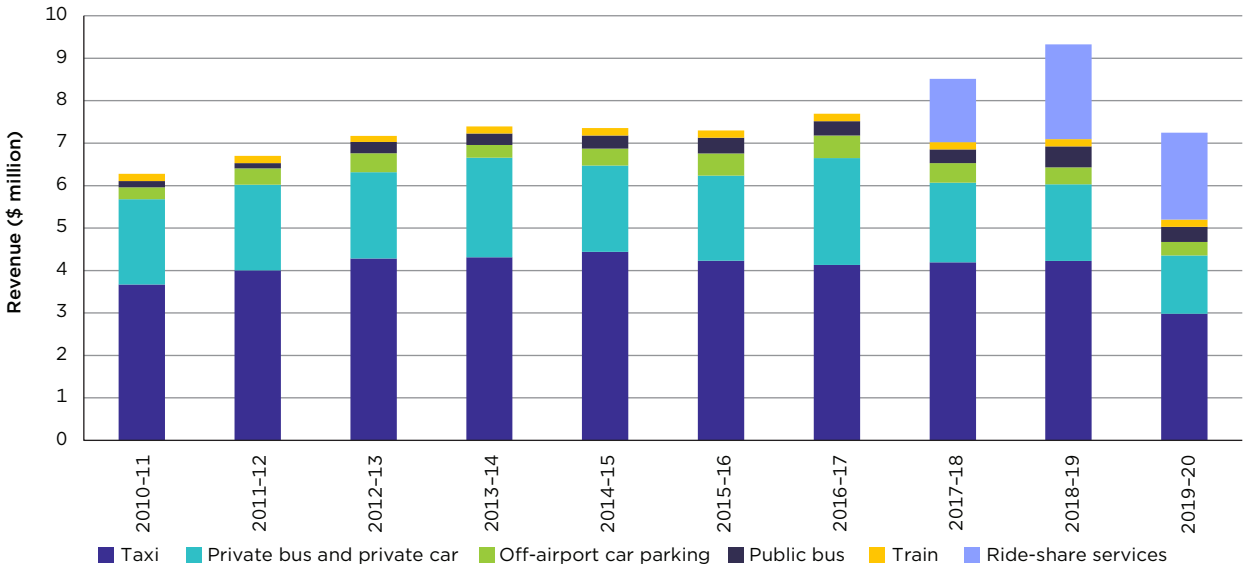
4.6 Landside access

In addition to car parking and free pick-up and drop-off areas provided by Brisbane Airport, access to and from the airport is provided by bus, taxi, rideshare and off-airport car parking. Service operators are often charged fees to access the airport which are passed on to passengers.

4.6.1 Landside access revenue, volumes and charges

Brisbane Airport generates revenue from allowing various transport service providers access to airport facilities. Both volumes and revenues of alternative transport options declined significantly in 2019–20 as passenger volumes plummeted due to COVID-19 from March 2020. Figure 4.6.1 below and table 4.6.1 in the appendix display the revenue generated by each transportation type, along with the fee charged and the number of times each service provider accessed the airport.

Figure 4.6.1 Brisbane Airport—landside access revenue by transport mode: 2010–11 to 2019–20



Note: Total landside access revenue figures exclude revenue collected from car rental operators. Revenue from rideshare services is included in private bus and private car revenue in 2016–17. Real values in 2019–20 dollars.

Landside access volumes

The number of pick-ups provided by rideshare operators and taxis decreased by 8.7% and 30.3% respectively. Rideshare users accounted for 0.6 million pick-ups, compared to 0.8 million pick-ups by taxis during 2019–20. Overall landside access volumes decreased by 22.9%. Table 4.6.1 in the appendix displays the number of times a group of transportation service providers accessed Brisbane Airport's facilities over the past 5 years.

Landside access fees and charges

Brisbane Airport charges transport operators for access to the airport. Taxis, rideshare operators and private car operators are only charged an access fee for pick-ups. The fee is included as a surcharge in the passenger's total fare.

Table 4.6.1 in the appendix presents the landside access charges at Brisbane Airport since 2015–16. It shows that taxis and rideshare operators are now charged the same rate ($4.00 per pick-up). During 2019–20, both rideshare operators and taxis paid 1.2% more than they did in 2018–19.

Landside access revenue

Brisbane Airport's total landside access revenue decreased by 22.3% to $7.2 million during 2019–20. Landside revenue remains 15.4% higher in 2019–20 than it was a decade ago.

Figure 4.6.1 shows that Taxis have been the largest source of reported landside revenues for Brisbane Airport. Taxis contributed $3.0 million during 2019–20, down 29.4%.

Revenue generated from rideshare services reduced to $2.0 million during 2019–20 (down 8.3%), as did revenue generated from private bus and car operators which reached $1.4 million (down 24.0%).

4.6.2 Quality of landside access services and facilities

The satisfaction of passengers with the quality of Brisbane Airport's landside access services and facilities has increased significantly in recent years. During 2018–19, passengers had rated Brisbane's kerbside services and facilities and taxi facilities waiting time as 'excellent', and kerbside space congestion as 'good' at both the international and domestic terminals. However, passenger ratings on landside services and facilities were not available for 2019–20 due to COVID-19.

5. Melbourne Airport

5.1 Overview

During the 2019–20 monitoring period:

- Melbourne Airport's aeronautical activity and financial results were substantially affected by the impact of COVID-19 in the latter part of 2019–20. Passenger traffic fell by 27.2%, causing aeronautical revenue to decrease by 17.7% and aeronautical operating profit to decrease by 61.8%.
- Melbourne Airport's overall passenger rating remained relatively stable within the 'good' category.
- As a result of the fall in passenger volumes, Melbourne Airport's car parking revenue and operating profit also decreased by 26.1% and 32.8% respectively. Melbourne Airport earned 48.5 cents in operating profit for every dollar of car parking revenue in 2019–20.

5.2 Aeronautical activity

Figure 5.2.1 shows Melbourne Airport's passenger traffic fell by 27.2% in 2019–20 to 27.3 million. Of this, domestic passenger traffic decreased by 26.7% to 19 million and international passenger traffic decreased by 28.2% to 8.2 million.

Figure 5.2.1 Melbourne Airport—volume of passengers, tonnes landed and aircraft movements: 2010–11 to 2019–20

Figure 5.2.1 also shows that the volume of tonnes landed decreased by 23.7% to 10.6 million during 2019–20. Aircraft movements went down by 23.5% to 188,240.

5.3 Aeronautical price monitoring and financial performance results

5.3.1 Prices

The published common user domestic terminals passenger and baggage screening charge increased by 18.4% in 2019–20 to $4.04 per passenger. The airport security charge for passengers increased by 81.2% in 2019–20 to $0.57 per passenger and the international terminal landing fee increased by 1.9% in 2019–20 to $23.22 per passenger.

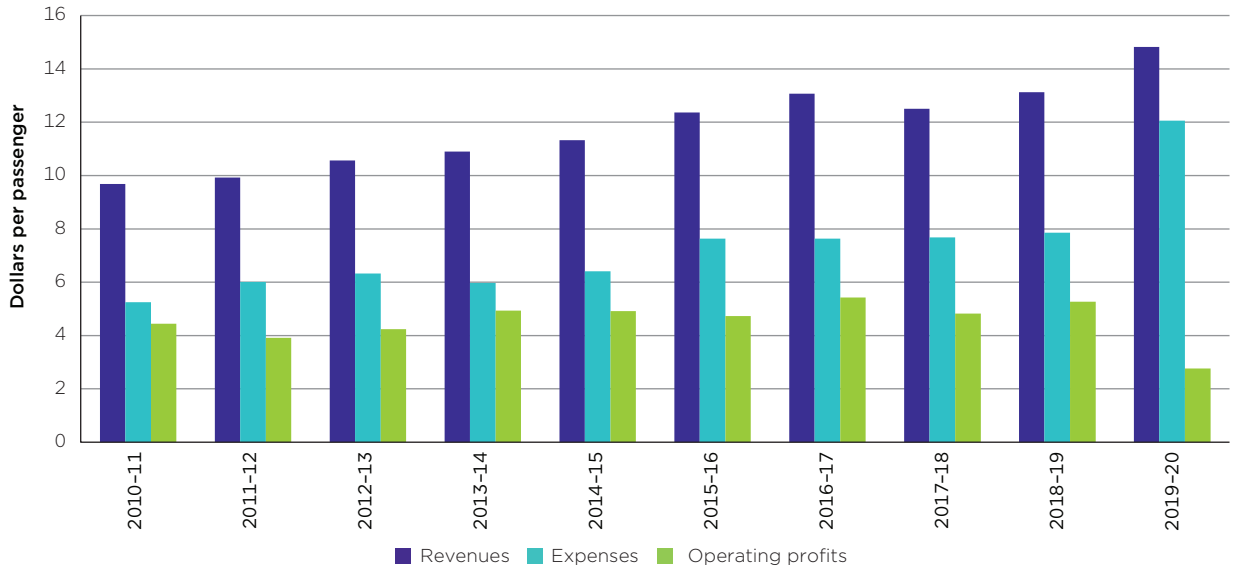
We understand these increases in part represent the adaptation of new security equipment and changes to the base rate over time. The airport security charge is a pass through charge and increased towards the end of the monitoring period due to the material reductions in passengers from COVID-19. Further prices can be found in table 5.3.1 in the appendix.

5.3.2 Revenues, costs and profits per passenger for aeronautical services

Figure 5.3.1 exhibits Melbourne Airport's aeronautical revenues, expenses and operating profits on a per-passenger basis from 2010–11 to 2019–20.

While per passenger revenue increased, the dramatic reduction in passengers in the latter part of 2019–20, combined with a large component of fixed costs contributed to an overall increase in expenses per passenger and a fall in operating profits per passenger.

Figure 5.3.1 Melbourne Airport—aeronautical revenue, expenses and operating profit per passenger: 2010–11 to 2019–20



Notes: Real values in 2019–20 dollars.

5.3.3 Revenues, costs and profits for aeronautical and total airport services

During the monitoring period, Melbourne Airport's total aeronautical revenue decreased by 17.7% to $404.1 million. However, aeronautical revenue increased by 4.4% a year on average over the past decade.

Aeronautical expenses have increased by 11.8% to $328.8 million in 2019–20. This was largely driven by the depreciation of tangibles.

While aeronautical operating profit (EBITA) remained positive in 2019–20, it decreased by 61.8% to $75.3 million. In addition, the decrease was impacted by $53 million of additional depreciation and amortisation of aeronautical assets, including the acquisition of Terminal 1 on 1 July 2019. Melbourne Airport's aeronautical operating profit margin (EBITA as a percentage of revenue) also fell sharply to 18.6%.

Table 5.3.2 in appendix presents the revenues, expenses and profits for aeronautical and total airport services over the last decade in 2019–20 dollars.

5.3.4 Investment, capital expenditure and asset values

As a result of the uncertainty in the current economic environment due to COVID-19, Melbourne Airport deferred work on major capacity projects, with no new major projects set to commence in the near term. Melbourne Airport noted that investment would focus on projects that support business resilience, safety initiatives and compliance requirements.

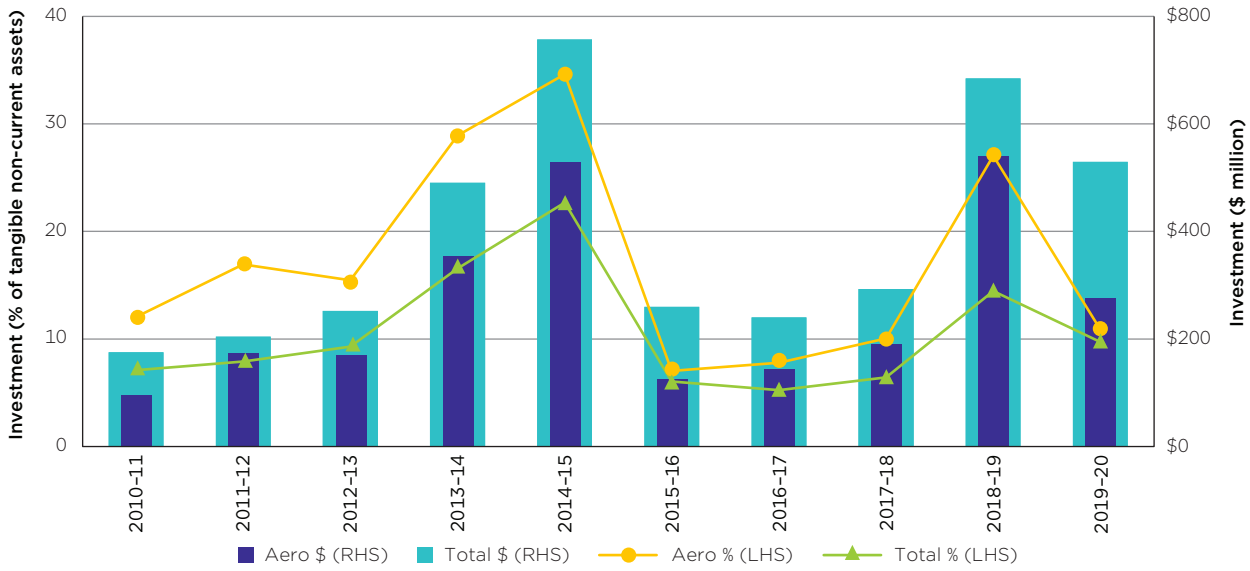
Table 5.3.3 in the appendix lists selected aeronautical investments that were completed at Melbourne Airport during 2019–20. An overview of car parking and landside-related investments can be found in section 5.5.1 and in the appendix.

During 2019–20, Melbourne Airport completed the Taxiway Bravo replacement project and the T2 check-in program, which created a new check-in area with self-service kiosks and automatic bag drop counters.

Melbourne Airport also completed the design of Stage 1 of the Elevated Road Program. This project is currently on hold however, when completed will build an access road from the Tullamarine Freeway into the T4 Car Park. Stage 2, will extend the access road into the T123 and provides a new pick up and drop off area.

Figure 5.3.2 shows the impact of these investment decisions on Melbourne Airport's capital expenditure for aeronautical and total airport services over the past decade. Over this period, Melbourne Airport invested a total of $3.9 billion across the whole airport, of which $2.7 billion related to aeronautical assets.

Figure 5.3.2 Melbourne Airport—investment in aeronautical and total airport services: 2010–11 to 2019–20



Note: Real values in 2019–20 dollars.

Melbourne Airport invested $285.9 million in aeronautical operations in 2019–20. The major additions were works in progress ($180.1 million), plant and machinery ($62.5 million) and land improvements ($28.7 million). The airport invested $529.5 million across the whole of its operations.

Melbourne Airport's rate of investment is represented as additions as a percentage of tangible non-current assets. In 2019–20, this rate was 10.8% for aeronautical operations and 9.7% for the total airport operations.

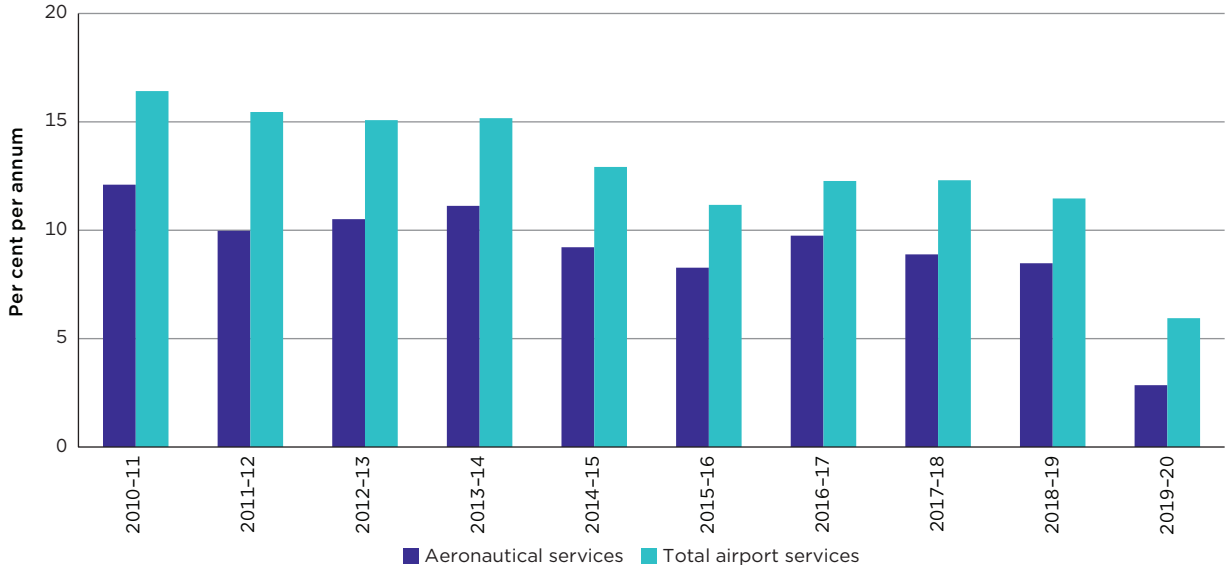
Table 5.3.4 in the appendix presents Melbourne Airport's tangible non-current assets for aeronautical and total airport services from 2010–11 to 2019–20.

The total value of tangible non-current assets at the airport was $5.8 billion in 2019–20, of which $2.6 billion were aeronautical assets.

5.3.5 Rates of return on tangible non-current assets

Figure 5.3.3 shows the rate of return for aeronautical services and total airport operations at Melbourne Airport from 2010–11 to 2019–20.

Figure 5.3.3 Melbourne Airport—rate of return (EBITA) on tangible non-current assets for aeronautical and total airport services: 2010–11 to 2019–20



During 2019–20 Melbourne Airport's return on tangible non-current aeronautical assets decreased by 5.6 percentage points to 2.9%. This is the biggest fall in the rate of return recorded by the airport over the 17-year lifespan of the monitoring regime and reflects the impact of the COVID-19 pandemic on travel. The equivalent figure for the total airport also declined, falling to 5.9% (down 5.5 percentage points).

Melbourne Airport's rate of return on both aeronautical and total assets has trended down over the past decade despite the upward trend in the airport's revenue per passenger. This is due to the expansion of the airport's asset base over this period. In particular, the airport's returns have been lower since the asset base expanded in 2014–15 with the completion of T4 terminal and T4 transport hub.

5.4 Quality of aeronautical and total airport services

This section presents Melbourne Airport's ratings for passenger-related services and facilities for international and domestic terminals.[32] The passenger quality of service survey data for 2019–20 was collected prior to the pandemic that substantially affected air travel.

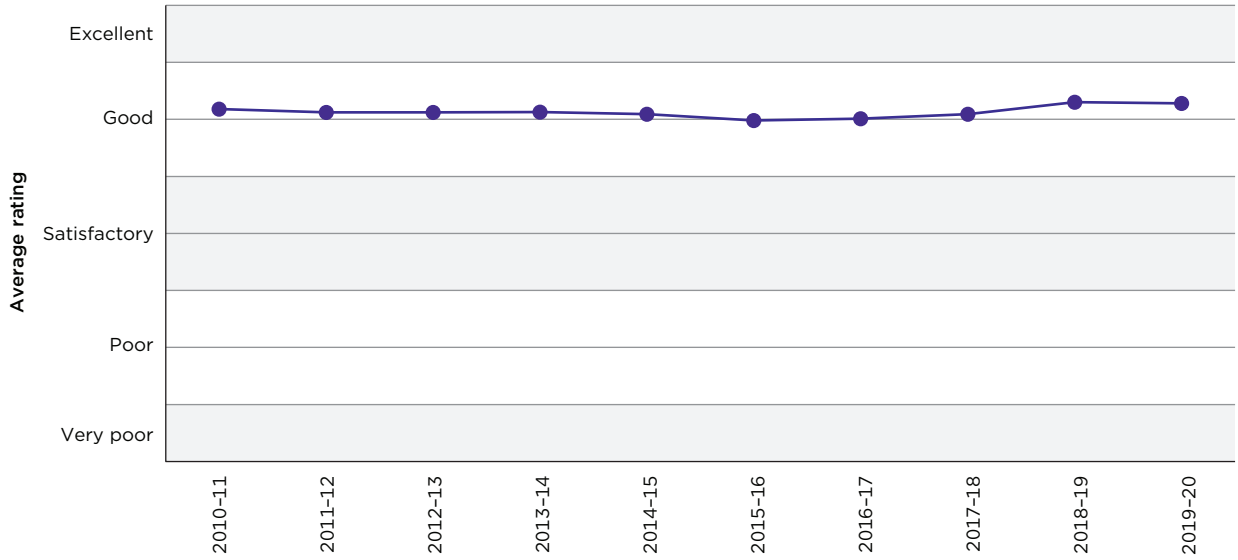
32 As discussed in chapter 2, airline survey results and objective indicators have not been published as part of our Quality of Service monitoring regime this year due to resourcing impacts on airlines and airports arising from COVID-19.

5.4.1 Passenger quality of service rating

For each airport, the ACCC presents an overall passenger quality of service rating for all of the terminals. These are based on surveys carried out by Melbourne Airport.

Figure 5.4.1 shows that in 2019–20, Melbourne Airport's passenger rating remained relatively stable within the 'good' category. While the change from year to year has been relatively small over the decade, the highest passenger survey ratings were recorded in the last two years.

Figure 5.4.1 Melbourne Airport—ratings of passenger survey: 2010–11 to 2019–20



Source: Passenger surveys obtained from Melbourne Airport.

5.4.2 Biggest drivers of change in passenger ratings

Passenger ratings of each airport's services and facilities have been collected by terminal. For Melbourne Airport, there are ratings for the international terminal (T2) and two domestic terminals (T3 and T4).

Terminal 1 was under a domestic terminal lease until June 2019, which means 2019–20 was the first year that survey results were collected. Information on the 1-year change to indicators as presented in the tables that follow will be available in the 2020–21 Airport Monitoring Report.

International terminal

During 2019–20, passenger survey results for the international terminal were mixed. While there were some decreases in ratings such as for information displays at baggage reclaim, other ratings improved, including standard of washrooms and check-in waiting time. In addition, all of these indicators maintained a rating of 'good' and apart from check-in waiting time, have increased overall for the past decade.

Changes to passenger ratings at T2 for all indicators can be found in table 5.4.1 of the appendix.

Domestic terminal (T3)

Melbourne Airport's T3 domestic terminal was occupied by Virgin. Similar to the previous year, passengers rated all subjective indicators as 'good' in 2019–20. This terminal may see further improvements next year with the recent completion of a project to upgrade the check-in facilities. Changes to passenger ratings at T3 for all indicators can be found in table 5.4.2 of the appendix.

Domestic terminal (T4)

The T4 domestic terminal was used by Jetstar, Tigerair, Regional Express and Airnorth. Up until this year, the terminal had consistently improved on its ratings since its major redevelopment in 2015.

Although the notable changes in passenger ratings decreased, most maintained either a 'good' or 'excellent' rating in 2019–20. Changes to passenger ratings at T4 for all indicators can be found in table 5.4.3 of the appendix.

5.5 Car parking

This section presents an overview of the car parking services available at or near Melbourne Airport.

5.5.1 Car parking facilities and investments

Car parking facilities

Melbourne Airport provides multiple car parking facilities for both domestic and international passengers. There are two main multi-level car parks that are located 'at-terminal': At-Terminal T123 (for access to Qantas, Virgin and international terminals) and At-Terminal T4 (for access to Tiger, Jetstar, Rex or Airnorth services). While both offer premium parking options, the T123 car park also offers valet parking services. In February 2020, Melbourne Airport opened a new dedicated 'Short & Sweet' parking zone for durations under 6 hours, located at the front section of the At-Terminal 123 car park.

The Long Term Car Park provides open air parking for longer stays. It is serviced by a free shuttle bus that picks up and drops off customers at the entrance of all terminals. An additional overflow car park known as the Value Car Park also operates during school holidays. Melbourne Airport also provides a Value Short Stay option to provide customers with a cheaper, at-distance parking option for shorter stays (i.e. up to 4 hours).

Car parking and landside-related investments

Table 5.5.1 in the appendix lists selected car parking and landside-related investments for Melbourne Airport. The airport completed its dynamic lane allocation project (phase 2) in 2019–20. This involved the construction of digital wayfinding signage on the main approach to the airport via Terminal Drive to manage traffic demand particularly in the airports peak periods.

The Terminal 4 express elevated road link project was underway in 2018–19, but it has been put on hold due to COVID-19. The project involves the construction of a new elevated road connecting the Tullamarine Freeway into the Terminal 4 ground transport hub and car parking. Planned investment projects include T4 car park expansion to provide for additional parking and ground access capacity for Melbourne Airport's southern precinct, and mode share holding area expansion to minimise congestion and the wait times for passengers.

5.5.2 Car park prices

This section presents an overview of prices for parking a car at Melbourne Airport. These prices are results for motorists that travelled during the first 9 months of 2019–20, before the impact of COVID-19 became apparent. This will allow a reasonable comparison with previous years.

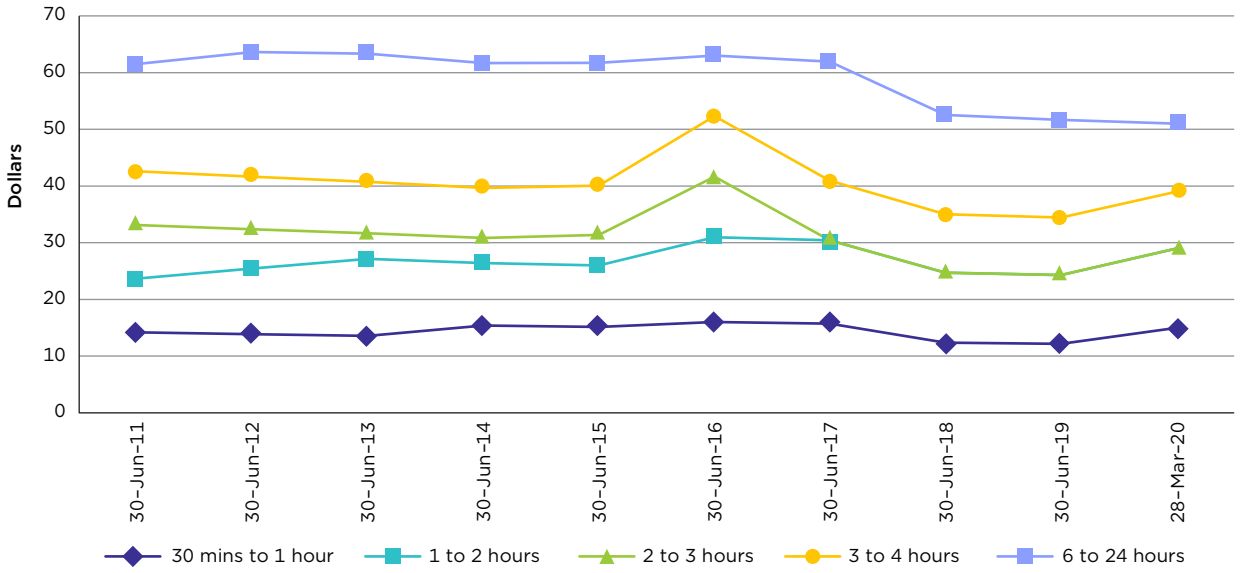
Melbourne Airport offered free car parking from 30 March 2020 to 31 October 2020 in response to the COVID-19 pandemic.

Short-term parking at the terminal

Figure 5.5.1 displays trends in drive-up short-term prices for Melbourne Airport's At-Terminal T123 car parks, including 'Short & Sweet'. The At-Terminal T4 car park currently offers the same listed prices for parking durations of up to 24 hours.

Prices increased in all categories during 2019–20 for durations less than 6 hours coinciding with the introduction of the new 'Short & Sweet' car parking product from the 1 February 2020. Of the durations shown below, the biggest increase was the drive-up price for parking between 30 minutes and 1 hour, which increased by 23.4% to $15.

Figure 5.5.1 Melbourne Airport—selected short-term parking prices (drive-up) at the At-Terminal T123 car park: 30 June 2011 to 28 March 2020



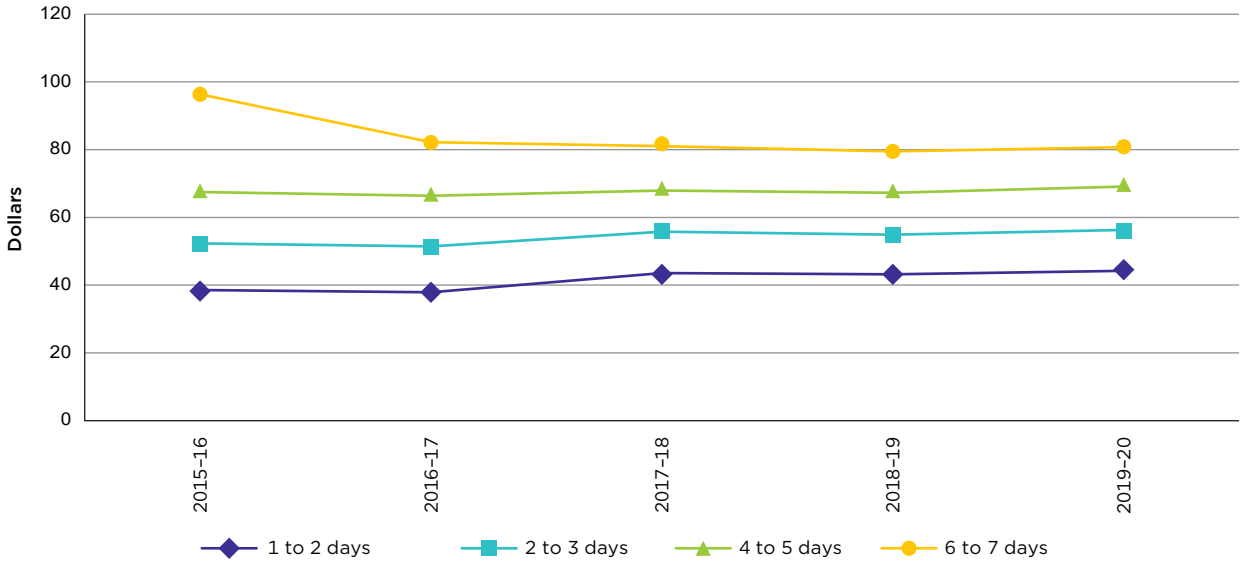
Note: Real values in 2019–20 dollars.

Long-term parking at-distance

Although Melbourne Airport provides long-term parking at its at-terminal car parks, price conscious motorists have the option of a cheaper car park at the Long Term Car Park where they can take advantage of online discounts. The Long Term Car Park offers free and regular shuttle bus access to the terminal.

Figure 5.5.2 shows average prices paid by motorists who booked at the Long Term Car Park online over the past 5 years. The average price paid for all durations increased by between 1.5% and 2.8% in 2019–20. The average price paid for parking for 6–7 days was 16.2% lower than it was in 2015–16.

Figure 5.5.2 Melbourne Airport—selected online average prices paid for long-term parking at the Long Term Car Park: 2015–16 to 2019–20



Note: Real values in 2019–20 dollars.

There are currently 16 independent off-airport car parking facilities located near Melbourne Airport. The shuttle buses from these operators have a typical travel time ranging between 6 and 14 minutes from the car park to the terminals.

5.5.3 Car parking activity

Table 5.5.2 in the appendix summarises the number of car parking spaces available at Melbourne Airport over the past decade, as well as the throughput of those facilities.

Due to the impact of COVID-19 in the June quarter, average daily throughput decreased by 23.8% to 6,651 vehicles in 2019–20. This comprised a significant decrease in throughput at the at-terminal car parks (28.2%) and a moderate decrease in throughput at the at-distance car parks (7.2%).

The total number of car parking spaces at Melbourne Airport remained unchanged at 26,654 spaces in 2019–20. Over the past decade, car parking spaces have increased by 18.9%.

Average at-terminal car parking occupancy rate at Melbourne Airport was between 54.2% and 60.6% in 2019–20. During the peak periods, its occupancy rate rose to between 60.4% and 69.7%. Melbourne Airport's at-distance car parking occupancy was higher in 2019–20. The at-distance car park saw an average occupancy rate of 77.2% while its peak period occupancy was 82.2%.

5.5.4 Car parking financial results

Table 5.5.3 in the appendix reports Melbourne Airport's revenues, expenses and operating profits (EBITA) for car parking and total airport services from 2010–11 to 2019–20. As a result of COVID-19, car parking revenue decreased by 26.1% to $109 million in 2019–20. While still remaining profitable, operating profits (EBITA) from car parking decreased by 32.8% to $52.8 million.

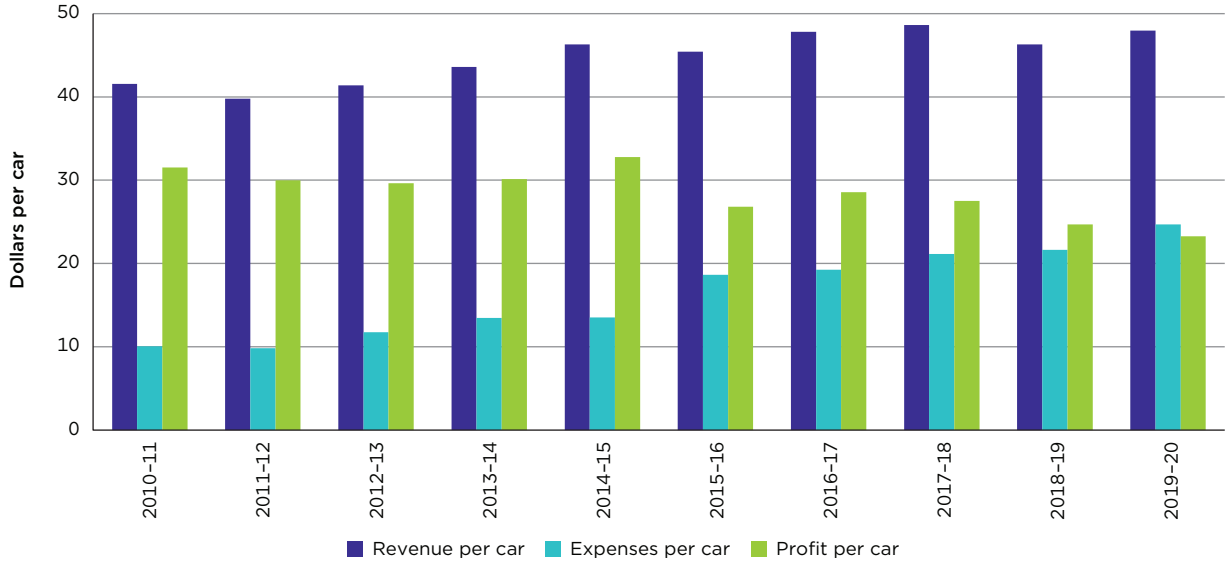
Melbourne Airport earned 48.5 cents in operating profit for every dollar of car parking revenue in 2019–20, which is the lowest in the past decade. This is still higher than the operating margin for total airport services of 40.6%.

On a per car space basis, Melbourne Airport's revenue and expenses decreased by 26.1% and 18.5% respectively. This contributed to a 32.8% decrease in operating profit per car park space during 2019–20.

Figure 5.5.3 shows that the average revenue collected from each car at Melbourne Airport increased by 3.5% to $47.94 in 2019–20. However, a 14.2% increase in expenses per car led to a 5.8% reduction in

the average operating profit earned from each car to $23.26 for the year. These results were mainly attributed to a 28.6% fall in the number of cars that visited Melbourne Airport's carparks during 2019–20.

Figure 5.5.3 Melbourne Airport—average car parking revenue, costs and profit per car: 2010–11 to 2019–20

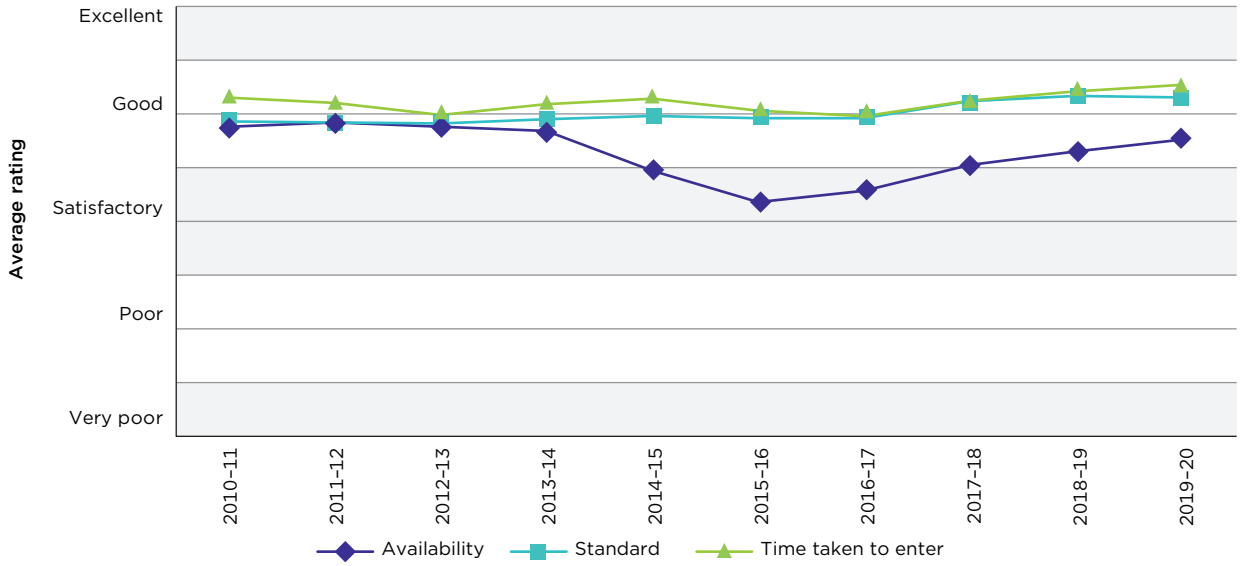


Note: Real values in 2019–20 dollars.

5.5.5 Car parking quality of service

The passengers' levels of satisfaction with the quality of Melbourne Airport's car parking services have improved in recent years. Figure 5.5.4 summarises passenger survey ratings for the quality of Melbourne Airport's car parking facilities. During 2019–20, the ratings associated with the availability of and the time taken to enter car parking facilities improved within the 'good' category. However, passenger ratings for the car parking standard declined slightly within the 'good' category in 2019–20.

Figure 5.5.4 Melbourne Airport—passenger survey ratings of the quality of car parking facilities: 2010–11 to 2019–20



Source: Passenger surveys obtained from Melbourne Airport.

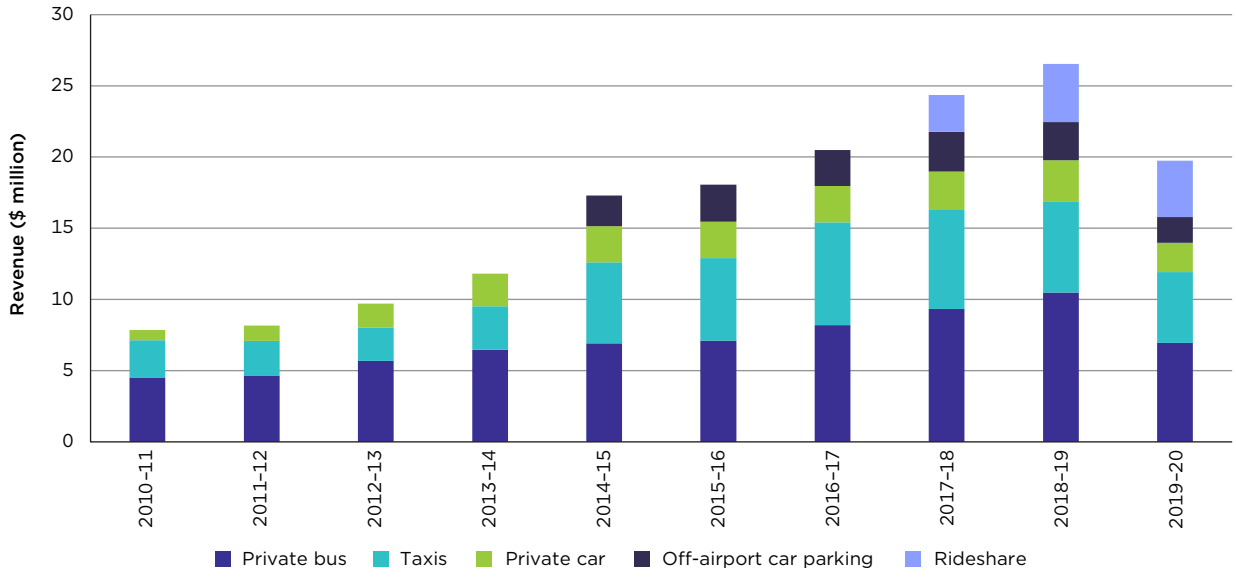
5.6 Landside access

In addition to car parking provided by Melbourne Airport, access to and from the airport is provided by bus, taxi, rideshare and off-airport car parking. To access the airport, service operators are often charged an access fee which is passed on to passengers.

5.6.1 Landside access revenue, volumes and charges

Melbourne Airport generates revenue from allowing various transportation service providers access to airport facilities. Both volumes and revenues of alternative transport options declined significantly in 2019–20 as passenger volumes plummeted due to COVID-19 from March 2020. Figure 5.6.1 below and table 5.6.1 in the appendix display the revenue generated by each transportation type, along with the fee charged and the number of times each service provider accessed the airport.

Figure 5.6.1 Melbourne Airport—landside access revenue by transport mode: 2010–11 to 2019–20



Note: Real values in 2019–20 dollars. Totals exclude any revenue from car rental operators.

Landside access volumes

The number of pick-ups provided by rideshare operators and taxis decreased by 3.3% and 34.0% respectively. Rideshare users accounted for 1.0 million pick-ups, compared to 1.2 million pick-ups by taxis during 2019–20. Overall landside access volumes decreased by 31.3%. Table 5.6.1 in the appendix displays the number of times a group of transportation service providers accessed Melbourne Airport's facilities over the past 5 years.

Landside access fees and charges

Melbourne Airport levies a landside access fee on businesses operating landside transport options. Taxis, rideshare operators and private car operators are only charged an access fee for pick-ups. The fee is included as a surcharge in the passenger's total fare.

Table 5.6.1 in the appendix presents the landside access charges at Melbourne Airport since 2015–16. It shows that Melbourne Airport's rideshare access charges were significantly higher than taxi access charges between 2016–17 and 2018–19. However, taxi charges increased by 21.7% to $4.50 per trip during 2019–20. Rideshare access charges remained unchanged at $4.54 per pick-up in 2019–20.

The charge for off-airport carpark operators accessing the airport was relatively stable in 2019–20 ($4.60). However, these operators are paying 11.9% more they were in 2015–16.

Landside access revenue

Melbourne Airport's total landside access revenue decreased by 25.6% to $19.7 million in 2019–20. Over the past decade, landside access revenue has increased by 151.8%.

Figure 5.6.1 above shows that Melbourne Airport has consistently collected the most landside revenue from private bus operators including SkyBus over the past decade. Private buses contributed $6.9 million landside revenue during 2019–20, down 33.8%.

Taxis have been the second largest source of reported landside revenues for Melbourne Airport. Taxis contributed $5.0 million during 2019–20, down 22.2%.

Revenue generated from rideshare services reduced to $4.0 million during 2019–20 (down 2.9%), as did revenue generated from private car operators which reached $2.1 million (down 29.0%).

5.6.2 Quality of landside access services and facilities

Passengers' satisfaction with the quality of Melbourne Airport's landside services and facilities have improved over the past 5 years. Table 5.6.2 in the appendix shows that passengers had rated Melbourne Airport's kerbside services and facilities, taxi facilities waiting time and kerbside space congestion as 'good' during 2019–20. Except kerbside services and facilities, all ratings improved in 2019–20.

6. Perth Airport

6.1 Overview

During the 2019–20 monitoring period:

- Perth Airport's financial outcomes were affected the COVID-19 pandemic in the latter part of 2019–20. Passenger traffic decreased by 19.5% in 2019–20, causing aeronautical revenue to decrease by 16.2% and aeronautical operating profit to decrease by 47.4%.
- Perth Airport's passenger survey rating remained relatively stable, following a period of notable improvement over several years since 2013–14.
- Due to the fall in passenger volumes, Perth Airport's car parking revenue and operating profit also decreased by 20.5% and 26.8% respectively. Perth Airport earned 53.1 cents in operating profit for every dollar of car parking revenue in 2019–20.

6.2 Aeronautical activity

Figure 6.2.1 shows Perth Airport's passenger traffic fell by 19.5% in 2019–20 to 11.7 million. This fall was largely due to the impact of the COVID-19 pandemic on travel. Perth Airport reported a fall in domestic passenger traffic, declining by 17.1% to 8.4 million while international passengers decreased by 24.8% to 3.3 million.

Figure 6.2.1 Perth Airport—volume of passengers, tonnes landed and aircraft movements: 2010–11 to 2019–20

Note: Domestic passenger numbers includes the domestic passengers that travel via an airline that use the terminal (T4) that is leased from the airport to Qantas under a domestic terminal lease.

Figure 6.2.1 also shows that the volume of tonnes landed decreased during 2019–20, down 17.5% to 4.9 million. Aircraft movements decreased by 10.3% to 118,374.

6.3 Aeronautical price monitoring and financial performance results

6.3.1 Prices

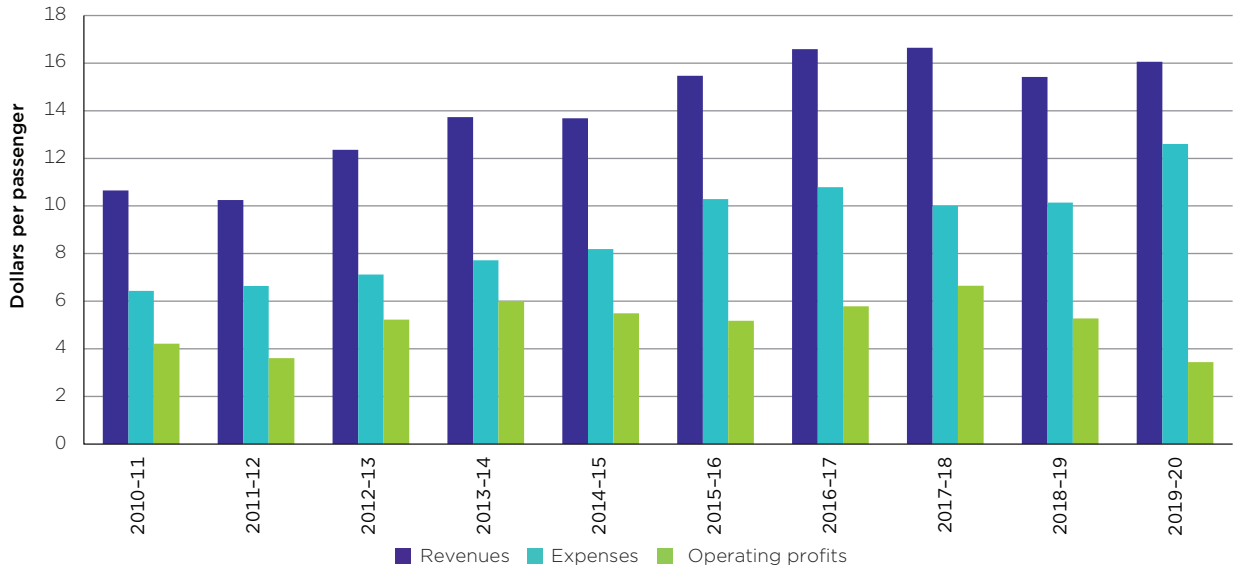
In 2019–20 the published international, domestic and regional regular passenger transport landing charges all increased by 11.3%. The international terminal charge decreased by 8.5% and this has continued a trend that has seen the charge fall by 18% over the past two years. The domestic terminal charge increased by 11.3%. A full list of aeronautical prices can be found in table 6.3.1 in the appendix.

6.3.2 Revenues, costs and profits per passenger for aeronautical services

Figure 6.3.1 shows Perth Airport's aeronautical revenues, costs and operating profits (EBITA) per passenger in real terms over the past decade.

While per passenger revenue increased, the dramatic reduction in passengers in the latter part of 2019–20, combined with a large component of fixed costs contributed to an overall increase in expenses per passenger and a fall in operating profits per passenger.

Figure 6.3.1 Perth Airport—aeronautical revenue, expenses and operating profit per passenger: 2010–11 to 2019–20



Note: Real values in 2019–20 dollars.

6.3.3 Revenues, costs and profits for aeronautical and total airport services

During the monitoring period affected by the COVID-19 pandemic, Perth Airport's total aeronautical revenue decreased by 16.2% to $188.1 million in 2019–20. However, aeronautical revenue increased by 4.9% a year on average over the past decade.

Aeronautical expenses were relatively unchanged in 2019–20, as the $5.5 million reduction in aeronautical costs was offset by a full year of operating and security costs for T4. This was the first year that T4 was in operation for the full financial year, compared to 5 months of operation in 2018–19.

While aeronautical operating profit (EBITA) remained positive, it decreased by 47.4% to $40.4 million in 2019–20. Perth Airport's aeronautical operating profit margin (EBITA as a percentage of revenue) fell sharply to 21.5%.

Table 6.3.2 in the appendix presents the revenues, expenses and profits for aeronautical and total airport services over the last decade in 2019–20 dollars.

6.3.4 Capital expenditure and asset values

As with other airports, Perth Airport continues to review its future investment plans due to the uncertainty of the current economic environment.

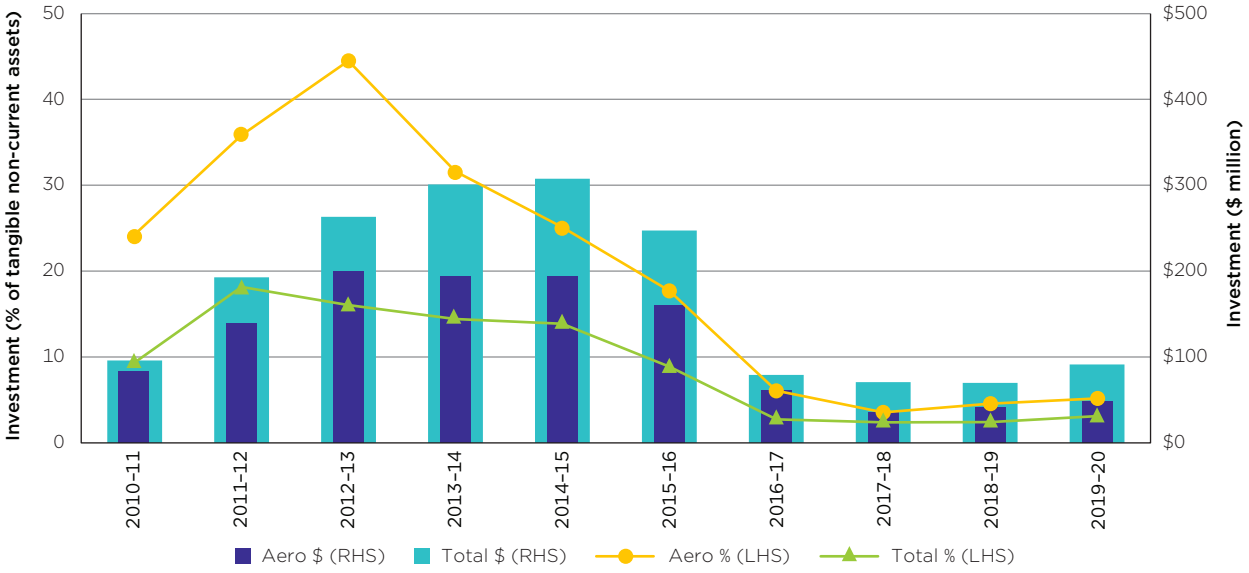
Perth Airport completed its taxiway resurfacing project in 2019–20. This project seeks to improve the availability of the taxiways. Perth Airport also completed the self-check-in upgrade project in 2019–20.

Perth Airport continued works on the new runway project. This project seeks to add additional capacity so that the airport is able to meet future demand. Perth Airport is also carrying out work on the international gate upgrade project, as agreed with international airlines which seeks to redevelop Gates 52–54. Perth Airport has advised that this will increase check in to boarding productivity and enhance overall customer experience.

Table 6.3.4 in the appendix lists selected aeronautical investments that were completed, planned or underway at Perth Airport during 2019–20. An overview of car parking and landside-related investments can be found in section 6.5.1 and in the appendix.

Figure 6.3.2 below shows Perth Airport's capital expenditure for aeronautical and total airport services over the past decade. Over this period, Perth Airport has invested a total of $1.7 billion in total airport assets, of which $1.2 billion related to aeronautical assets.

Figure 6.3.2 Perth Airport—investment in aeronautical and total airport services: 2010–11 to 2019–20



Note: Real values in 2019–20 dollars. The ACCC has revised some data points in this chart based on clarification from Perth Airport.

The airport invested $51.2 million in aeronautical operations in 2019–20. The major additions were other assets ($17.4 million) and plant and machinery ($9 million). The airport invested $91.4 million across the whole of its operations.

Perth Airport's rate of investment is represented as additions as a percentage of tangible non-current assets. In 2019–20, this rate was 5.2% for aeronautical operations and 3.1% for the total airport operations.

Table 6.3.3 in the appendix presents Perth Airport's tangible non-current assets for aeronautical and total airport services from 2010–11 to 2019–20.

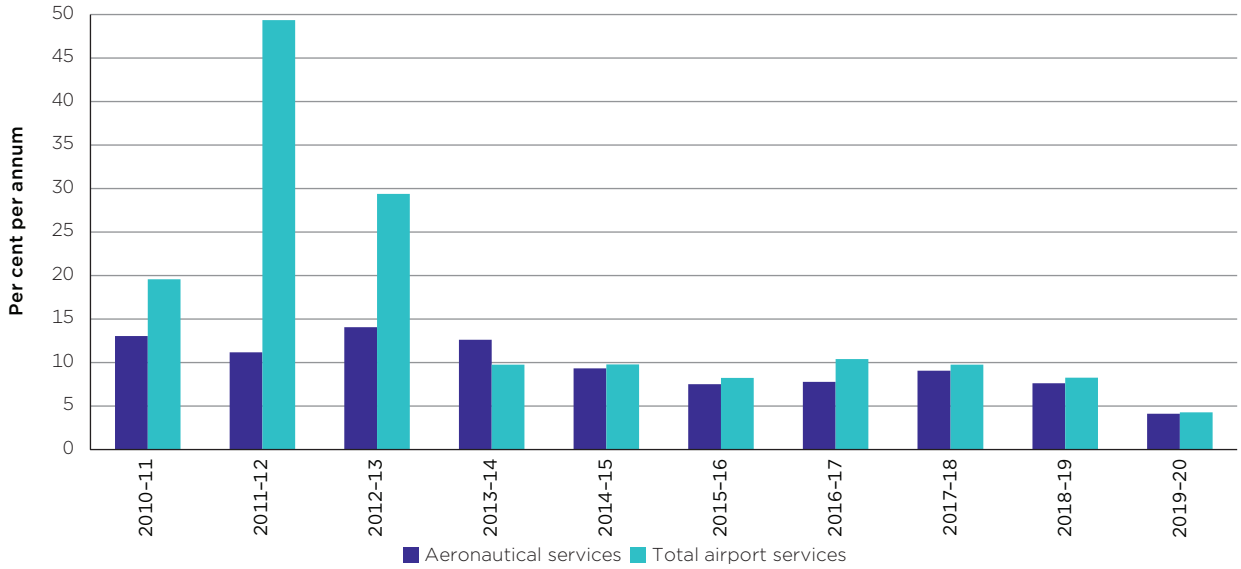
The total value of tangible non-current assets at the airport was $3 billion in 2019–20, of which $971.9 million were aeronautical assets.

6.3.5 Rates of return on tangible non-current assets

Figure 6.3.3 presents the rate of return on tangible non-current assets for aeronautical and total airport services over the past decade.

During 2019–20 Perth Airport's return on tangible non-current aeronautical assets decreased by 3.5 percentage points to 4.1%. This is the biggest fall in the rate of return recorded by the airport since 2008–09 and reflects the impact of the COVID-19 pandemic on travel. The total airport rate of return on tangible non-current assets was 4.3% during 2019–20.

Figure 6.3.3 Perth Airport—rate of return (EBITA) on tangible non-current assets for aeronautical and total airport services: 2010–11 to 2019–20



Note: The spike in 2011–12 reflects an increase in Perth Airport's valuation of non-aeronautical investment property during that financial year. Perth Airport has explained that the increase was primarily due to a change in asset valuation methodology. Under standard accounting rules, the effects of revaluations of investment property are also reflected in revenues and margins.

6.4 Quality of aeronautical and total airport services

This section presents Perth Airport's ratings for passenger-related services and facilities for international and domestic terminals.[33] The passenger quality of service survey data for 2019–20 was collected prior to the pandemic that substantially affected air travel. While COVID-19 clearly impacted on the fourth quarter of 2019–20, Perth Airport notes that it did record its first customer query in relation to the pandemic at the beginning of January 2020. This implies that the third quarter results may also reflect the changing needs and heightened concerns of passengers.

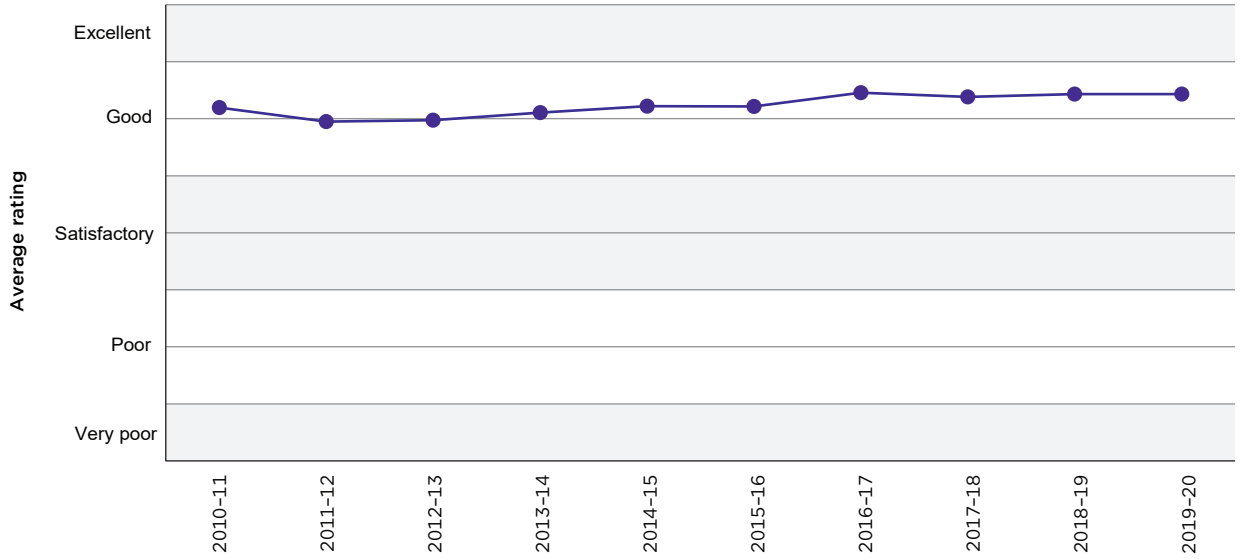
6.4.1 Passenger quality of service rating

For each airport, the ACCC presents an overall passenger quality of service rating for all of the terminals. These are based on surveys carried out by an independent field work agency on behalf of Perth Airport.

Figure 6.4.1 shows that in 2019–20 Perth Airport's passenger rating remained relatively stable within the 'good' category following a period of notable improvement over several years since 2013–14.

33 As discussed in chapter 2, airline survey results and objective indicators have not been published as part of our Quality of Service monitoring regime this year due to resourcing impacts on airlines and airports arising from COVID-19.

Figure 6.4.1 Perth Airport— ratings of passenger surveys: 2010–11 to 2019–20



Source: Passenger surveys obtained from Perth Airport.

6.4.2 Biggest drivers of change in passenger ratings

Passenger ratings of each airport's services and facilities have been collected by terminal. For Perth Airport, there are ratings for T1 International, T1 Domestic, T2, T3 Domestic, T3 International and T4. For T1 International and T3 Domestic, changes to indicators since 2010–11 have also been reported.

Terminal 3 (T3) is an integrated terminal that swings between domestic and international operations. The new T3 international transit wing hosted Qantas international services and was opened in March 2018. Perth Airport took over the management of domestic Terminal 4 (T4) from Qantas in January 2019.

2019–20 was the first year that Perth Airport reported passenger survey results for T3 international and T4 domestic terminals. Information on the 1-year change to indicators as presented in the tables that follow will be available in the 2020–21 Airport Monitoring Report.

T1 International

Changes to ratings for T1 were mixed in 2019–20, with some improvements, some declining ratings and some remaining unchanged. However, all of the indicators achieved a 'good' rating in 2019–20 with the exception of 'signage and wayfinding', which was rated as 'excellent' and improved from a rating of 'good' in 2018–19.'Flight information display screens' and 'waiting time in outbound Immigration area' were also rated as excellent.

For the full set of results, see table 6.4.1 in the appendix.

T1 Domestic

T1 Domestic was completed in 2015 and is a common user terminal, despite currently being used exclusively by Virgin Australia.

Most of the passenger survey indicators were rated as 'good' in 2019–20, with some being rated as 'excellent'. The ratings compared to the previous year were mixed. For the full set of results, see table 6.4.2 in the appendix.

T2 Domestic

The T2 domestic terminal has been operating since March 2013, primarily to meet the travel demands of the resource sector and intrastate passengers. Airlines flying from T2 included Alliance Airlines, Tigerair (interstate), Virgin Australia (regional) and Regional Express.

During 2019–20, all T2-related indicators were rated as 'good' by passengers, with most passenger ratings increasing within the 'good' category. For the full set of results, see table 6.4.3 in the appendix.

Domestic terminal (T3)

The T3 domestic terminal is a common-user terminal used by Jetstar (domestic services), Network, Qantas and QantasLink.

All of the quality of service indicators rated by passengers received a 'good' rating in 2019–20 and have increased overall since 2010–11. However, the ratings for many indicators fell slightly over the past year, likely linked to the renovations taking place in the adjoined terminal

For the full set of results, see table 6.4.4 in the appendix.

6.5 Car parking

This section presents an overview of the car parking services available at or near Perth Airport.

6.5.1 Car parking facilities and investments

Car parking facilities

There are two main car parking precincts at Perth Airport: T1/T2 and T3/T4. T1/T2 are serviced by individual at-terminal car parks and common at-distance car parks, while T3/T4 are serviced by common at-terminal and at-distance car parks. The T3/T4 precinct also includes a premium, undercover 'Fast Track' car park in front of the terminals and a Valet parking service.

Perth Airport's at-distance parking areas are serviced by free shuttle buses that operate every 10 minutes. The airport also offers free parking for 10 minutes at the at-terminal car parks and for the first hour in all at-distance car parks.

Car parking and landside-related investments

Table 6.5.1 in the appendix shows selected car parking and landside access related investments for Perth Airport. In 2019–20, Perth Airport completed the construction of a new Skybridge for passenger access from future Airport Central Station on Forrestfield Airport Link. It has also implemented a Passenger Information System on the T1 forecourt to reduce peak period congestion and improve customer experience.

The Tonkin–Dunreath Road upgrades were underway in January 2020, and scheduled to be completed by the end of September 2020. These upgrades would improve peak traffic congestion and access to Terminals 3 and 4. Perth Airport is scheduled to commence T1-T2 Multi Storey Car Park Pods 1 & 2 and Airport Central Road Upgrade projects in the next couple of years.

6.5.2 Car parking prices

This section presents an overview of prices for parking a car at Perth Airport. These prices are results for motorists that travelled during the first 9 months of 2019–20, before the impact of COVID-19 became apparent. This will allow a reasonable comparison with previous years.

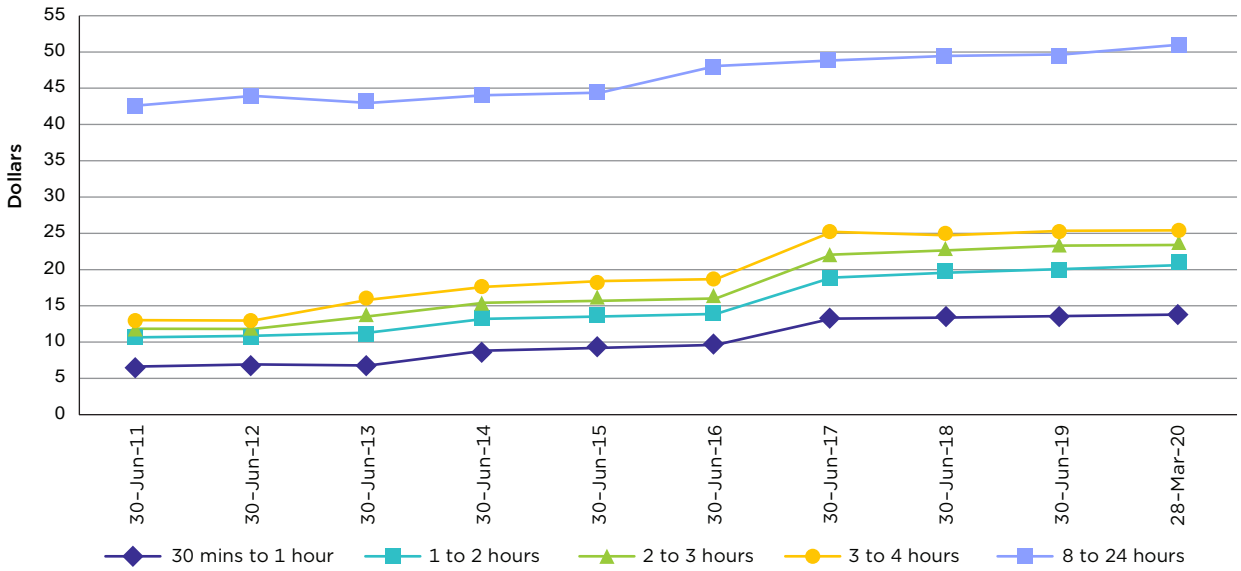
Short-term parking at terminal

Figure 6.5.1 shows that most at-terminal drive-up parking prices trended upwards in 2019–20. The largest increase was in the price to park for between 8 and 24 hours, which increased by 2.7% to $51.

Perth Airport has advised that, following comprehensive benchmarking of other airports and the local market, prices were increased for at-terminal car parking in FY17 to reflect fair value in the market.

Most at-terminal car parking prices have almost doubled over the past decade, with the price of parking for 30 minutes to 1 hour increasing by 108.2% from $6.63 to $13.80.

Figure 6.5.1 Perth Airport—selected at-terminal parking prices (drive-up): 30 June 2011 to 28 March 2020



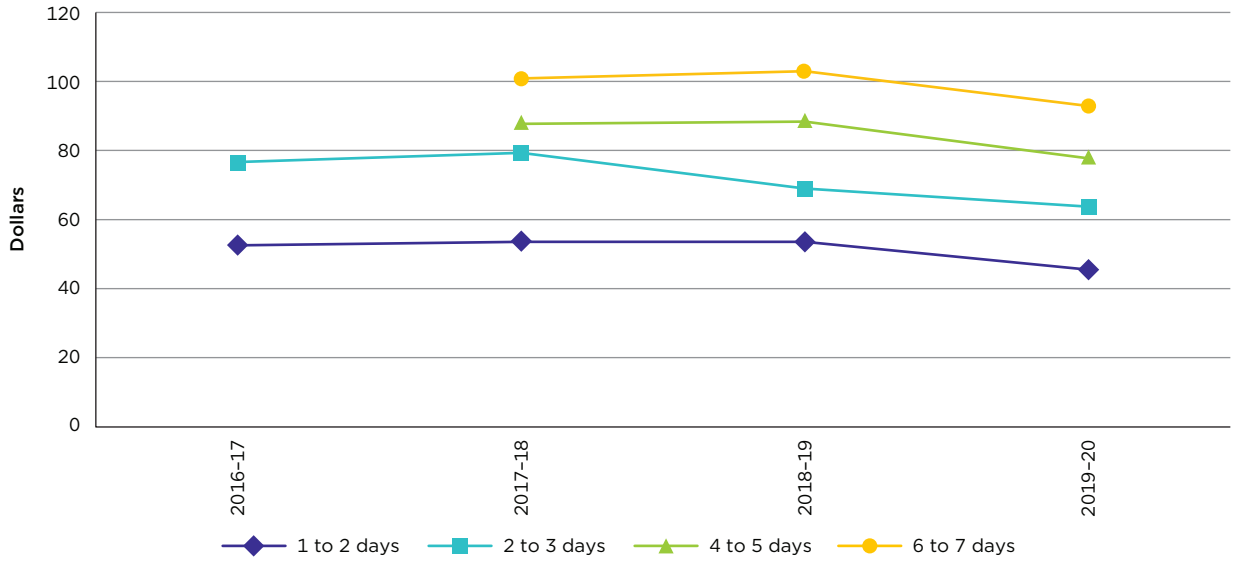
Note: Real values in 2019–20 dollars.

Long-term parking at-distance

Although Perth Airport provides long-term parking[34] at its at-terminal car parks, price conscious motorists have the option of a cheaper at-distance carpark at the long-term car parks where they can take advantage of online discounts. The long-term car parks offer free shuttle bus access to the terminal, with a bus scheduled every 10 minutes.

Figure 6.5.2 shows the online average price paid for parking at the at-distance T1/T2 long-term car park over the past 4 years. Average prices paid for all durations decreased in 2019–20. The biggest decrease was for 1 to 2 days, which decreased by 15.1% to $45.47. Perth Airport's average prices for long-term parking at-distance were second only to Sydney Airport in 2019–20.

Figure 6.5.2 Perth Airport—online average price paid for parking for at-distance parking: 2016–17 to 2019–20



Note: Real values in 2019–20 dollars.

34 The ACCC defines long-term parking as parking for more than 1 day.

There are currently at least 10 off-airport car parking facilities located near Perth Airport, and one independent operator on-airport. The shuttle buses from these operators typically take between 5 minutes and 15 minutes to transport passengers from the car park to the terminals.

6.5.3 Car parking activity

Table 6.5.2 in the appendix shows the number of car parking spaces available and the throughput of car parking facilities at Perth Airport over the last ten years.

Average daily throughput decreased by 26% to 3,527 vehicles. This comprised of significant decreases in throughput (between 23.7% and 27.0%) at the T1/T2 and T3/T4 short-term and long-term carparks. This is the seventh consecutive year Perth Airport's throughput has decreased and is the lowest throughput recorded over the past decade.

The total number of car parking spaces at Perth Airport remained unchanged at 22,081 spaces in 2019–20. Over the past decade, car parking spaces have increased by 51.7%. Perth Airport has advised that while the total number of car parking bays remained unchanged in 2019–20, approximately 10,000 car bays were closed in the last quarter of the year due to COVID-19.

Average at-terminal car parking occupancy rate at Perth Airport was 55.1% in 2019–20. During peak periods, average occupancy rates rose to 59.2%. Meanwhile, Perth's at-distance car parks saw an average occupancy rate of 28.7% while its peak period occupancy was 29.9%.

Perth Airport has advised that car parking space requirements are determined by peak period usage. Peak period demand across all at-terminal and at-distance car parking has increased over the past 7 years.

6.5.4 Car parking financial results

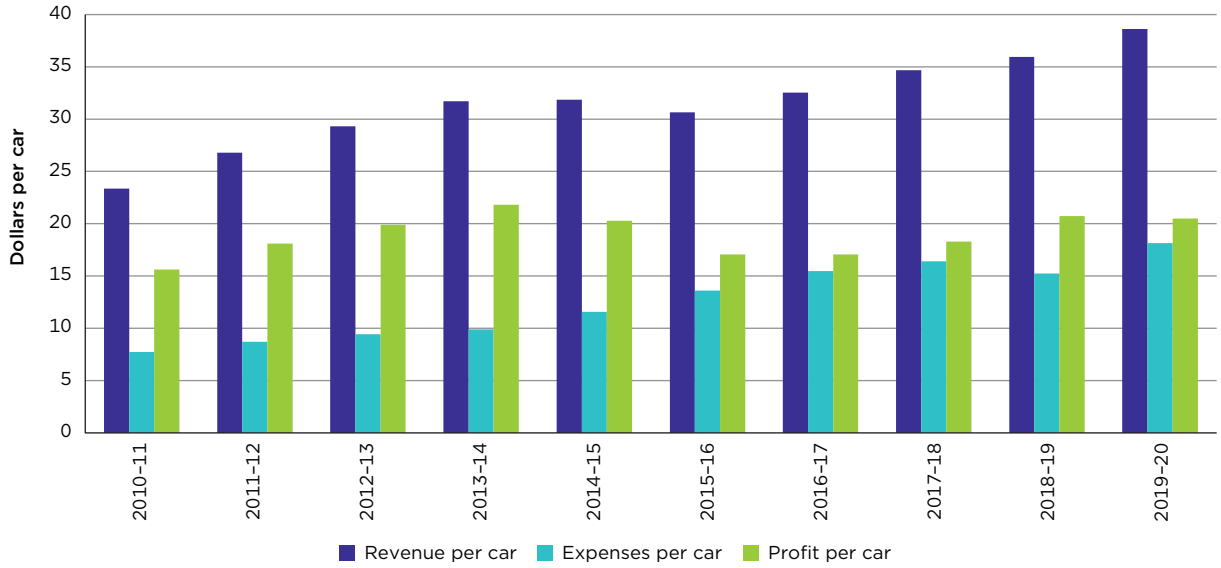
Table 6.5.3 in the appendix lists Perth Airport's revenues, expenses and operating profit (EBITA) for car parking and total airport services from 2010–11 to 2019–20. As a result of COVID-19, car parking revenue decreased by 20.5% to $49.7 million in 2019–20. While car parking is still profitable, operating profits (EBITA) from car parking decreased by 26.8% to $26.4 million.

Perth Airport made an operating profit margin of 53.1% in 2019–20, down from 57.6% last year. This compares to a margin of 68.8% from 6 years ago.

On a per car space basis, revenue and expenses decreased by 20.5% and 11.9% respectively. This contributed to a 26.8% decrease in operating profit per car park space in 2019–20.

Figure 6.5.3 shows Perth Airport's revenues, expenses and operating profits per car. Car parking revenue per vehicle increased by 7.4% to $38.62 in 2019–20. An increase in the average expenses per vehicle (up 19.0% to $18.13) led to a slight decrease in operating profit per vehicle (down 1.1% to $20.49).

Figure 6.5.3 Perth Airport—average car parking revenue, costs and profit per car: 2010–11 to 2019–20

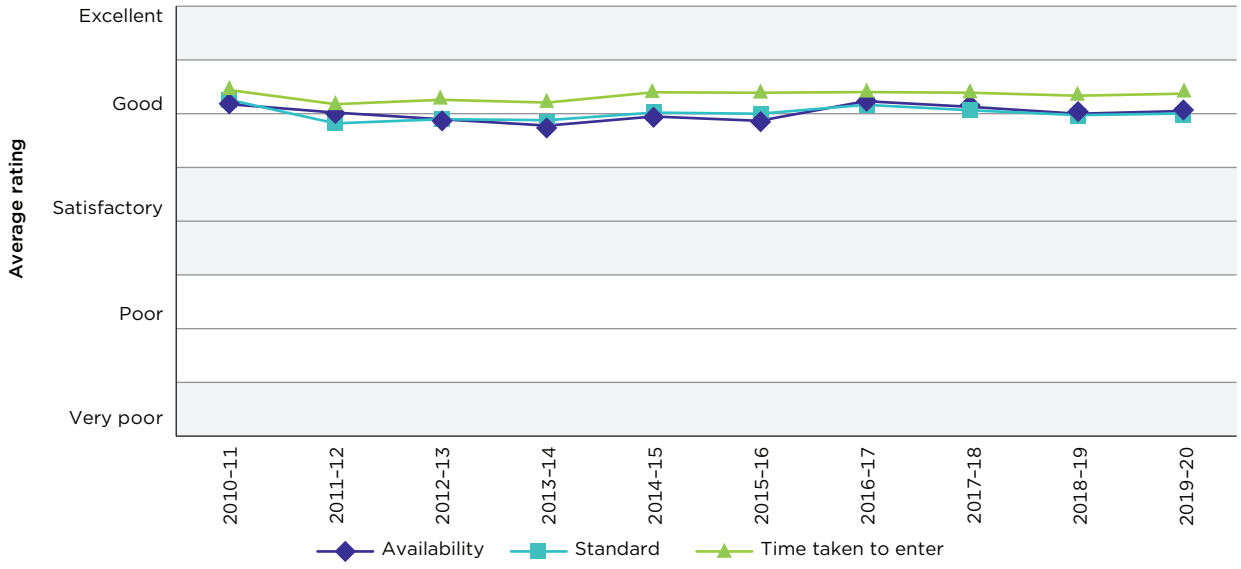


Note: Real values in 2019–20 dollars.

6.5.5 Car parking quality of service

Passenger levels of satisfaction with the quality of Perth Airport's car parking services have remained stable within the 'good' category over the past decade. Figure 6.5.4 shows that the T1/T2 passenger ratings of parking availability, standard and time taken to enter marginally improved in 2019–20, remaining within the 'good' category.

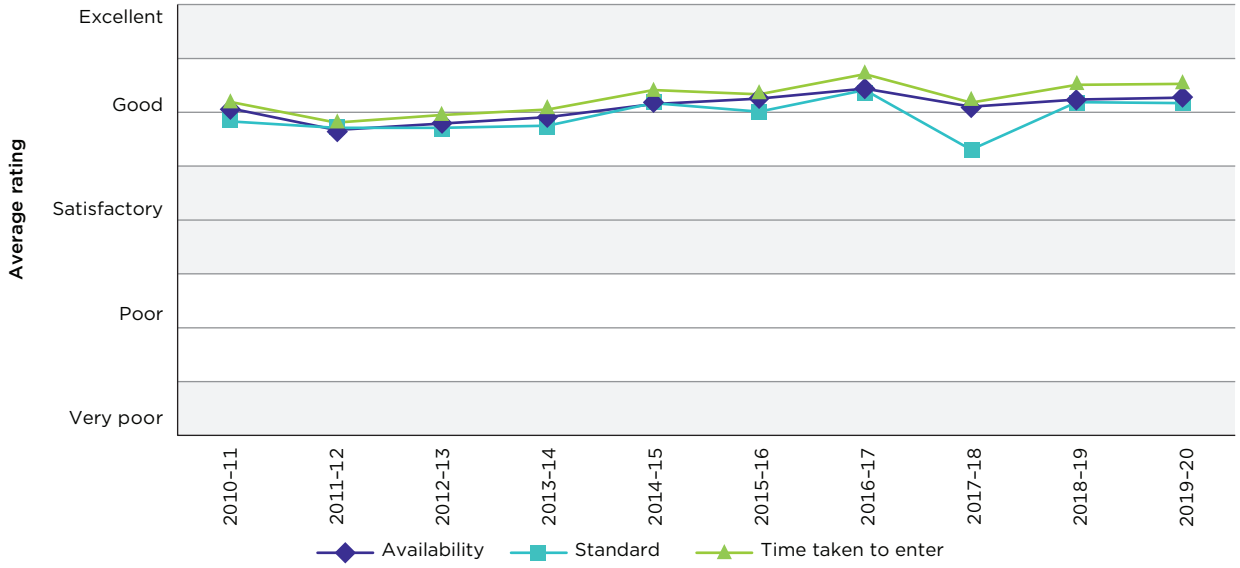
Figure 6.5.4 Perth Airport—passenger survey ratings of the quality of car parking facilities at the T1/T2 precinct: 2010–11 to 2019–20



Source: Passenger surveys obtained from Perth Airport.

Figure 6.5.5 shows that the T3/T4 passenger ratings of car park availability and time taken to enter car parks improved marginally, while rating of car parking standard declined slightly during 2019–20. All 3 indicators remained within the 'good' category in 2019–20.

Figure 6.5.5 Perth Airport—passenger survey ratings of the quality of car parking facilities at the T3/T4 precinct: 2010–11 to 2019–20



Source: Passenger surveys obtained from Perth Airport.

Notes: Results for 2010–11 to 2018–19 reflect passenger surveys conducted in T3 Domestic only. The result for 2019–20 is an average score for passengers surveyed in T3 Domestic, T3 International and T4.

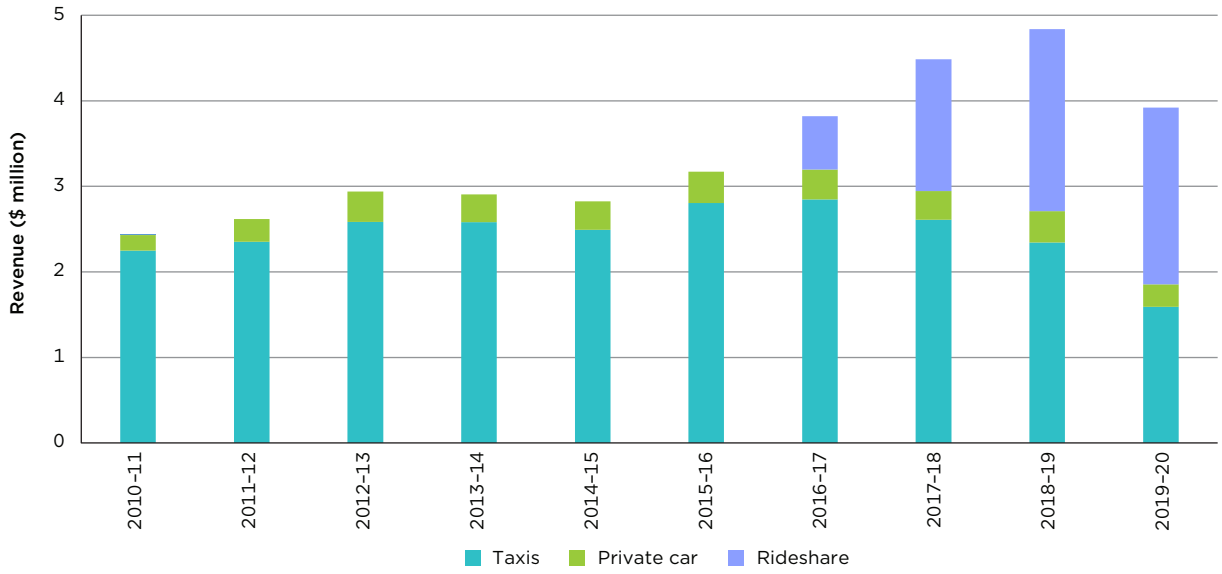
6.6 Landside access

In addition to car parking, access to and from Perth Airport is provided by bus, taxi, rideshare and off-airport car parking. To access the airport, service operators are often charged an access fee which is passed on to passengers. However, Perth Airport does not charge an access fee for off-airport car parking operators, off-airport car rental, public and commercial buses. Some private commercial vehicles, except Small Charter Vehicles and rideshare services, are also not charged.

6.6.1 Landside access revenue, volumes and charges

Perth Airport generates revenue from allowing various transportation service providers access to airport facilities. Both volumes and revenues of alternative transport options declined significantly in 2019–20 as passenger volumes plummeted due to COVID-19 from March 2020. Figure 6.6.1 below and table 6.6.1 in the appendix display the revenue generated by each transportation type, along with the fee charged and the number of times each service provider accessed the airport.

Figure 6.6.1 Perth Airport—landside access revenue by transport mode: 2010–11 to 2019–20



Note: Real prices in 2019–20 dollars. Totals exclude revenue from car rental operators. Revenue from rideshare services commenced in December 2016–17.

Landside access volumes

As seen at other airports, the emergence of rideshare operators has resulted in a fall in pick-ups by taxis. Taxis were responsible for 0.6 million pick-ups in 2019–20, down 31.1%. The number of pick-ups by taxis have fallen by half since 2015–16. In contrast, rideshare volumes decreased slightly to 0.8 million during 2019–20 (down 0.8%). Overall landside access volumes decreased by 17.7%. Table 6.6.1 in the appendix displays the number of times a group of transportation service providers accessed Perth Airport's facilities over the past 5 years.

Landside access fees and charges

Perth Airport levies a landside access fee for pick-ups by taxi, rideshare (Uber, Ola, Didi) and Small Charter Vehicle operators. The fee is included as a surcharge in the passenger's total fare.

Table 6.6.1 in the appendix presents the landside access charges at Perth Airport since 2015–16. It shows that all charges remained constant in nominal terms during 2019–20, thus decreasing in real terms by 1.3%. Perth Airport has not changed reported access prices in the last 4 years, setting $3.00 per pick-up for taxi and rideshare and $4.50 for private car stays between 10 minutes and 1 hour.

Landside access revenue

Perth Airport's total landside access revenue decreased by 19% to $3.9 million in 2019–20. Over the past decade, landside access revenue has increased by 61.3%.

Figure 6.6.1 above shows that the taxi revenue has been the largest source of reported landside revenue for Perth Airport from 2010–11 to 2018–19, however it has become less significant due to the fall in volumes. During 2019–20, rideshare services generated the highest landside revenue of $2.1 million (down 3.0%), while taxis contributed $1.6 million landside revenue, down 32%. The revenue from private car operators also decreased by 28.1% to $0.3 million.

6.6.2 Quality of landside access services and facilities

Passengers' satisfaction with the quality of Perth Airport's landside services and facilities have improved over the past 5 years. Table 6.6.2 in the appendix shows that the passengers rated Perth Airport's kerbside services and facilities, taxi facilities waiting time and kerbside space congestion as 'good' during 2019–20. Whilst passenger ratings for all 3 indicators at T1/T2 improved in 2019–20, those at T3/T4 softened slightly in the same period.

7. Sydney Airport

7.1 Overview

During the 2019–20 monitoring period:

- Sydney Airport's financial performance was substantially affected by the impact of COVID-19 in the latter part of the financial year. Passenger traffic fell by 29.3%, causing aeronautical revenue to decrease by 21.6% and aeronautical operating profit to decrease by 55.9%.
- Sydney Airport's overall passenger satisfaction rating increased to the highest level since the airport was privatised in 2002.
- COVID-19 led to a significant decrease in passenger volumes, which also affected Sydney Airport's car parking revenue and operating profit, which decreased by 25.2% and 34.4% respectively. Sydney Airport earned 59.7 cents in operating profit for every dollar of car parking revenue in 2019–20.

7.2 Aeronautical activity

Figure 7.2.1 shows Sydney Airport's passenger traffic fell by 29.3% in 2019–20 to 32.3 million. As a result of the impact of COVID-19, Sydney Airport reported its biggest fall in domestic passenger traffic for the decade, declining by 27% to 20.1 million. International passengers decreased by 32.9% to 12.2 million.

Figure 7.2.1 Sydney Airport—volume of passengers, tonnes landed and aircraft movements: 2010–11 to 2019–20

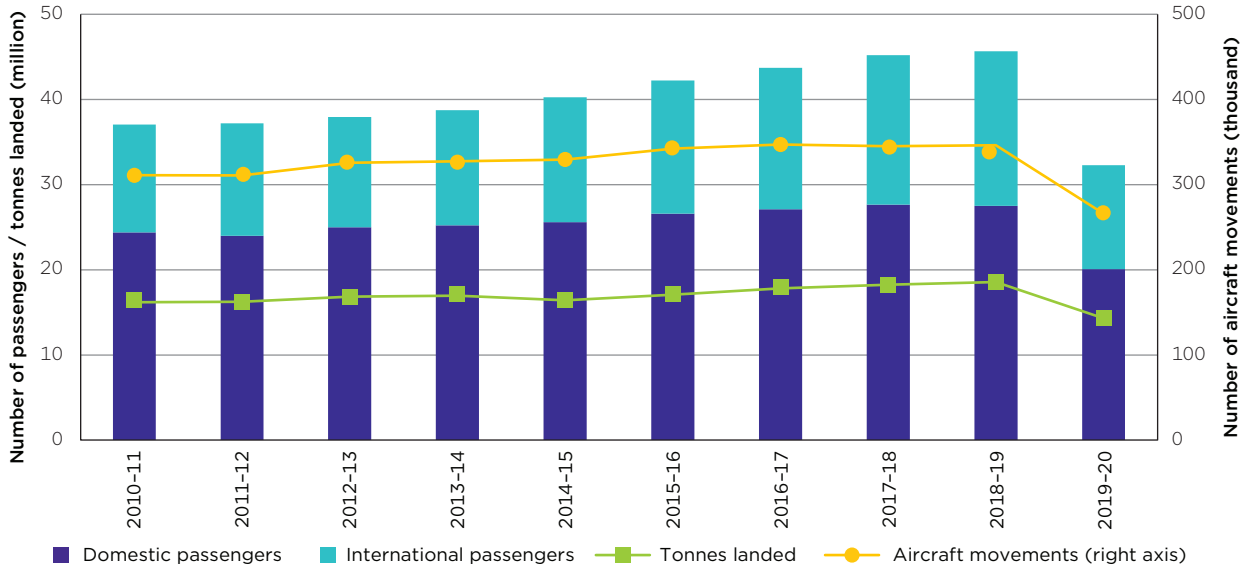


Figure 7.2.1 also shows that the volume of tonnes landed decreased by 23% to 14.3 million in 2019–20, while aircraft movements decreased by 23.2% to 265,975.

7.3 Aeronautical price monitoring and financial performance results

7.3.1 Prices

The published international passenger service charge increased by 3.6% to $35.09 per passenger in 2019–20, while the domestic passenger services charge (domestic runway charge) increased by 2.7% to $5.78. The T2 regional passenger facilitation charge decreased by 1.3% to $4.95 in real terms. Further prices can be found in table 7.3.1 in the appendix.

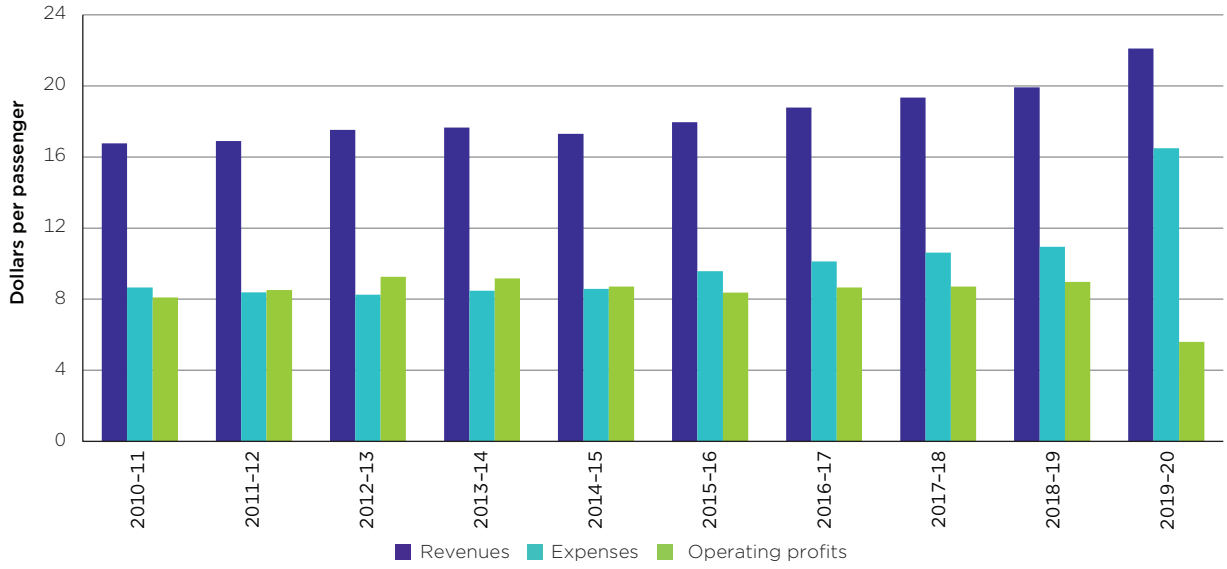
7.3.2 Revenues, costs and profits per passenger for aeronautical services

Figure 7.3.1 below displays the aeronautical revenues, costs and profits per passenger at Sydney Airport over the past decade. Expenses and profits have been calculated using the line-in-the-sand (excluding landfill) approach to asset valuations (see box 3.2.2 in the appendix).

While per passenger revenue increased, the dramatic reduction in passengers in the latter part of 2019–20, combined with a large component of fixed costs contributed to an overall increase in expenses per passenger and a fall in operating profits per passenger.

However, revenue per passenger increased over the same period. Sydney Airport advised that COVID-19 led to a change to the ratio of international to domestic passengers. This in turn affected revenue per passenger, as international passenger air services generate higher levels of aeronautical revenue compared to domestic passenger air services.

Figure 7.3.1 Sydney Airport—aeronautical revenue, expenses and operating profit per passenger: 2010–11 to 2019–20



Notes: Real values in 2019–20 dollars.

7.3.3 Revenues, costs and profits for aeronautical and total airport services

This section presents an overview of the revenues, costs and profits for aeronautical and total airport services.

During the monitoring period affected by the COVID-19 pandemic, Sydney Airport's total aeronautical revenue decreased by 21.6% to $713.3 million in 2019–20. However, aeronautical revenue increased by 1.6% a year on average over the past decade.

Total aeronautical expenses increased by 6.5% to $532.5 million in 2019–20. This was largely driven by depreciation of tangible assets excluding land.

While aeronautical operating profit (EBITA) remained positive, it decreased by 55.9% to $180.8 million during 2019–20. Sydney Airport's aeronautical operating profit margin (EBITA as a percentage of revenue) fell sharply to 25.3%.

Table 7.3.2 in the appendix presents the revenues, expenses and profits for aeronautical and total airport services over the last decade in 2019–20 dollars. Further discussion on revenues, costs and profits for aeronautical services including landfill can be found in the appendix.

7.3.4 Investment, capital expenditure and asset values

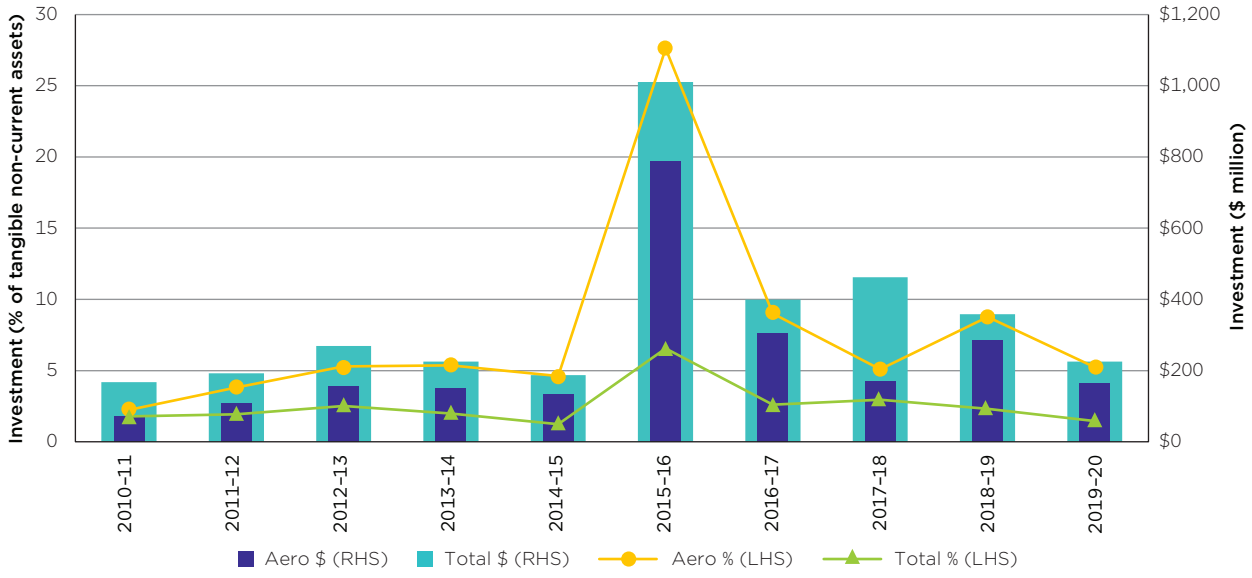
As a result of the uncertainty in the current economic environment due to COVID-19, Sydney Airport reprioritised its capital expenditure and this has impacted on its investment plans.

During 2019–20, Sydney Airport completed the first phase of works on pier B of T2, adding 340 square metres of space. The space is being used to provide retail services and passenger seating, while the works have also increased the amount of circulation space and improved sightlines.

Sydney Airport completed works on redeveloping the T1 international departures entry point. These works add two entry points into the immigration and security area, as well as two entry points into passport control. Table 7.3.3 in the appendix lists further selected aeronautical investments that were completed at Sydney Airport during 2019–20.An overview of car parking and landside-related investments can be found in section 7.5.1 and in the appendix.

Figure 7.3.2 shows the impact of these investment decisions on Sydney Airport's capital expenditure for aeronautical and total airport services over the past decade. Over this period, Sydney Airport invested a total of $3.5 billion in total airport assets, of which $2.4 billion related to aeronautical assets.

Figure 7.3.2 Sydney Airport—investment in aeronautical and total airport services: 2010–11 to 2019–20



Note: The investment that occurred in 2015–16 were primarily as a result of the lease of T3 reverting from Qantas to Sydney Airport. Real values in 2019–20 dollars.

Sydney Airport invested $171.9 million in aeronautical operations in 2019–20. The major additions were buildings ($100.4 million), other assets ($35 million) and land improvements ($23.4 million). The airport invested $225.1 million across the whole of its operations.

Sydney Airport's rate of investment is represented as additions as a percentage of tangible non-current assets. In 2019–20, this rate was 5.2% for aeronautical operations and 1.4% for the total airport operations.

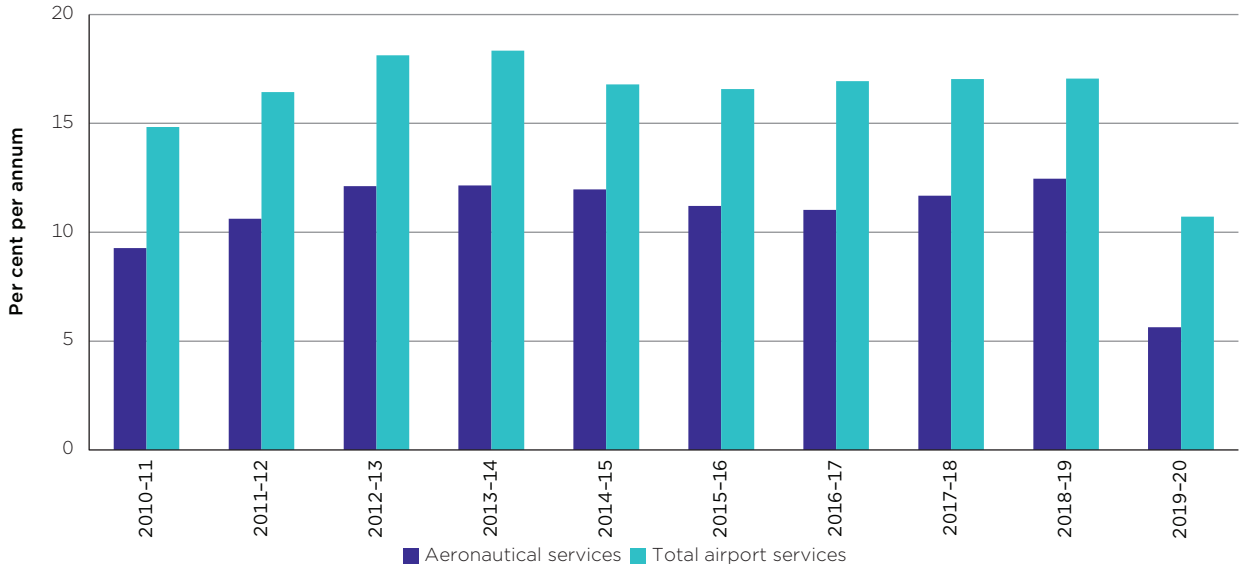
Table 7.3.4 in the appendix presents Sydney Airport's tangible non-current assets for aeronautical and total airport services from 2010–11 to 2019–20. The line-in-the-sand (excluding landfill) approach to asset valuations has been used. Further discussion on aeronautical assets including landfill can be found in the appendix.

The total value of tangible non-current assets at the airport was $15.3 billion in 2019–20, of which $3.1 billion were aeronautical assets.

7.3.5 Rates of return on tangible non-current assets

Figure 7.3.3 presents the rate of return on tangible non-current assets for aeronautical and total airport services over the past decade. Further discussion on rates of return on tangible non-current assets including landfill can be found in the appendix.

Figure 7.3.3 Sydney Airport—rate of return (EBITA) on tangible non-current assets for aeronautical and total airport services: 2010–11 to 2019–20



During 2019–20, Sydney Airport's return on tangible non-current aeronautical assets decreased by 6.8 percentage points to 5.6%. This is the biggest fall in the rate of return recorded by the airport over the 17-year lifespan of the monitoring regime and reflects the impact of the COVID-19 pandemic on travel. The total airport rate of return on tangible non-current assets was 10.7% during 2019–20.

The ACCC notes that while it uses an unindexed asset base for calculating return on assets, Sydney Airport uses asset base indexation when setting prices (in line with its privatisation model). Asset indexation does not affect the long-term present value of aeronautical investments and results in a more stable price path over time.[35] However, asset indexation increases the aeronautical asset base and, all else equal, reduces the return on assets. Therefore the unindexed return on assets figures presented in figure 7.3.3 are likely to be 2 to 3 percentage points higher than Sydney Airport's own reported returns using an indexed asset base.

7.4 Quality of aeronautical and total airport services

This section presents Sydney Airport's ratings for passenger-related services and facilities for international and domestic terminals.[36] The passenger quality of service survey data for 2019–20 was collected prior to the pandemic that substantially affected air travel.

35 Productivity Commission, (2019), Economic Regulation of Airports Inquiry Report, p. 187.

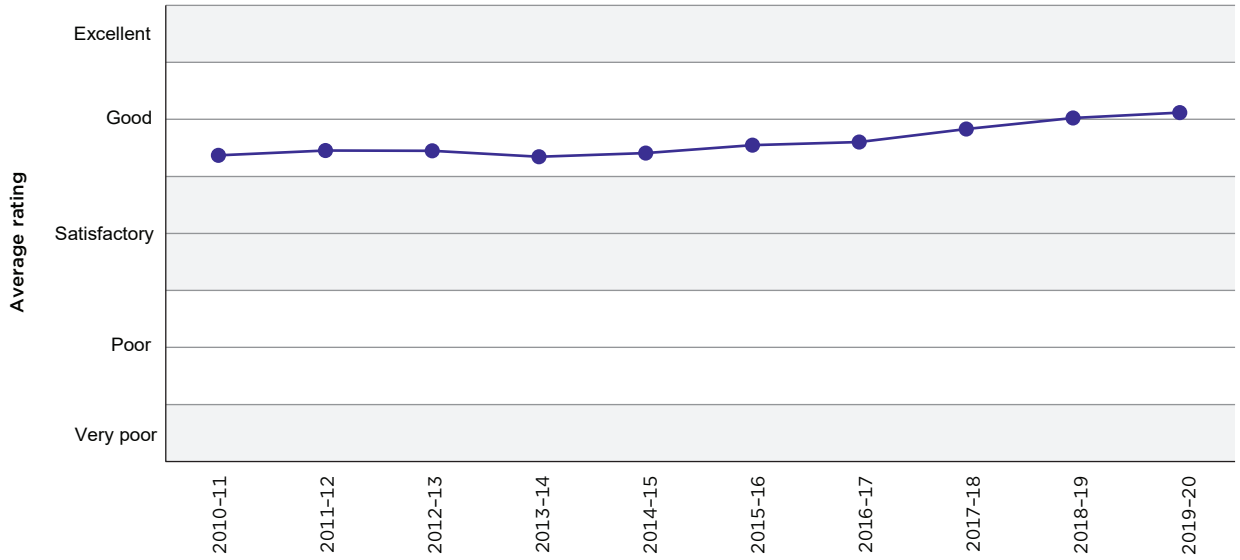
36 As discussed in chapter 2, airline survey results and objective indicators have not been published as part of our Quality of Service monitoring regime this year due to resourcing impacts on airlines and airports arising from COVID-19.

7.4.1 Passenger quality of service rating

For each airport, the ACCC presents a passenger quality of service rating for all of the terminals. These are based on surveys carried out by Sydney Airport.

Figure 7.4.1 below shows that in 2019–20 Sydney Airport's passenger rating improved slightly within the 'good' category. This is the highest full-year passenger rating received by Sydney Airport since the airport was privatised.

Figure 7.4.1 Sydney Airport—ratings of passenger surveys: 2010–11 to 2019–20



Source: Passenger surveys obtained from Sydney Airport.

7.4.2 Biggest drivers of the change in passenger ratings

International terminal

The most notable contributor to the increase in passenger rating in the international terminal was less crowding in lounge area in T1. During 2019–20, passenger ratings for the international terminal continued to improve, making this the sixth consecutive year that the airport experienced an improvement in its overall passenger rating. The results for all indicators also improved within the 'good' category over the year. For the full set of results, see table 7.4.1 in the appendix.

7.4.3 Domestic precinct

The results for terminals 2 and 3 have been combined at the request of Sydney Airport.

In 2019–20, an improvement in the standard of washrooms contributed to an increase in passenger ratings in the domestic terminal.

The overall passenger rating for the domestic precinct remained steady in the 'good' category, although slightly lower than the results for the international terminal, as has been the case over the last ten-year period. The results for some indicators, including check in waiting time, and quality of security search process fell slightly but remained in the good category (for details, see table 7.4.2 in the appendix).

7.5 Car parking

This section presents an overview of the car parking services available at or near Sydney Airport.

7.5.1 Car parking facilities and investments

Car parking facilities

Sydney Airport provides a range of services within its car parking facilities. The two multi-level facilities (P1/P2 and P3) offer both short and long-term parking close to the domestic terminals. The P3 car park is a longer (8-minute) walk away from the domestic terminals.

The P7 multi-level car park offers both short and long-term parking close to the international terminal. Within the P7 car park there is an express pick-up area (P9) where visitors can stay for free for up to 15 minutes.

Sydney Airport's Blu Emu open-air car park is located at a short distance from the domestic terminals where a free regular shuttle bus service transports users between the car park and the domestic terminals. Sydney Airport also provides express and priority pick-up areas and valet in both the international and domestic precincts. It also offers Guaranteed Space at the P1 domestic and the P7 international at-terminal car parks that are available for booking online only.

Car parking and landside-related investments

Table 7.5.1 in the appendix provides a summary of the largest car parking and landside-related investments that have been completed or commenced during 2019–20. Investments completed during 2019–20 include upgrading domestic taxi holding area, and the implementation of license plate recognition facilities at the express pick-up areas.

Sydney Airport commenced ground access management upgrades and improvements for the T2/T3 domestic precincts that involved an expansion of the P3 car park to include a pedestrian corridor and planning for a multi-level ground transport interchange for the Sydney Gateway. Sydney Airport did not report any planned projects due to capital expenditure reprioritisation that took place as a result of the COVID-19 pandemic.

7.5.2 Car parking prices

This section presents an overview of short and long-term prices for parking a car at Sydney Airport.

These prices are results for motorists that travelled during the first 9 months of 2019–20 before the impact of COVID-19 became apparent. This will allow a reasonable comparison with previous years.

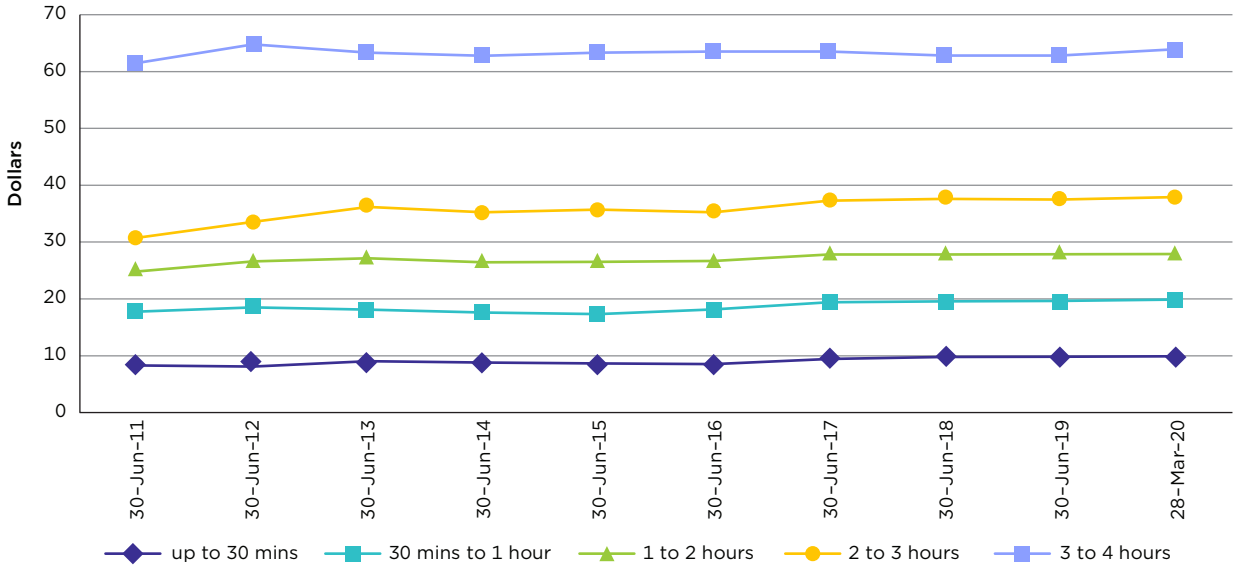
Short-term parking at the terminal

Figure 7.5.1 displays trends in drive-up short-term car parking prices at Sydney Airport's domestic (P1/P2) and international (P7) at-terminal car parks. As at 28 March 2020, both car parks offered the same listed prices for parking durations of up to 24 hours.

Most prices remained relatively stable in 2019–20, increasing by 1.2% or less. The largest increase was for the 3 to 24 hours duration, which rose by 1.7% to $63.90.

Sydney Airport offered free parking for up to 3 hours from 29 March 2020 to 2 August 2020 in response to the COVID-19 pandemic.

Figure 7.5.1 Sydney Airport—selected short-term at-terminal parking prices (drive-up): 30 June 2011 to 28 March 2020



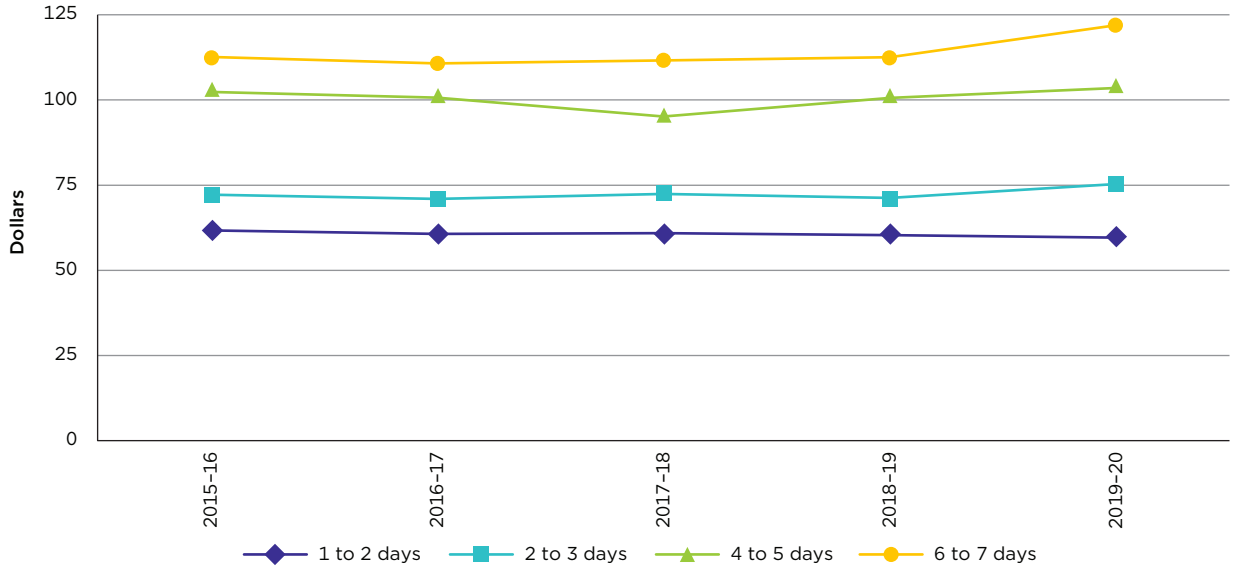
Note: Real values in 2019–20 dollars.

Long-term parking at-distance

Although Sydney Airport provides long-term parking at its at-terminal car parks, price-conscious motorists have a cheaper option at the Blu Emu at-distance car park that offers free shuttle buses running from the car park to the domestic terminals every 15 minutes.

Figure 7.5.2 shows a selection of average online prices paid for parking at the Blu Emu car park. Average prices paid increased for most of the durations in 2019–20. The biggest increase was for 6 to 7 days, which grew by 8.4% to $121.97.

Figure 7.5.2 Sydney Airport—online average prices paid for long-term at-distance parking at Blu Emu car park: 2015–16 to 2019–20



Note: Real values in 2019–20 dollars.

There are currently 10 independent off-airport car parking facilities located near Sydney Airport. The shuttle buses from these operators have a typical travel time ranging between 5 minutes and 17 minutes from the car park to the terminals.

7.5.3 Car parking activity

Table 7.5.2 in the appendix summarises the number of car parking spaces and the throughput of those facilities at Sydney Airport over the decade to 2019–20.

Due to the impact of COVID-19 and the resulting decrease in passenger volumes, several car park closures occurred in the fourth quarter of 2019–20. The total number of car parking spaces at Sydney Airport decreased by 20.3% to 14,493 spaces during 2019–20. This change was mostly attributable to a reduction in spaces at the Blu Emu car park, which decreased by 50.7% to 2,851 spaces due to area being developed for additional airside aircraft parking. The number of spaces at the international and domestic terminals also decreased by 6.3% and 5.7% respectively.

Average daily throughput across all car park facilities at Sydney Airport fell by 28.8% to 7,964 vehicles in 2019–20. This was driven by decreases in throughput at the domestic and international at-terminal carparks of 25.8% and 30.8% respectively. Demand for parking sharply declined over the June quarter due to COVID-19. Parking also continued to be impacted by changes in consumer preferences towards alternative options such as free pick-up, ridesharing and the train.

Average at-terminal car parking occupancy rate at Sydney Airport was between 42.9% and 56.6% in 2019–20. During the peak periods, its occupancy rate rose to between 47.6% and 59.5%. Sydney Airport's at-distance car parking occupancy was higher than the at-terminal carparks. Sydney's at-distance car park had an average occupancy rate of 82.2% while its peak period occupancy was 84.4%.

7.5.4 Car parking financial results

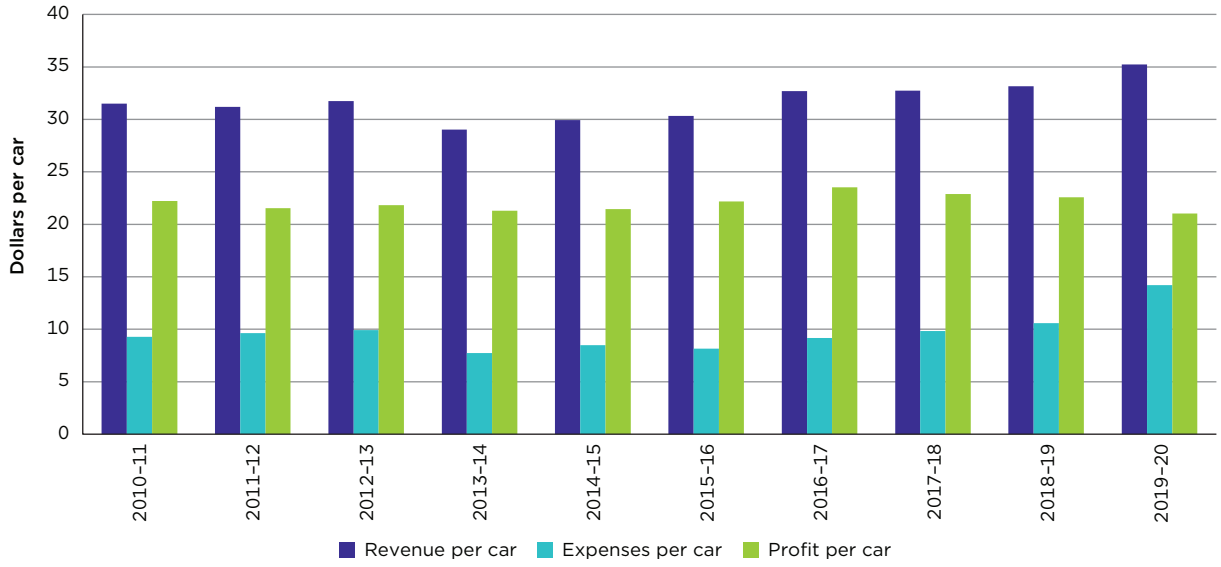
Table 7.5.3 in the appendix presents financial results for Sydney Airport's car parking operations. As a result of COVID-19, car parking revenue decreased by 25.2% to $101.3 million in 2019–20. While still remaining positive, operating profits (EBITA) also fell by 34.4% to $60.5 million.

Sydney Airport earned 59.7 cents in operating profit for every dollar of car parking revenue in 2019–20. This is still higher than the operating margin for total airport services of 45.9%.

Sydney Airport's revenue and profit per car park space fell during 2019–20, while expenses per space increased during the same period.

Figure 7.5.3 shows that the average revenue collected from each car that visited a car park at Sydney Airport during 2019–20 increased by 6.3% to $35.2. However, a 34.2% increase in expenses per car led to a 6.8% reduction in the average operating profit earned from each car ($21.04). These results were mainly driven by a 29.6% fall in the number of vehicles using Sydney Airport's carparks in 2019–20.

Figure 7.5.3 Sydney Airport—average car parking revenue, costs and operating profit per car: 2010–11 to 2019–20

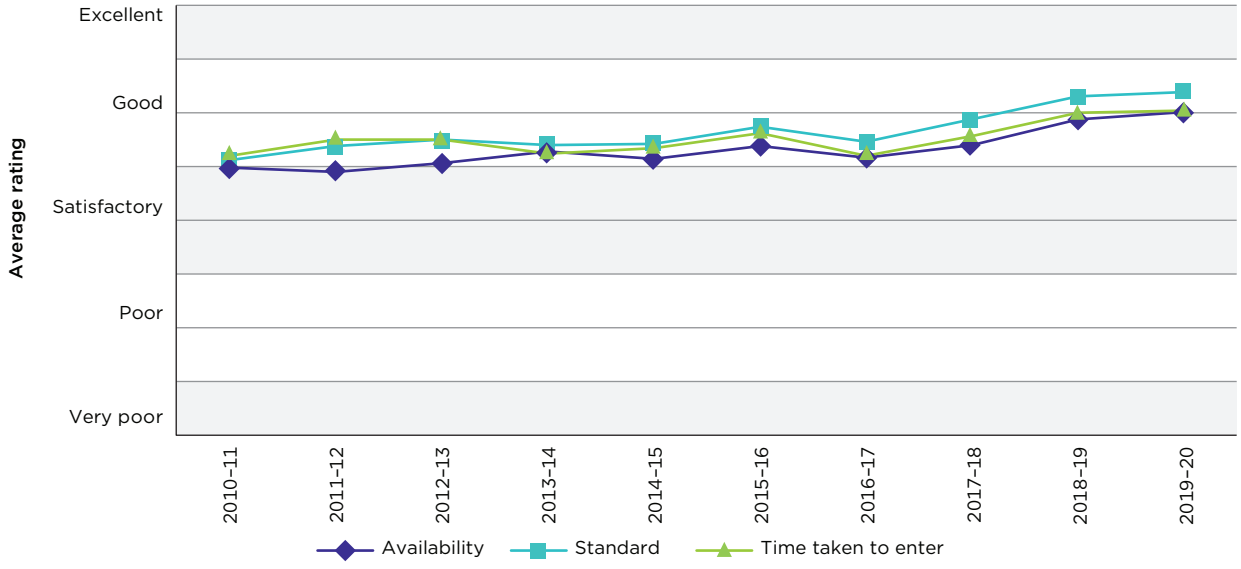


Note: Real values in 2019–20 dollars.

7.5.5 Car parking quality of service

The satisfaction of passengers with the quality of Sydney Airport's car parking facilities has increased notably in recent years. Figure 7.5.4 presents passenger survey ratings for the quality of car parking facilities at Sydney Airport's international terminal. The passenger experience in terms of car parking availability, standard and time taken to enter the car park improved marginally within the 'good' category in 2019–20.

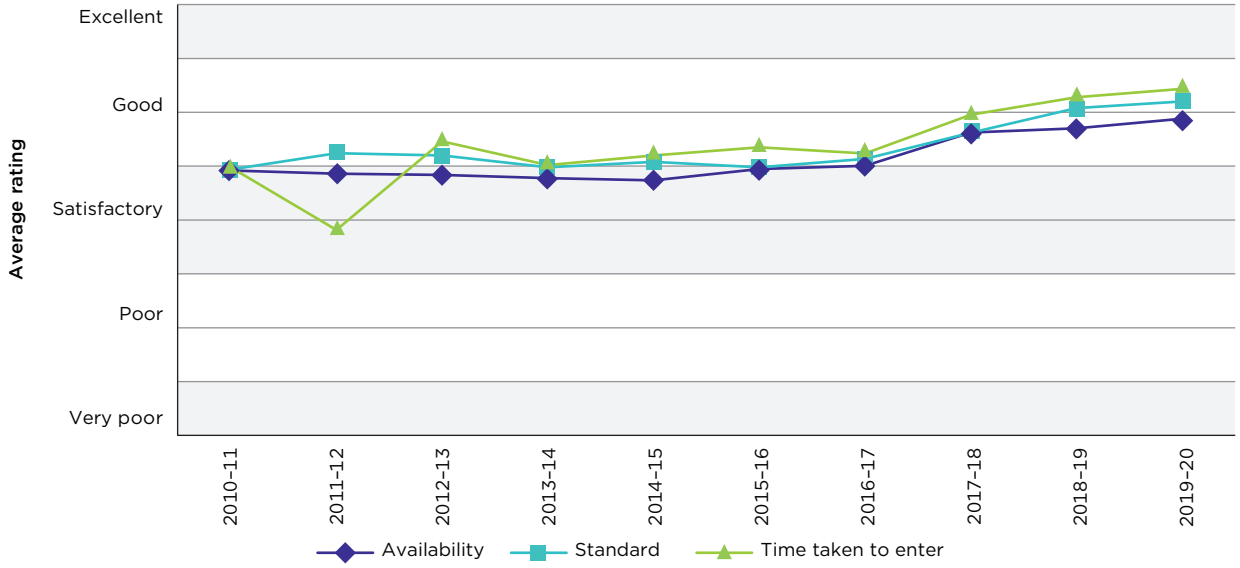
Figure 7.5.4 Sydney Airport—passenger survey ratings of the quality of car parking facilities at the international terminal: 2010–11 to 2019–20



Source: Passenger surveys obtained from Sydney Airport.

Passengers are also notably more satisfied with the car parking facilities at the domestic terminal than they were in the past. Figure 7.5.5 shows marginal improvements were observed in the ratings for the availability, standard and time taken to enter within the 'good' category in 2019–20.

Figure 7.5.5 Sydney Airport—passenger survey ratings of the quality of car parking facilities at the domestic precinct: 2010–11 to 2019–20



Source: Passenger surveys obtained from Sydney Airport.

7.6 Landside access

In addition to car parking provided by Sydney Airport, access to and from the airport is provided by bus, train, taxi, rideshare, limo, minibus and off-airport car parking. To access the airport, service operators are often charged an access fee which is passed on to passengers.

7.6.1 Landside access revenue, volumes and charges

Sydney Airport generates revenue from allowing various transportation service providers access to airport facilities. Both volumes and revenues of alternative transport options declined significantly in 2019–20 following decreased passenger traffic. Table 7.6.1 in the appendix displays the revenue generated by each transportation type between 2015–16 and 2019–20, along with the fee charged and the number of times each service provider accessed the airport.

Landside access volumes

The number of pick-ups provided by rideshare operators and taxis fell by 14.1% and 35.7% respectively. Rideshare and priority pick-up users accounted for 1.3 million pick-ups, compared to 1.8 million pick-ups by taxis during 2019–20. Overall landside access volumes decreased by 27.5% in 2019–20. Table 7.6.1 in the appendix displays the number of times a group of transportation service providers accessed Sydney Airport's facilities over the past 5 years.

Landside access fees and charges

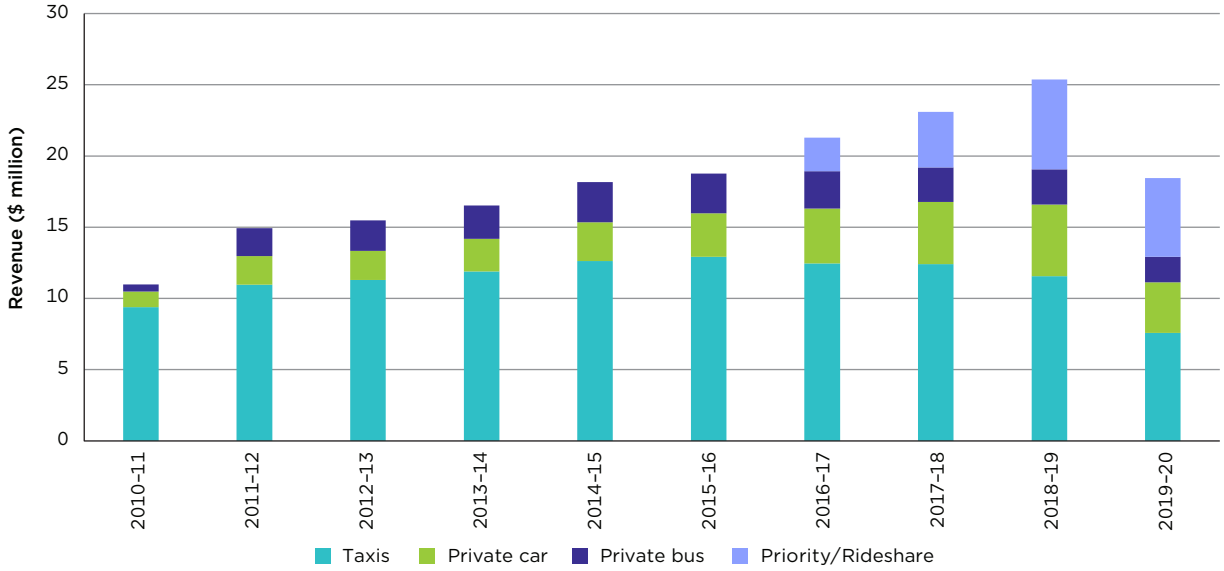
Sydney Airport levies a landside access fee on businesses operating landside transport options. Taxis and rideshare operators are only charged an access fee for pick-ups. The fee is included as a surcharge in the passenger's total fare.

Table 7.6.1 in the appendix presents the landside access charges at Sydney Airport since 2015–16. The access charges for taxis and rideshare & priority pick-ups increased by 1.9% (to $4.75 per pick-up) and 2.2% (to $4.35 per pick-up) respectively during 2019–20. The minimum charges for private cars such as limousines increased by 33.3% (to $11.35 for 0-55 minutes) in 2019–20. However, Sydney Airport advised that private cars are also able to access the priority area, which would reduce the minimum charge to $4.35 per pick up in line with access charges paid by taxis and rideshare services.

Landside access revenue

Figure 7.6.1 summarises landside access revenue by transport mode since 2010–11. Sydney Airport's total landside access revenue decreased by 27.3% to $18.4 million during 2019–20.

Figure 7.6.1 Sydney Airport—landside access revenue by transport mode: 2010–11 to 2019–20



Notes: Real prices in 2019–20 dollars. Totals exclude revenue from car rental operators. Rideshare only represents a proportion of priority/rideshare revenue. This category also includes other vehicles that accessed the airport via priority pick-up zone including pre-booked taxis, some private cars and paid public pick-up. Reporting of rideshare revenue for Sydney Airport in 2016–17 was for a partial year only (from September 2016).

Taxis have consistently generated the most revenue for Sydney Airport of the reported landside operators. Taxis contributed $7.6 million during 2019–20, down 34.4%. Revenue generated from taxi operators decreased for 4 straight years.

Revenue generated from rideshare and priority pick-up reduced to $5.5 million during 2019–20 (down 12.4%), as did revenue generated from private car operators which reached $3.5 million (down 29.5%).

Decreased revenue generated by taxis at Sydney Airport over the last 4 years reflects falling taxi volumes since the introduction of rideshare in 2016–17. However, increased revenue from rideshare and priority pick-ups more than offset the decrease in taxi revenue due to growth in pick-up volumes and higher charges.

7.6.2 Quality of landside access services and facilities

Table 7.6.2 in appendix A shows that passenger satisfaction with the quality of Sydney Airport's landside services and facilities have generally improved both over the year and the past five years. At each terminal, the kerbside services and facilities and the waiting time for taxi facilities were rated 'good' during 2019–20. Kerbside space congestion was 'satisfactory' during 2019–20.

Appendix

This appendix represents a more detailed breakdown of the data that is the basis of the 2019–20 Airport Monitoring Report.

A.3 Industry overview

A.3.1 Passenger volumes and aircraft movements

Table 3.1.1 Volume of domestic and international passengers: 2010–11 to 2019–20

Airport	Domestic		International		Total	
	2019–20	1-year change	2019–20	1-year change	2019–20	1-year change
Brisbane	13.3	-24.4	4.8	-24.9	18.1	-24.5
Melbourne	19.0	-26.7	8.2	-28.2	27.3	-27.2
Perth	8.4	-17.1	3.3	-24.8	11.7	-19.5
Sydney	20.1	-27.0	12.2	-32.9	32.3	-29.3
Total	**60.8**	**-25.1**	**28.6**	**-29.4**	**89.4**	**-26.5**

Table 3.1.2 Total aircraft movements and percentage change: 2010–11 to 2019–20

Airport	Domestic		International		General aviation		Total	
	2019–20	1-year change	2019–20	1-year change	2019–20	1-year change	2019–20	1-year change
Brisbane	117.9	-22.5	26.9	-22.8	29.0	14.1	174	-18.2
Melbourne	139	-25.1	38	-26.4	12	23.5	188	-23.5
Perth	78	-11.8	17	-24.8	24	10.6	118	-10.3
Sydney	176	-25.1	57	-26.6	33	-2.8	266	-23.2
Total	**510**	**-22.7**	**138**	**-25.6**	**98**	**7.8**	**746**	**-20.3**

A.3.2 Aeronautical price monitoring and financial performance results

Box 3.2.1 A note on per-passenger figures and the impact of domestic terminal leases

The ACCC reports aeronautical revenue, costs and operating profit both in aggregate and on a per-passenger basis. In particular, revenue per passenger is a useful measure of average charges and provides information on whether an airport's wide range of prices is going up or down.

It is important to understand how per-passenger figures are calculated for this report.

The ACCC calculates the per-passenger figures by dividing the aeronautical revenue/expenses reported by the airport by the total passenger numbers for the airport. The airports provide the ACCC with the number of passengers travelling through any of their terminals.

However, the monitored airports have only reported aeronautical revenues and costs that relate to terminals that they directly operated at the time. The airports have not reported aeronautical revenue and expenses relating to any terminals operated by airlines under domestic terminal leases (see section 1.2). This is because revenue generated through the leases are not classified as being aeronautical, and the airport does not incur costs because the terminal is operated by the airline. Therefore, figures presented in this report in relation to aeronautical activities including revenue per passenger will be notably affected by whether that airport had an active domestic terminal lease at the time.

The impact of the domestic terminal leases depended somewhat on the structure of pricing by the relevant airport. It was common for airports to separately levy airfield and terminal charges. While revenue collected through terminal charges relating to a leased terminal were not included as part of aeronautical revenue in this report, revenue from airfield charges applied to aircraft that went to leased terminals are typically included (as airfield charges are independent of a particular terminal). Because some airports collected relatively more revenue from these activities, care must be taken when comparing the airports.

The challenge posed by the domestic terminal leases on financial reporting has dissipated as these leases have now expired. Qantas handed back domestic terminal T3 to Sydney Airport in late 2015. The remaining domestic terminal leases expired during 2018–19: the Virgin and Qantas parts of the domestic terminal in Brisbane (December 2018), the Qantas terminal (T4) in Perth (January 2019) and the Qantas terminal (T1) in Melbourne (June 2019). This means that per passenger cost and revenue figures for all airports in this report capture all terminals across the four airports for the full 12 months.

Box 3.2.2 The use of a line-in-the-sand approach to aeronautical asset valuations

In its 2006 report into the review of price regulation of airport services, the Productivity Commission noted that most of the monitored airports had revalued above ground assets since the major airports became privatised. The Productivity Commission noted that one possible effect of these revaluations was to justify higher charges over time.[1] 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.

The Productivity Commission recommended that under 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 the ACCC as at 30 June 2005, adjusted as necessary to reflect the proposed service coverage of the new regime
- plus new investment
- less depreciation and disposals.

The line-in-the-sand approach removes the effect of revaluations of aeronautical assets by airports for monitoring purposes. For example, an upward revaluation of a tangible non-current aeronautical asset is recognised in the regulatory accounts prepared under Australian International Financial Reporting Standards (AIFRS) but not in the line-in-the-sand asset base after 30 June 2005. As a result, to the extent that subsequent revaluations took place, the line-in-the-sand asset base will be lower. There is also a flow-on effect of a lower value of depreciation and, therefore, lower operating expenses.

The ACCC required airport operators to provide information regarding the aeronautical asset base under the line-in-the-sand approach for the first time in the 2007–08 report. This information was required in addition to the airport operator's regulatory accounts based on AIFRS which included any revision to the value of the assets recorded since 20 June 2005.

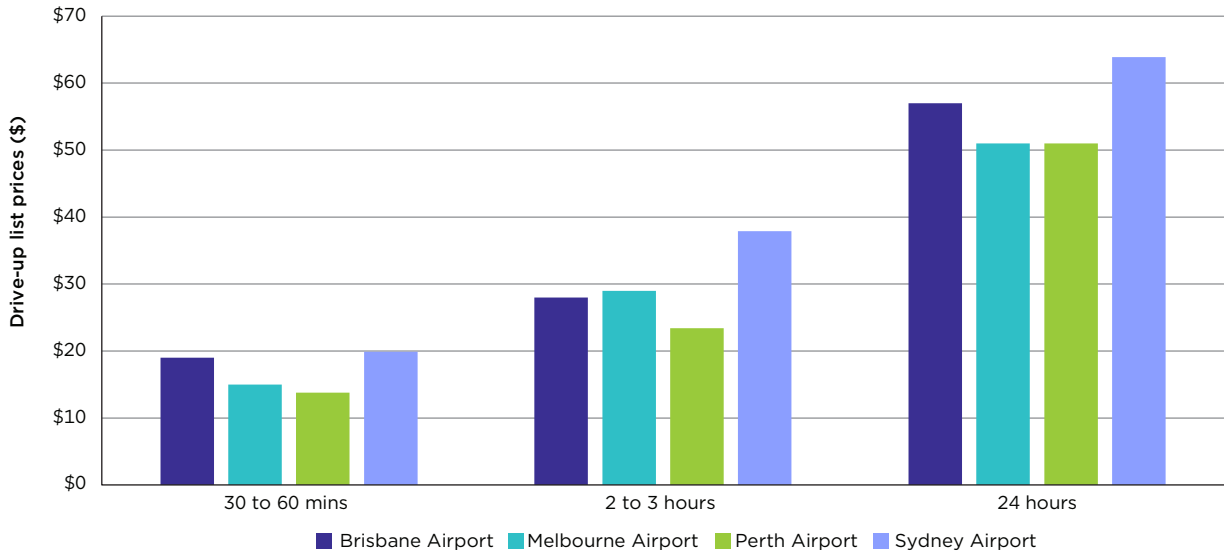
Since this time, only Sydney and Brisbane airports have revised the value of their assets. Past monitoring reports have presented two sets of financial accounts for these airports: one based on the line-in-the-sand approach and one based on AIFRS. However, the 2019–20 monitoring report only presents the line-in-the-sand data to support the rationale for the recommendation by the Productivity Commission.

For Sydney Airport, landfill assets were not included in the asset base as at 1 July 2005. However, Sydney Airport has advised that the value of landfill is included in the asset base that was used in the pricing modelling for airport charges for airlines. This report presents data which reflects the exclusion of the landfill assets unless otherwise specified.

1 Productivity Commission, (2006), Review of price regulation of airport services, No 40, 14 December (page XXII), https://www.pc.gov.au/inquiries/completed/airports-2007/report.

A.3.3 Car parking

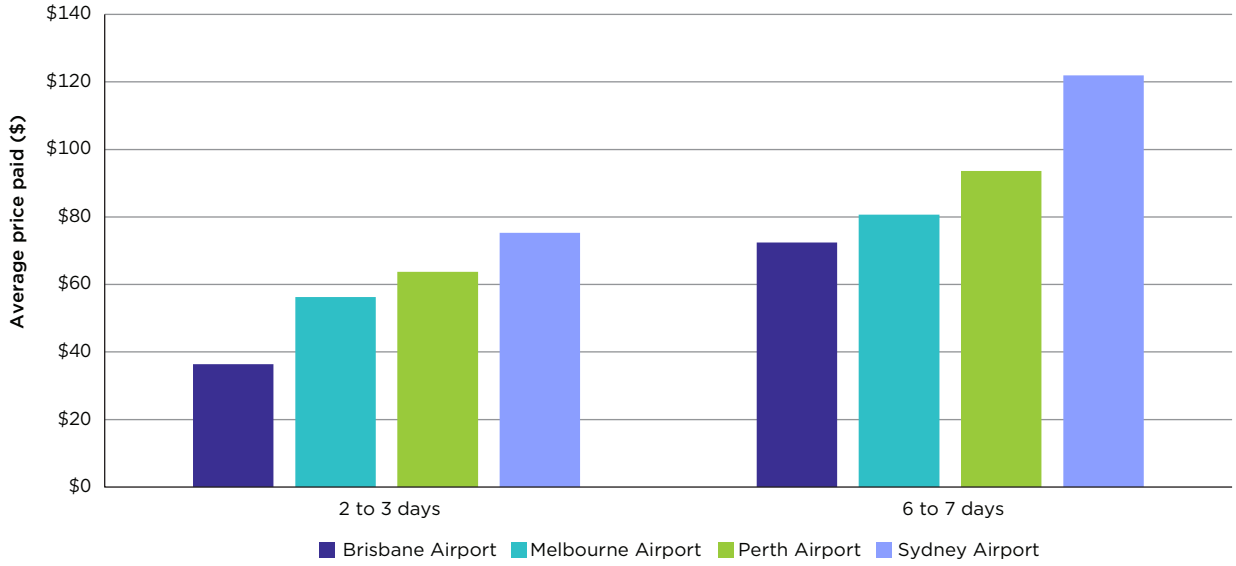
Figure 3.3.1 Selected short-term drive-up car parking prices – at-terminal: 28 March 2020



Notes: This figure presents drive-up list prices for at-terminal, multi-storey car parking facilities for each airport: International terminal car park (Brisbane), At-terminal T123 car park (Melbourne), T1/T2 short-term car park (Perth) and International multi-level car park P7 (Sydney).

Sydney Airport may face greater challenges in providing car parking services close to its terminals than other airports due to its higher number of passengers and relatively limited availability of land.[2]

Figure 3.3.2 Average prices paid for booking long-term parking online – at-distance: 2019–20



Note: This figure uses the online revenue and throughput rates of open-air at-distance car parking facilities for each airport: Airpark uncovered (Brisbane), Long Term Car Park (Melbourne), T1/T2 long-term car park (Perth) and Blu Emu uncovered (Sydney). Average car parking charges are calculated as online revenue per vehicle for each length of stay. These charges capture any fluctuations in pricing, including promotions that may be offered by the airport and are therefore generally lower than listed drive-up prices.

2 The approximate land areas of the four monitored airports are as follows: 891.1 hectares (Sydney Airport), 2,740 hectares (Melbourne Airport), 2,700 hectares (Brisbane Airport), and 2,105 hectares (Perth Airport).

Figure 3.4.2 Taxi and rideshare charges (per pick-up): 2019–20

A.4 Brisbane Airport

A.4.3 Aeronautical price monitoring and financial performance results

Table 4.3.1 Brisbane Airport – schedule of published aeronautical charges and movements over time: 2015–16 to 2019–20

	Charge per unit ($)	Indexed list prices (2019–20 base year = 100)				
	2019–20	2015–16	2016–17	2017–18	2018–19	2019–20
Landing fees						
Freight landing fees (per MTOW)	27.52	75.2	70.3	81.3	89.8	100.0
General aviation landing fees (per MTOW)	27.52	75.2	70.3	81.3	89.8	100.0
Rotary wing landing fees (per MTOW)	16.51	75.3	70.3	81.2	89.7	100.0
International private charter and non scheduled air service landing fee (per MTOW)	27.52	75.2	70.3	81.3	89.8	100.0
Aircraft parking fees						
0 to 5 000kg	115.57	59.2	91.6	98.0	97.7	100.0
5,001 to 20,000kg	115.57	73.1	94.4	98.0	97.7	100.0
20,001 to 40,000kg	115.57	90.6	97.8	98.0	97.7	100.0
40,001 to 100,000kg	169.08	95.5	98.7	98.0	97.7	100.0
100,001 to 250,000kg	385.88	95.6	98.7	98.0	97.7	100.0
250,001 to 400,000kg	561.32	95.6	98.7	98.0	97.7	100.0
400,001kg +	743.69	95.6	98.7	98.0	97.7	100.0
Noise surcharge for relevant aircraft – excluding GST	50%	100.0	100.0	100.0	100.0	100.0
Runway Charges						
Domestic Runway charge (per passenger)	6.36	60.6	56.0	71.3	85.4	100.0
International Runway charge (per passenger)	11.32	59.8	55.7	73.2	87.9	100.0
Terminal charges						
International passenger service charge (per passenger)	26.30	91.1	89.1	109.2	106.6	100.0
Domestic passenger service charge common user terminal – including aerobridge (per passenger)	8.39	110.3	105.3	114.8	110.4	100.0
Domestic passenger service charge common user terminal – excluding aerobridge (per passenger)	7.94	108.2	103.4	111.8	109.1	100.0
Government mandated security charges						
International passenger government mandated security charge (per passenger)	3.76	99.9	98.2	96.7	106.9	100.0
Domestic passenger government mandated security charge common user terminal (per passenger)	2.45	108.0	104.9	100.8	105.3	100.0
Domestic passenger government mandated security charge Qantas/Virgin terminal (per passenger)	2.45	8.3	6.4	8.4	91.3	100.0
Other charges						
Peak period minimum movement charge	275.00	85.4	84.0	103.0	101.3	100.0

Note: Real indexed prices are in 2019–20 dollars. Charges include GST.

Table 4.3.2 Brisbane Airport – revenue, expenses and operating profit for aeronautical and total airport services – line in the sand approach: 2010–11 to 2019–20

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Revenue ($m)	Aeronautical	235.0	245.7	257.1	266.2	294.7	296.7	305.0	361.2	407.7	344.3
	Total airport	**540.3**	**562.3**	**596.0**	**621.1**	**661.2**	**686.7**	**712.8**	**799.9**	**851.7**	**741.1**
	Aero % of total airport	43.5	43.7	43.1	42.9	44.6	43.2	42.8	45.2	47.9	46.5
Operating expenses ($m)	Aeronautical	131.0	130.6	140.8	150.1	161.1	162.0	162.3	183.1	216.3	250.2
	Total airport	**218.3**	**223.7**	**245.5**	**258.5**	**275.3**	**286.1**	**296.7**	**327.9**	**348.0**	**417.3**
Operating profit ($m)	Aeronautical	104.0	115.1	116.3	116.0	133.6	134.7	142.7	178.1	191.4	94.2
	Total airport	**322.0**	**338.6**	**350.5**	**362.7**	**385.9**	**400.5**	**416.1**	**471.9**	**503.7**	**323.8**
Profit margin (%)	Aeronautical	44.3	46.9	45.2	43.6	45.3	45.4	46.8	49.3	46.9	27.3
	Total airport	**59.6**	**60.2**	**58.8**	**58.4**	**58.4**	**58.3**	**58.4**	**59.0**	**59.1**	**43.7**
Revenue per passenger ($)	Aeronautical	11.60	11.59	11.90	12.05	13.23	13.08	13.23	15.27	16.99	19.01
Operating expenses per passenger ($)	Aeronautical	6.46	6.16	6.52	6.80	7.23	7.14	7.04	7.74	9.01	13.81
Operating profit per passenger ($)	Aeronautical	5.13	5.43	5.38	5.25	6.00	5.94	6.19	7.53	7.97	5.20

Note: Real values in 2019–20 dollars.

Table 4.3.3 Brisbane Airport – selected investments in aeronautical services and facilities

Description of investment	Value ($m)	Started	Completed
Projects completed			
Runway 01R/19L Stop Bar Installation	18.1M	Q1 2017	Q1 2020
Installation of Body Scanners in the international and domestic terminals	8.6M	Q3 2018	Q2 2020
Domestic terminal HVAC Replacement	6.7M	Q3 2018	Q3 2019
Projects underway			
Brisbane's New Runway	1.2B	Q1 2016	*Q3 2020*
Standard 3 Check Bag Screening and capacity upgrades	305.5M	Q1 2018	*Q4 2025*
Passenger body scanners and CT cabin bag screening machine installation	135.6M	Q1 2018	*Q4 2025*

Note: The value of Brisbane Airport's New Runway project is the planned value. In other parts of the report, the ACCC has used the actual value of the New Runway project of $1.1 billion.

Table 4.3.4 Brisbane Airport – non-current assets for aeronautical services and total airport services – line in the sand approach: 2010–11 to 2019–20 ($m)

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Investment property	Aeronautical	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total airport	**938.9**	**1,032.4**	**1,134.2**	**1,174.8**	**1,231.2**	**1,330.4**	**1,328.2**	**1,422.7**	**1,502.1**	**1,560.0**
Land	Aeronautical	29.9	30.1	67.7	64.8	65.1	70.4	66.1	64.3	68.5	65.9
	Total airport	**75.5**	**72.8**	**111.6**	**108.2**	**105.6**	**109.0**	**106.1**	**103.0**	**102.2**	**100.4**
Property, plant and equipment	Aeronautical	1,143.4	1,242.9	1,300.4	1,458.8	1,721.4	1,816.9	1,905.7	2,158.7	2,520.8	2,675.6
	Total airport	**1,821.4**	**1,954.8**	**1,987.1**	**2,225.7**	**2,545.0**	**2,631.9**	**2,751.3**	**2,951.2**	**3,210.3**	**3,362.1**
Intangibles	Aeronautical	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total airport	**974.0**	**952.1**	**930.9**	**906.3**	**891.0**	**878.9**	**864.1**	**847.8**	**834.0**	**823.0**
Other tangible non-current assets	Aeronautical	19.2	0.0	25.0	17.7	82.5	112.3	123.3	187.9	326.2	503.1
	Total airport	**50.4**	**0.0**	**92.7**	**117.0**	**263.7**	**357.5**	**268.3**	**228.5**	**382.7**	**542.8**
Total tangible non-current assets	Aeronautical	1,192.6	1,273.0	1,393.1	1,541.3	1,869.0	1,999.5	2,095.1	2,410.9	2,915.6	3,244.6
	Total airport	**2,886.1**	**3,060.0**	**3,325.7**	**3,625.7**	**4,145.6**	**4,428.8**	**4,453.8**	**4,705.5**	**5,197.3**	**5,565.2**
Total non-current assets	Aeronautical	1,192.6	1,273.0	1,393.1	1,541.3	1,869.0	1,999.5	2,095.1	2,410.9	2,915.6	3,244.6
	Total airport	**3,860.1**	**4,012.1**	**4,256.6**	**4,532.0**	**5,036.6**	**5,307.7**	**5,317.9**	**5,553.2**	**6,031.3**	**6,388.2**

Note: Real values in 2019–20 dollars.

A.4.4 Quality of aeronautical and total airport services

Table 4.4.1 Brisbane Airport – indicators of quality of passenger-related services and facilities – international terminal: 2019–20, 1-year change and change since 2010–11

Category	Indicator	Data source	Indicator result 2019–20	1-year change	Change since 2010–11
Check-in	Check-in waiting time	Passenger survey	Good	▼	▲
Immigration	Waiting time in outbound Immigration area	Passenger survey	Good	▼*	▲
	Waiting time in inbound Immigration area	Passenger survey	Good	▼*	▼*
	Waiting time in inbound baggage inspection area	Passenger survey	Good	▼*	▼*
Information	Flight information display screens	Passenger survey	Good	▲	▲
	Signage and wayfinding	Passenger survey	Good	▼	▲
Baggage	Findability of baggage trolleys	Passenger survey	Good	▼*	▼*
Gate lounges	Seating in lounge area (quality and availability)	Passenger survey	Good	▼	▼
Amenities	Standard of washrooms	Passenger survey	Good	▼	▼
Security	Quality of security search process	Passenger survey	Good	▼*	▲

Notes: The rating categories are: very poor, poor, satisfactory, good and excellent. ▲ indicates an improvement; ▼ indicates a decline; * indicates that the rating changed by a category over the period.

Table 4.4.2 Brisbane Airport – indicators of quality of passenger-related services and facilities – domestic precinct: 2019–20, 1-year change and change since 2010–11

Category	Indicator	Data source	Indicator result 2019–20	1-year change	Change since 2010–11
Check-in	Check-in waiting time	Passenger survey	Good	▼*	▼
Baggage	Findability of baggage trolleys	Passenger survey	Good	▼*	▲
Information	Flight information display screens	Passenger survey	Good	–	▼
	Signage and wayfinding	Passenger survey	Good	▼	▼
Gate lounges	Seating in lounge area (quality and availability)	Passenger survey	Good	▼	▼
Amenities	Standard of washrooms	Passenger survey	Good	▲	▲
Security	Quality of security search process	Passenger survey	Good	▼*	▼

Notes: The rating categories are: very poor, poor, satisfactory, good and excellent. ▲ indicates an improvement; ▼ indicates a decline; – indicates no change * indicates that the rating changed by a category over the period.

A.4.5 Car parking

Table 4.5.1 Brisbane Airport – selected investments in car parking and landside access services

Description of investment	Value ($m)	Started	Completed
Projects completed			
Staff Car Park Stage 3	10.3	Q4 2017	Q4 2019
Bus Maintenance Facility	1.9	Q4 2017	Q3 2019
Banksia Car Park Expansion	1.6	Q3 2019	Q4 2019
Projects underway			
International Multi level Car Park 2	100	Q1 2018	*Q2 2025*
Airpark Extension	15	Q3 2018	*Q2 2025*
New Online Booking System	0.8	Q3 2018	*Q4 2020*
Projects planned			
Domestic Multi Level Car Park 3	170	*TBC*	*TBC*
International Level 1 road	7	*TBC*	*TBC*

Table 4.5.2 Brisbane Airport – number of car park spaces and average daily throughput: 2010–11 to 2019–20

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Number of car park spaces	International short-term and long-term	1,740	1,740	2,202	2,202	2,137	2,123	2,123	2,141	2,141	2,141
	Domestic short-term	1,133	1,690	1,119	1,119	1,074	1,366	1,013	1,049	973	973
	Domestic long-term	4,410	6,948	7,616	7,616	7,428	6,971	7,491	7,670	7,539	7,539
	Remote long-term (Airpark)						2,200	2,500	2,500	2,500	2,597
	Staff	2,484	2,484	3,038	3,038	3,038	3,165	3,576	3,701	3,802	5,841
	Total airport	**9,767**	**12,862**	**13,975**	**13,975**	**13,677**	**15,825**	**16,703**	**17,061**	**16,955**	**19,091**
Annual throughput of car park facilities (thousand)	International short-term and long-term	662	663	751	751	735	762	734	877	1,028	802
	Domestic short-term	839	758	1,381	1,327	1,162	1,105	1,055	991	947	773
	Domestic long-term	533	533	652	725	657	613	605	611	654	501
	Remote long-term (Airpark)						26	44	81	102	75
	Total airport	**2,035**	**1,954**	**2,784**	**2,804**	**2,555**	**2,507**	**2,438**	**2,559**	**2,731**	**2,152**
Average daily throughput of car park facilities	International short-term and long-term	1,815	1,811	2,058	2,057	2,014	2,082	2,011	2,403	2,816	2,199
	Domestic short-term	2,298	2,070	3,784	3,637	3,185	3,020	2,890	2,714	2,595	2,118
	Domestic long-term	1,462	1,457	1,785	1,987	1,801	1,675	1,658	1,673	1,792	1,373
	Remote long-term (Airpark)						70	122	222	280	206
	Total airport	**5,574**	**5,338**	**7,627**	**7,681**	**7,000**	**6,848**	**6,681**	**7,012**	**7,483**	**5,895**

Table 4.5.3 Brisbane Airport – revenue, expenses and operating profit for car parking and total airport services: 2010–11 to 2019–20

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Revenue ($m)	Car parking	71.1	70.5	81.3	87.5	91.5	95.0	98.1	103.0	108.5	83.2
	Total airport	**540.3**	**562.3**	**596.0**	**621.1**	**661.2**	**686.7**	**712.8**	**799.9**	**851.7**	**741.1**
	Car parking % of total	13.2	12.5	13.6	14.1	13.8	13.8	13.8	12.9	12.7	11.2
Expenses ($m)	Car parking	20.3	26.7	28.1	31.2	30.0	32.2	31.2	35.7	35.5	32.9
	Total airport	**218.3**	**223.7**	**245.5**	**258.5**	**275.3**	**286.1**	**296.7**	**327.9**	**348.0**	**417.3**
Operating profit ($m)	Car parking	50.8	43.8	53.1	56.2	61.5	62.8	66.9	67.4	72.9	50.4
	Total airport	**322.0**	**338.6**	**350.5**	**362.7**	**385.9**	**400.5**	**416.1**	**471.9**	**503.7**	**323.8**
Profit margin (%)	Car parking	71.5	62.1	65.4	64.3	67.2	66.1	68.2	65.4	67.2	60.5
	Total airport	**59.6**	**60.2**	**58.8**	**58.4**	**58.4**	**58.3**	**58.4**	**59.0**	**59.1**	**43.7**
Revenue per space ($)		7,279	5,481	5,814	6,258	6,692	6,003	5,875	6,039	6,399	4,359
Operating expenses per space ($)		2,076	2,076	2,012	2,235	2,196	2,035	1,868	2,091	2,097	1,721
Operating profit per space ($)		5,204	3,406	3,803	4,023	4,496	3,968	4,007	3,948	4,302	2,638
Revenue per vehicle ($)		34.95	36.09	29.19	31.19	35.82	37.90	40.24	40.25	39.72	38.67
Operating expenses per vehicle ($)		9.96	13.66	10.10	11.14	11.75	12.85	12.79	13.94	13.01	15.27
Operating profit per vehicle ($)		24.98	22.42	19.09	20.05	24.07	25.05	27.45	26.31	26.71	23.40

Note: Real values in 2019–20 dollars.

A.4.6 Landside access

Table 4.6.1 Brisbane Airport – landside access charges, access volumes and revenue: 2015–16 to 2019–20

Transport option	Measure	2015–16	2016–17	2017–18	2018–19	2019–20
Taxi	Price (per pick-up)	3.74	3.78	3.81	3.95	4.00
	Volume (000s)	1244.4	1201.3	1210.1	1177.0	820.4
	Revenue ($000s)	**4,232.9**	**4,129.7**	**4,194.9**	**4,228.8**	**2,984.0**
Ride share	Price (per pick-up)	NA	3.15	3.61	3.95	4.00
	Volume (000s)	0.0	0.0	456.4	607.5	554.7
	Revenue ($000s)	**0.0**	**0.0**	**1490.5**	**2232.4**	**2048.0**
Private bus and private car	Price (Private bus / private car)[a]	9.32 / 6.02	9.40 / 6.07	9.40 / 6.07	9.43 / 6.08	9.50 / 6.15
	Volume (000s)[b]	381.0	632.2	253.7	253.1	196.9
	Revenue ($000s)	**2,003.5**	**2,517.6**	**1,874.7**	**1,802.8**	**1,371.0**
Off-airport parking	Price (minimum fee)[a]	4.67	4.70	4.71	4.71	4.75
	Volume (000s)[c]	154.9	118.1	112.7	95.1	73.2
	Revenue ($000s)	**522.0**	**532.4**	**462.5**	**397.2**	**319.0**
Public bus	Price (monthly fee)	N/A	N/A	N/A	N/A	N/A
	Volume (000s)	N/A	N/A	N/A	N/A	N/A
	Revenue ($000s)	**368.4**	**339.1**	**319.1**	**494.5**	**353.0**
Train	Price (Airtrain corridor lease)	172,994.5	173,238.8	173,050.1	173,285.0	174,000.0
	Volume (000s)	N/A	N/A	N/A	N/A	N/A
	Revenue ($000s)	**173.0**	**173.5**	**173.1**	**173.3**	**174.0**

Note: Real values in 2019–20 dollars. N/A = not applicable.
(a) Brisbane Airport charges private car and bus operators, and off-airport car parking operators based on vehicle type, length of stay and location. Prices listed are the minimum charges for parking at the domestic terminal.
(b) Brisbane Airport reported private bus and private car volumes and revenue inclusive of ride share in 2016–17.
(c) Brisbane Airport changed from a fixed monthly fee for all off-airport parking operators to time-based charging in 2016–17. Some operators now utilise public roads for drop-offs which is not measured by the airport.

A.5 Melbourne Airport

A.5.3 Aeronautical price monitoring and financial performance results

Table 5.3.1 Melbourne Airport – schedule of published aeronautical charges and movements over time: 2015–16 to 2019–20

	Charge per unit ($)	Indexed list prices (2019–20 base year = 100)				
	2019–20	2015–16	2016–17	2017–18	2018–19	2019–20
Landing fees						
International terminal (per passenger)	23.22	98.6	104.5	101.5	98.1	100.0
Other (domestic services under the ASA) (per passenger)	5.09	97.4	99.9	97.0	93.9	100.0
Common-user domestic terminals (walk-up rate) (per passenger)	6.52	99.1	99.0	99.6	100.2	100.0
International freight (per MTOW)	11.94	95.2	95.2	93.4	96.5	100.0
Domestic freight (per MTOW)	11.94	95.2	95.2	93.4	96.5	100.0
General aviation (per MTOW)	22.41	95.3	95.2	93.4	96.5	100.0
Aircraft parking (per 15 minutes)	50.85	96.0	95.2	93.4	96.5	100.0
Check-in desks (per hour)	35.49	105.8	105.8	98.0	98.9	100.0
Minimum charges						
International and domestic freight (per landing)	N/A	N/A	N/A	N/A	N/A	N/A
General aviation (per landing)	333.05	95.3	95.3	93.5	96.6	100.0
Government mandated security charges						
International terminal passenger and baggage screening (per passenger)	4.08	109.8	111.8	109.7	103.1	100.0
Common user domestic terminals passenger and baggage screening (per passenger)	4.04	98.3	97.2	90.6	84.4	100.0
Airport security charge – passengers (per passenger)	0.57	37.3	38.6	37.8	55.2	100.0
Airport security charge – freighters and general aviation (per MTOW)	0.42	51.3	52.9	51.9	72.3	100.0

Notes: Real indexed prices are in 2019–20 dollars. Charges include GST.

Table 5.3.2 Melbourne Airport – revenue, expenses and operating profit for aeronautical and total airport services: 2010–11 to 2019–20

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Revenue ($m)	Aeronautical	274.5	281.8	316.7	340.1	366.1	420.0	460.1	459.6	491.2	404.1
	Total airport	**645.4**	**663.1**	**707.4**	**764.5**	**815.3**	**896.4**	**975.7**	**1,016.3**	**1,033.6**	**822.4**
	Aero % of total airport	42.5	42.5	44.8	44.5	44.9	46.9	47.2	45.2	47.5	49.1
Operating expenses ($m)	Aeronautical	148.6	170.7	189.6	186.3	207.1	259.4	269.0	282.2	294.1	328.8
	Total airport	**230.1**	**253.7**	**279.4**	**286.7**	**322.6**	**401.5**	**415.0**	**444.3**	**449.7**	**488.9**
Operating profit ($m)	Aeronautical	125.8	111.1	127.1	153.8	159.0	160.6	191.1	177.4	197.1	75.3
	Total airport	**415.3**	**409.5**	**428.1**	**477.8**	**492.7**	**495.0**	**560.8**	**572.0**	**583.8**	**333.5**
Profit margin (%)	Aeronautical	45.8	39.4	40.1	45.2	43.4	38.2	41.5	38.6	40.1	18.6
	Total airport	**64.3**	**61.7**	**60.5**	**62.5**	**60.4**	**55.2**	**57.5**	**56.3**	**56.5**	**40.6**
Revenue per passenger ($)	Aeronautical	9.69	9.93	10.56	10.90	11.33	12.37	13.07	12.50	13.12	14.82
Operating expenses per passenger ($)	Aeronautical	5.25	6.02	6.33	5.97	6.41	7.64	7.64	7.68	7.86	12.06
Operating profit per passenger ($)	Aeronautical	4.44	3.91	4.24	4.93	4.92	4.73	5.43	4.83	5.27	2.76

Note: Real values in 2019–20 dollars.

Table 5.3.3 Melbourne Airport – selected investments in aeronautical services and facilities

Description of investment	Value ($m)	Started	Completed
Projects completed			
Taxiway Bravo replacement	n/p	FY18	FY20
Foxtrot Apron development	n/p	FY17	FY20
T2 check-in program	n/p	FY18	FY20
Projects underway			
Elevated Road Stage 1	n/p	FY18	*FY25*
Elevated Road Stage 2	n/p	FY18	*FY28*
Taxiway Zulu development	n/p	FY15	*FY24*

Note: n/p = Not provided by the airport. Investments shown as 'started' may reflect projects in the planning phase, with construction yet to commence.

Table 5.3.4 Melbourne Airport – non-current assets for aeronautical services and total airport services: 2010–11 to 2019–20 ($m)

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Investment property	Aeronautical	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total airport	**1,117.6**	**1,149.1**	**1,209.6**	**1,167.2**	**1,306.3**	**1,443.6**	**1,489.3**	**1,524.6**	**1,420.1**	**1,586.8**
Land	Aeronautical	55.0	53.1	51.8	49.8	48.3	60.5	62.5	94.1	170.8	166.0
	Total airport	**68.9**	**66.5**	**83.4**	**80.3**	**117.3**	**117.1**	**125.4**	**155.6**	**226.7**	**224.4**
Property, plant and equipment	Aeronautical	1,008.3	1,111.8	1,201.1	1,463.0	1,889.6	1,886.5	1,911.9	1,924.3	2,464.2	2,480.9
	Total airport	**1,400.7**	**1,490.9**	**1,619.2**	**1,972.3**	**2,585.5**	**2,589.1**	**2,591.7**	**2,609.5**	**3,221.9**	**3,328.3**
Intangibles	Aeronautical	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5
	Total airport	**790.2**	**772.4**	**755.2**	**737.3**	**724.4**	**714.0**	**703.9**	**690.8**	**680.1**	**670.2**
Other tangible non-current assets	Aeronautical	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total airport	**0.0**	**8.5**	**51.1**	**117.0**	**281.2**	**427.7**	**354.6**	**449.0**	**582.4**	**630.6**
Total tangible non-current assets	Aeronautical	1,063.3	1,165.0	1,252.8	1,512.7	1,937.9	1,947.0	1,974.4	2,018.5	2,635.0	2,646.9
	Total airport	**2,587.2**	**2,715.0**	**2,963.3**	**3,336.7**	**4,290.3**	**4,577.5**	**4,561.0**	**4,738.7**	**5,451.1**	**5,770.0**
Total non-current assets	Aeronautical	1,063.3	1,165.0	1,252.8	1,512.7	1,937.9	1,947.0	1,974.4	2,018.5	2,635.0	2,649.4
	Total airport	**3,377.3**	**3,487.4**	**3,718.5**	**4,074.0**	**5,014.6**	**5,291.5**	**5,264.9**	**5,429.5**	**6,131.2**	**6,440.3**

Note: Real values in 2019–20 dollars.

A.5.4 Quality of aeronautical and total airport services

Table 5.4.1 Melbourne Airport – indicators of quality of passenger-related services and facilities – international terminal: 2019–20, 1-year change and change since 2010–11

Category	Indicator	Data source	Indicator result 2019–20	1-year change	Change since 2010–11
Check-in	Check-in waiting time	Passenger survey	Good	▲	▼
Immigration	Waiting time in outbound Immigration area	Passenger survey	Excellent	▲	▲*
	Waiting time in inbound Immigration area	Passenger survey	Good	▲	▲
	Waiting time in inbound baggage inspection area	Passenger survey	Good	▲	▲
Information	Flight information display screens	Passenger survey	Good	▼	▲
	Signage and wayfinding	Passenger survey	Good	▼	▲
Baggage	Circulation space for inbound baggage reclaim	Passenger survey	Good	▲	▲
	Information display for inbound baggage reclaim	Passenger survey	Good	▼	▲
	Findability of baggage trolleys	Passenger survey	Good	▼	▼*
Gate lounges	Seating in lounge area (quality and availability)	Passenger survey	Good	–	▲
	Crowding in lounge area	Passenger survey	Good	–	▼
Amenities	Standard of washrooms	Passenger survey	Good	▲	▲
Security	Quality of security search process	Passenger survey	Good	▲	▲

Notes: The rating categories are: very poor, poor, satisfactory, good and excellent. ▲ indicates an improvement; ▼ indicates a decline; – indicates no change; * indicates that the rating changed by a category over the period.

Table 5.4.2 Melbourne Airport – indicators of quality of passenger-related services and facilities – domestic precinct (T3): 2019–20, 1-year change and change since 2010–11

Category	Indicator	Data source	Indicator result 2019–20	1-year change	Change since 2010–11
Check-in	Check-in waiting time	Passenger survey	Good	▲	▲
Baggage	Circulation space for inbound baggage reclaim	Passenger survey	Good	▼	▲
	Information display for inbound baggage reclaim	Passenger survey	Good	▲	N/A
	Findability of baggage trolleys	Passenger survey	Good	▲	–
Information	Flight information display screens	Passenger survey	Good	▼	▲
	Signage and wayfinding	Passenger survey	Good	▼	–
Gate lounges	Seating in lounge area (quality and availability)	Passenger survey	Good	▼	▲
	Crowding in lounge area	Passenger survey	Good	▼	▲
Amenities	Standard of washrooms	Passenger survey	Good	▼	▲
Security	Quality of security search process	Passenger survey	Good	▲	▲

Notes: The rating categories are: very poor, poor, satisfactory, good and excellent. ▲ indicates an improvement; ▼ indicates a decline; – indicates no change; N/A = not applicable.

Table 5.4.3 Melbourne Airport – indicators of quality of passenger-related services and facilities – domestic precinct (T4): 2019–20, 1-year change and change since 2010–11

Category	Indicator	Data source	Indicator result 2019–20	1-year change	Change since 2010–11
Check-in	Check-in waiting time	Passenger survey	Excellent	▼	▲*
Baggage	Circulation space for inbound baggage reclaim	Passenger survey	Good	▼	▲
	Information display for inbound baggage reclaim	Passenger survey	Good	▼	N/A
	Findability of baggage trolleys	Passenger survey	Good	▼	▲
Information	Flight information display screens	Passenger survey	Good	▲	▲
	Signage and wayfinding	Passenger survey	Good	▼	▲
Gate lounges	Seating in lounge area (quality and availability)	Passenger survey	Good	▼	▲
	Crowding in lounge area	Passenger survey	Good	▼	▲
Amenities	Standard of washrooms	Passenger survey	Good	▼	▲
Security	Quality of security search process	Passenger survey	Good	▼	▲

Notes: The rating categories are: very poor, poor, satisfactory, good and excellent. ▲ indicates an improvement; ▼ indicates a decline; * indicates that the rating changed by a category over the period; N/A = not applicable.

A.5.5 Car parking

Table 5.5.1 Melbourne Airport – selected investments in car parking and landside access services

Description of investment	Value ($m)	Started	Completed
Projects completed			
Dynamic Lane Allocation (Phase 2)	n/p	Q3 2019	Q1 2020
T123 & T4 Car Park boom gate/ equipment upgrades	n/p	Q3 2019	Q1 2020
New Short and Sweet (T123) car parking product	n/p	Q4 2019	Q4 2019
Projects underway			
T123 Car Park Façade Cladding	n/p	Q2 2020	*Q1 2021*
T4 Express Link (currently on hold)	n/p	Q3 2018	*FY25*
Elevated Road and Forecourt Stage 2 (MDP approvals only)	n/p	Q3 2018	*FY28*
Projects planned			
Replacement/ Refurbishment of Roads	n/p	*2023+*	*2040*
Modeshare Holding Area expansion	n/p	*2027+*	*TBC*
T4 Car park expansion	n/p	*2030+*	*TBC*

Note: n/p = Not provided by the airport.

Table 5.5.2 Melbourne Airport – number of car park spaces and average daily throughput: 2010–11 to 2019–20

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Number of car park spaces	At-terminal	7,529	7,441	7,441	7,279	6,824	9,501	10,201	9,935	9,866	9,866
	At-distance	12,500	12,100	12,250	14,500	13,830	13,830	13,402	13,790	13,948	13,948
	Staff	2,383	2,383	2,627	2,627	2,569	2,569	2,840	2,840	2,840	2,840
	Total airport	**22,412**	**21,924**	**22,318**	**24,406**	**23,223**	**25,900**	**26,443**	**26,565**	**26,654**	**26,654**
Annual throughput of car park facilities (thousand)	At-terminal	2,723	2,804	2,701	2,594	2,543	2,504	2,537	2,486	2,507	1,804
	At-distance	540	530	579	586	618	678	649	689	677	468
	Total airport	**3,263**	**3,334**	**3,279**	**3,180**	**3,161**	**3,182**	**3,186**	**3,174**	**3,184**	**2,272**
Average daily throughput of car park facilities	At-terminal	7,460	7,662	7,400	7,106	6,967	6,841	6,951	6,810	6,868	4,930
	At-distance	1,480	1,447	1,585	1,606	1,694	1,852	1,778	1,886	1,855	1,721
	Total airport	8,940	9,110	8,985	8,711	8,661	8,693	8,729	8,697	8,723	6,651

Table 5.5.3 Melbourne Airport – revenue, expenses and operating profit for car parking and total airport services: 2010–11 to 2019–20

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Revenue ($m)	Car parking	135.7	132.7	135.7	138.6	146.3	144.5	152.3	154.4	147.4	109.0
	Total airport	**645.4**	**663.1**	**707.4**	**764.5**	**815.3**	**896.4**	**975.7**	**1,016.3**	**1,033.6**	**822.4**
	Car parking % of total	21.0	20.0	19.2	18.1	17.9	16.1	15.6	15.2	14.3	13.2
Expenses ($m)	Car parking	32.8	32.7	38.5	42.8	42.7	59.2	61.3	67.1	68.8	56.1
	Total airport	**230.1**	**253.7**	**279.4**	**286.7**	**322.6**	**401.5**	**414.9**	**444.3**	**449.7**	**488.9**
Operating profit ($m)	Car parking	102.8	100.0	97.2	95.8	103.6	85.3	91.0	87.3	78.6	52.8
	Total airport	**415.3**	**409.5**	**428.1**	**477.8**	**492.7**	**495.0**	**561.2**	**572.0**	**583.8**	**333.5**
Profit margin (%)	Car parking	75.8	75.3	71.6	69.1	70.8	59.0	59.7	56.5	53.3	48.5
	Total airport	**64.3**	**61.7**	**60.5**	**62.5**	**60.4**	**55.2**	**57.5**	**56.3**	**56.5**	**40.6**
Revenue per space ($)		6,053	6,052	6,082	5,680	6,301	5,580	5,761	5,811	5,531	4,088
Operating expenses per space ($)		1,464	1,492	1,727	1,754	1,838	2,287	2,320	2,525	2,583	2,105
Operating profit per space ($)		4,589	4,560	4,355	3,926	4,463	3,293	3,441	3,286	2,948	1,983
Revenue per vehicle ($)		41.57	39.79	41.39	43.60	46.29	45.43	47.82	48.64	46.31	47.94
Operating expenses per vehicle ($)		10.06	9.81	11.75	13.47	13.50	18.62	19.25	21.13	21.63	24.69
Operating profit per vehicle ($)		31.52	29.98	29.64	30.13	32.79	26.81	28.56	27.50	24.68	23.26

Note: Real values in 2019–20 dollars.

A.5.6 Landside access

Table 5.6.1 Melbourne Airport – landside access charges, access volumes and revenue: 2015–16 to 2019–20

Transport option	Measure	2015–16	2016–17	2017–18	2018–19	2019–20
Taxi	Price (per pick-up)	2.88	3.76	3.69	3.70	4.50
	Volume (000s)	2,188.1	2,278.2	2,055.1	1,849.2	1,221.3
	Revenue ($000s)	**5,810.3**	**7,212.0**	**6,943.3**	**6,393.3**	**4,976.0**
Ride share	Price (per pick-up)	N/A	4.62	4.53	4.54	4.54
	Volume (000s)	N/A	N/A	627.3	994.4	961.5
	Revenue ($000s)	**N/A**	**N/A**	**2,584.8**	**4,092.0**	**3,973.0**
Private car	Price (minimum fee)[a]	4.27	4.20	4.64	4.56	4.50
	Volume (000s)	460.3	480.7	479.6	579.1	137.5
	Revenue ($000s)	**2,545.8**	**2,565.0**	**2,703.2**	**2,897.2**	**2,056.0**
Private bus	Price (minimum fee)[b]	4.11	4.44	4.57	4.59	4.60
	Volume (000s)[c]	N/A	N/A	N/A	N/A	N/A
	Revenue ($000s)[d]	**7,094.9**	**8,192.6**	**9,331.5**	**10,487.3**	**6,938.5**
Off-airport parking	Price (minimum fee)[b]	4.11	4.44	4.57	4.59	4.60
	Volume (000s)[c]	503.7	482.7	582.4	612.7	449.6
	Revenue ($000s)	**2,609.9**	**2,513.5**	**2,791.8**	**2,670.2**	**1,804.0**
Public bus	Price	No charge	No charge	No charge	No charge	No charge
	Volume (000s)	N/A	31.2	37.7	18.5	17.1
	Revenue ($000s)	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Notes: Real prices in 2019–20 dollars inclusive of GST. N/A=not applicable. (a) Melbourne Airport charges private cars based on length of stay. (b) Melbourne Airport levies a range of charges to private buses including off airport car parking operators, which are applied on the basis of different combinations of trip type, passenger numbers and for staff. (c) From 2014–15, Melbourne Airport reported off-airport car parking volumes inclusive of private bus volumes. (d) Private bus revenue is inclusive of revenue generated by SkyBus, however volumes exclude SkyBus.

Table 5.6.2 Melbourne Airport – passenger ratings of the quality of landside access services and facilities: 2019–20, 1-year change and change since 2015–16

Terminal	Indicator	Rating category 2019–20	1-year change	Change since 2015–16
International and Domestic	Kerbside pick-up and drop-off facilities	Good	▼	▲
	Taxi facilities waiting time	Good	▲	▲
	Kerbside space congestion	Good	▲	▲

Notes: The rating categories are: very poor, poor, satisfactory, good and excellent. ▲ indicates an improvement; ▼ indicates a decline.

A.6 Perth Airport

A.6.3 Aeronautical price monitoring and financial performance results

Table 6.3.1 Perth Airport – schedule of aeronautical charges and movements over time: 2015–16 to 2019–20

	Charge per unit ($)	Indexed list prices (2019–20 base year = 100)				
	2019–20	2015–16	2016–17	2017–18	2018–19	2019–20
Landing fees						
Basic landing charge						
International regular passenger transport (per arriving and departing passenger)	6.70	69.2	69.7	72.1	89.8	100.0
Domestic and regional regular passenger transport (per arriving and departing passenger)	6.70	69.2	69.7	72.1	89.8	100.0
Fixed wing (GA, freight and other) (per tonne MTOW)	12.21	74.6	74.5	73.3	89.9	100.0
Rotary wing (per tonne MTOW)	6.10	74.7	74.5	73.4	89.9	100.0
Minimum landing charge						
Fixed wing (per landing)	56.80	74.7	74.5	73.5	89.9	100.0
Rotary wing (per landing)	28.40	74.7	74.5	73.4	89.9	100.0
Basic aircraft parking charge (GA) (per aircraft per day)	50.74	74.7	74.6	73.4	89.9	100.0
Aircraft storage charge	13.80	74.7	74.5	73.4	89.9	100.0
Peak-period minimum movement charge (on airfield usage)[a]	253.45	93.0	102.1	91.4	98.9	100.0
Passenger-related services and facilities						
International terminal charge (per arriving and departing passenger)	11.03	107.9	120.0	122.0	109.2	100.0
Common user terminal equipment (CUTE) usage charge (per departing international passenger)	N/A	N/A	N/A	N/A	N/A	N/A
Domestic terminal charge (per per arriving and departing passenger)	12.37	144.9	146.1	146.9	89.9	100.0
Government mandated security charges						
Counter terrorism first response – regular passenger transport (per passenger)	1.33	89.4	87.8	94.7	91.5	100.0
Counter terrorism first response – freight and other (aircraft > 20 tonne) (per tonne MTOW)	1.24	89.4	87.8	94.7	91.2	100.0
International passenger and checked bag screening (per departing international passenger)	5.85	74.1	107.7	73.9	93.1	100.0
Common user domestic terminal passenger and checked bag screening (per departing domestic passenger)	3.54	110.5	153.5	141.6	100.3	100.0

Notes: Real indexed prices are in 2019–20 dollars. Charges include GST where applicable. (a) Peak period minimum charges apply to both arrival and departure movements. N/A indicates not available.

Table 6.3.2 Perth Airport – revenue, expenses and operating profit for aeronautical and total airport services: 2010–11 to 2019–20

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Revenue ($m)	Aeronautical	122.0	136.5	181.5	204.9	202.1	224.2	237.0	238.0	224.4	188.1
	Total airport	350.5	835.0	744.6	420.4	464.8	487.5	568.6	539.8	500.4	386.4
	Aero % of total airport	34.8	16.4	24.4	48.7	43.5	46.0	41.7	44.1	44.8	48.7
Operating expenses ($m)	Aeronautical	73.7	88.5	104.6	115.1	120.9	149.2	154.2	143.0	147.6	147.7
	Total airport	146.1	168.6	197.0	210.2	220.4	254.0	263.8	254.5	259.8	260.0
Operating profit ($m)	Aeronautical	48.3	48.1	76.8	89.8	81.2	75.0	82.7	95.0	76.8	40.4
	Total airport	204.4	666.5	547.7	210.2	244.4	233.5	304.7	285.3	240.6	126.4
Profit margin (%)	Aeronautical	39.6	35.2	42.3	43.8	40.2	33.5	34.9	39.9	34.2	21.5
	Total airport	58.3	79.8	73.5	50.0	52.6	47.9	53.6	52.9	48.1	32.7
Revenue per passenger ($)	Aeronautical	10.65	10.25	12.35	13.74	13.68	15.47	16.58	16.65	15.42	16.05
Operating expenses per passenger ($)	Aeronautical	6.44	6.64	7.12	7.72	8.19	10.29	10.79	10.00	10.15	12.61
Operating profit per passenger ($)	Aeronautical	4.22	3.61	5.23	6.02	5.49	5.18	5.79	6.65	5.28	3.44

Note: Real values in 2019–20 dollars.

Table 6.3.3 Perth Airport – non-current assets for aeronautical services and total airport services: 2010–11 to 2019–20 ($m)

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Investment property	Aeronautical	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total airport	443.8	873.7	425.1	423.4	474.7	724.4	699.7	699.3	712.8	763.7
Land	Aeronautical	19.9	19.2	18.6	17.9	0.0	0.0	0.0	0.0	0.0	0.0
	Total airport	39.7	38.4	746.6	664.9	770.0	533.3	586.6	581.7	551.9	482.8
Property, plant and equipment	Aeronautical	380.0	440.9	613.5	772.6	929.5	1,035.6	1,056.3	1,009.9	975.3	956.9
	Total airport	565.6	704.1	908.9	1,127.9	1,339.3	1,499.6	1,472.6	1,423.6	1,378.1	1,352.6
Intangibles	Aeronautical	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total airport	536.6	522.2	508.9	494.9	487.0	622.0	476.8	469.0	468.3	469.1
Other tangible non-current assets	Aeronautical	0.0	0.0	0.0	0.0	17.3	16.9	16.4	15.9	15.4	15.0
	Total airport	11.5	23.9	6.6	0.0	199.0	132.2	206.1	182.3	286.1	362.1
Total tangible non-current assets	Aeronautical	399.9	460.2	632.1	790.4	946.8	1,052.5	1,072.7	1,025.7	990.7	971.9
	Total airport	1,060.6	1,640.1	2,087.2	2,216.3	2,783.0	2,889.5	2,965.0	2,886.8	2,928.9	2,961.1
Total non-current assets	Aeronautical	399.9	460.2	632.1	790.4	946.8	1,052.5	1,072.7	1,025.7	990.7	971.9
	Total airport	1,597.2	2,162.3	2,596.1	2,711.2	3,270.0	3,511.5	3,441.8	3,355.7	3,397.2	3,430.2

Note: Real values in 2019–20 dollars.

Table 6.3.4 Perth Airport – selected investments in aeronautical services and facilities

Description of investment	Value ($m)	Started	Completed
Projects completed			
Taxiway resurfacing	12	Q1 2019	Q3 2019
Common user self check-in upgrade	7.3	Q4 2017	Q2 2020
Taxiway rehabilitation	5.4	Q1 2019	Q3 2019
Projects underway			
Terminal and apron consolidation and development	1,000	Q1 2016	*Q4 2025*
Parallel runway design and construction	520	Q1 2015	*Q4 2026*
International gate upgrade project	42	Q1 2020	*Q2 2021*

A.6.4 Quality of aeronautical and total airport services

Table 6.4.1 Perth Airport – passenger ratings of quality of passenger-related services and facilities – international terminal (T1): 2019–20, 1-year change, and change since 2010–11

Category	Indicator	Data source	Indicator result 2019–20	1-year change	Change since 2010–11
Check-in	Check-in waiting time	Passenger survey	Good	▲	▲
Immigration	Waiting time in outbound Immigration area	Passenger survey	Excellent	–	▲*
	Waiting time in inbound Immigration area	Passenger survey	Good	▲	▲
	Waiting time in inbound baggage inspection area	Passenger survey	Good	▲	▲
Information	Flight information display screens	Passenger survey	Excellent	▲*	▲*
	Signage and wayfinding	Passenger survey	Excellent	▲*	▲*
Baggage	Circulation space for inbound baggage reclaim	Passenger survey	Good	▼	▲
	Information display for inbound baggage reclaim	Passenger survey	Good	▲	▲
	Findability of baggage trolleys	Passenger survey	Good	▲	▲
Gate lounges	Seating in lounge area (quality and availability)	Passenger survey	Good	▼	▲
	Crowding in lounge area	Passenger survey	Good	▼	▲
Amenities	Standard of washrooms	Passenger survey	Good	–	▲
Security	Quality of security search process	Passenger survey	Good	▼*	▲

Notes: The rating categories are: very poor, poor, satisfactory, good and excellent. ▲ indicates an improvement; ▼ indicates a decline; – indicates no change; *Rating changed by a category over the period.

Table 6.4.2 Perth Airport – passenger ratings of quality of passenger-related services and facilities – domestic terminal (T1): 2019–20, 1-year change

Category	Indicator	Data source	Indicator result 2019–20	1-year change
Check-in	Check-in waiting time	Passenger survey	Excellent	▼
Baggage	Circulation space for inbound baggage reclaim	Passenger survey	Good	▲
	Information display for inbound baggage reclaim	Passenger survey	Good	▲
	Findability of baggage trolleys	Passenger survey	Good	▼
Information	Flight information display screens	Passenger survey	Excellent	▲
	Signage and wayfinding	Passenger survey	Excellent	▲
Gate lounges	Seating in lounge area (quality and availability)	Passenger survey	Good	▼
	Crowding in lounge area	Passenger survey	Good	▲
Amenities	Standard of washrooms	Passenger survey	Good	▼
Security	Quality of security search process	Passenger survey	Good	▲

Notes: The rating categories are: very poor, poor, satisfactory, good and excellent. ▲ indicates an improvement; ▼ indicates a decline

Table 6.4.3 Perth Airport – passenger ratings of quality of passenger-related services and facilities – domestic terminal (T2): 2019–20, 1-year change

Category	Indicator	Data source	Indicator result 2019–20	1-year change
Check-in	Check-in waiting time	Passenger survey	Good	▼
Baggage	Circulation space for inbound baggage reclaim	Passenger survey	Good	▲
	Information display for inbound baggage reclaim	Passenger survey	Good	▲
	Findability of baggage trolleys	Passenger survey	Good	▲
Information	Flight information display screens	Passenger survey	Good	▲
	Signage and wayfinding	Passenger survey	Good	▲
Gate lounges	Seating in lounge area (quality and availability)	Passenger survey	Good	▼
	Crowding in lounge area	Passenger survey	Good	▲
Amenities	Standard of washrooms	Passenger survey	Good	▼
Security	Quality of security search process	Passenger survey	Good	▲

Notes: The rating categories are: very poor, poor, satisfactory, good and excellent. ▲ indicates an improvement; ▼ indicates a decline

Table 6.4.4 Perth Airport – passenger ratings of quality of passenger-related services and facilities – domestic terminal (T3): 2019–20, 1-year change, and change since 2010–11

Category	Indicator	Data source	Indicator result 2019–20	1-year change	Change since 2010–11
Check-in	Check-in waiting time	Passenger survey	Good	▼	▲
Baggage	Circulation space for inbound baggage reclaim	Passenger survey	Good	▲	▼
	Information display for inbound baggage reclaim	Passenger survey	Good	–	▲
	Findability of baggage trolleys	Passenger survey	Good	▼	▲
Information	Flight information display screens	Passenger survey	Good	▼	▲
	Signage and wayfinding	Passenger survey	Good	▼	▲
Gate lounges	Seating in lounge area (quality and availability)	Passenger survey	Good	▲	▲
	Crowding in lounge area	Passenger survey	Good	▼	–
Amenities	Standard of washrooms	Passenger survey	Good	▼	▲
Security	Quality of security search process	Passenger survey	Good	▼	▲

Notes: The rating categories are: very poor, poor, satisfactory, good and excellent. ▲ indicates an improvement; ▼ indicates a decline; – indicates no change.

A.6.5 Car parking

Table 6.5.1 Perth Airport – selected investments in car parking and landside access services

Description of investment	Value ($m)	Started	Completed
Projects completed			
Skybridge	32	Q3 2018	Q1 2020
T1 Forecourt Bay Finding Technology Rollout	0.2	Q3 2018	Q3 2019
T4 Valet Improvement	0.14	Q1 2019	Q2 2020
Projects underway			
Tonkin/Dunreath Road upgrades	0.82	Q1 2020	*Q3 2020*
Projects planned			
T1-T2 Multi Storey Car Park Pods 1 & 2	250	*2021*	*2025*
Airport Central Road Upgrade	80	*2022*	*2023*
T3/T4 Forecourt Monitoring and Control	2.2	*Q1 2021*	*Q1 2021*

Table 6.5.2 Perth Airport – number of car park spaces and average daily throughput: 2010–11 to 2019–20

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Number of car park spaces	T3/T4 short-term	1,719	1,769	1,714	1,714	1,714	1,714	1,666	1,602	1,602	1,602
	T3/T4 long-term	7,082	8,485	8,796	8,796	8,796	8,796	8,796	8,754	8,754	8,754
	T1/T2 short-term	663	663	961	1,145	1,357	1,914	1,844	1,827	1,460	1,460
	T1/T2 long-term	3,792	3,792	4,600	6,374	9,367	9,367	9,367	9,323	9,323	9,323
	Staff	1,295	917	972	972	972	972	972	942	942	942
	Total airport	**14,551**	**15,626**	**17,043**	**19,001**	**22,206**	**22,763**	**22,645**	**22,448**	**22,081**	**22,081**
Annual throughput of car park facilities (thousand)	T3/T4 short-term	1,054	1,054	1,030	902	857	701	537	493	483	369
	T3/T4 long-term	230	343	387	363	345	237	183	168	158	116
	T1/T2 short-term	733	720	747	847	874	1,132	1,172	1,055	964	704
	T1/T2 long-term	66	67	93	138	137	144	142	140	135	99
	Total airport	**2,083**	**2,185**	**2,257**	**2,249**	**2,212**	**2,214**	**2,034**	**1,856**	**1,740**	**1,288**
Average daily throughput of car park facilities	T3/T4 short-term	2,888	2,879	2,822	2,472	2,347	1,914	1,471	1,352	1,325	1,010
	T3/T4 long-term	630	938	1,060	994	945	648	501	459	432	318
	T1/T2 short-term	2,007	1,968	2,047	2,320	2,394	3,094	3,211	2,890	2,640	1,928
	T1/T2 long-term	181	184	254	377	375	393	389	384	370	271
	Total airport	**5,706**	**5,970**	**6,182**	**6,162**	**6,061**	**6,049**	**5,573**	**5,086**	**4,766**	**3,527**

Note: Car parking throughput does not include free period usage.

Table 6.5.3 Perth Airport – revenue, expenses and operating profit for car parking and total airport services: 2010–11 to 2019–20

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Revenue ($m)	Car parking	48.6	58.5	66.2	71.3	70.5	67.9	66.2	64.4	62.5	49.7
	Total airport	350.5	835.0	744.6	420.4	464.8	487.5	568.6	539.8	500.4	386.4
	Car parking % of total	13.9	7.0	8.9	17.0	15.2	13.9	11.6	11.9	12.5	12.9
Expenses ($m)	Car parking	16.1	19.0	21.3	22.3	25.6	30.1	31.5	30.4	26.5	23.3
	Total airport	146.1	168.6	197.0	210.2	220.4	254.0	263.8	254.5	259.8	260.0
Operating profit ($m)	Car parking	32.5	39.5	44.9	49.1	44.9	37.8	34.7	33.9	36.0	26.4
	Total airport	204.4	666.5	547.7	210.2	244.4	233.5	304.7	285.3	240.6	126.4
Profit margin (%)	Car parking	66.9	67.5	67.9	68.8	63.7	55.6	52.4	52.7	57.6	53.1
	Total airport	58.3	79.8	73.5	50.0	52.6	47.9	53.6	52.9	48.1	32.7
Revenue per space ($)		3,341	3,746	3,882	3,754	3,174	2,981	2,923	2,868	2,833	2,252
Operating expenses per space ($)		1,106	1,217	1,248	1,172	1,152	1,322	1,390	1,356	1,200	1,057
Operating profit per space ($)		2,235	2,530	2,634	2,582	2,021	1,659	1,532	1,512	1,632	1,195
Revenue per vehicle ($)		23.35	26.79	29.32	31.71	31.86	30.65	32.54	34.68	35.95	38.62
Operating expenses per vehicle ($)		7.73	8.70	9.43	9.90	11.57	13.60	15.48	16.40	15.23	18.13
Operating profit per vehicle ($)		15.62	18.09	19.89	21.81	20.29	17.06	17.06	18.28	20.72	20.49

Notes: Real values in 2019–20 dollars.

A.6.6 Landside access

Table 6.6.1 Perth Airport – landside access charges, access volumes and revenue: 2015–16 to 2019–20

Transport option	Measure	2015–16	2016–17	2017–18	2018–19	2019–20
Taxi	Price (per pick-up)	3.20	3.15	3.09	3.04	3.00
	Volume (000s)	1139.0	994.1	928.9	847.4	584.1
	Revenue ($000s)	**2806.4**	**2846.4**	**2609.1**	**2343.9**	**1592.9**
Ride share	Price (per pick-up)	N/A	3.15	3.09	3.04	3.00
	Volume (000s)	N/A	208.8	548.0	768.8	762.3
	Revenue ($000s)	**N/A**	**622.9**	**1542.0**	**2127.0**	**2064.1**
Private car	Price (per entry)[(a)]	4.81	4.72	4.64	4.56	4.50
	Volume (000s)	99.6	81.8	80.4	86.4	64.0
	Revenue ($000s)	365.2	351.5	334.8	365.8	262.9

Notes: Real prices in 2019–20 dollars. N/A = not applicable. (a) Perth Airport charges private cars based on length of stay. The listed charge is for a stay between 10 minutes and 1 hour.

Table 6.6.2 Perth Airport – passenger ratings of the quality of landside access services and facilities: 2019–20, 1-year change and change since 2015–16

Terminal	Indicator	Rating category 2019–20	1-year change	Change since 2015–16
International, Domestic & General Aviation (T1/T2)	Kerbside pick-up and drop-off facilities	Good	▲	▲
	Taxi facilities waiting time	Good	▲	▲
	Kerbside space congestion	Good	▲	▲
Domestic (T3/T4)	Kerbside pick-up and drop-off facilities	Good	▼	▼
	Taxi facilities waiting time	Good	▼	▲
	Kerbside space congestion	Good	▼	▲

Notes: The rating categories are: very poor, poor, satisfactory, good and excellent. ▲ indicates an improvement; ▼ indicates a decline.

A.7 Sydney Airport

A.7.3 Aeronautical price monitoring and financial performance results

Table 7.3.1 Sydney Airport – schedule of published aeronautical charges and movements over time: 2015–16 to 2019–20

	Charge per unit ($)	Indexed list prices (2019–20 base year = 100)				
	2019–20	2015–16	2016–17	2017–18	2018–19	2019–20
Aeronautical services – aircraft movement facilities and activities						
International passenger services charge (per passenger)[(a)*]	35.09	87.3	89.9	92.1	96.6	100.0
Domestic passenger services charge (per passenger)[(b)*]	5.78	85.3	87.7	91.5	97.3	100.0
Runway charge – non-passenger movements and GA (per MTOW)[*]	7.12	86.2	88.5	95.0	97.5	100.0
Runway charge – regional services (per MTOW)[**]	3.78	106.7	104.9	103.0	101.3	100.0
Landing charge – rotary wing (per movement)	33.00	106.8	105.0	103.0	101.3	100.0
Apron charge – major aprons (per 15 minutes)	38.50	106.8	105.0	103.0	101.3	100.0
Apron charge – GA aprons – regional services (per day)	66.00	106.8	105.0	103.0	101.3	100.0
Apron charge – GA aprons – 0 to 20 tonnes (per day)	154.00	106.8	105.0	103.0	101.3	100.0
Apron charge – GA aprons – 20 to 40 tonnes (per day)	209.00	106.8	105.0	103.0	101.3	100.0
Apron charge – GA aprons – greater than 40 tonnes (per day)	308.00	106.8	105.0	103.0	101.3	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)]	4.58	109.0	107.8	106.9	106.1	100.0
T2 domestic passenger facilitation charge (per passenger)[(d)]	9.44	106.8	105.0	103.0	101.3	100.0
T2 regional passenger facilitation charge (per passenger)[(d)]	4.95	106.8	105.0	103.0	101.3	100.0
T2 domestic security charges – including passenger screening, checked bag screening and additional security measures (per passenger)[(e)]	1.74	108.7	98.6	105.3	104.6	100.0
T2 regional security charges – including passenger screening and checked bag screening (per passenger)[(f)]	0.96	107.1	105.3	103.0	101.3	100.0
T2 new investment charge (per passenger)[(g)]	0.44	106.8	105.0	103.0	101.3	100.0

International check-in counters (per hour)	27.24	99.6	99.2	99.6	100.0	100.0
Terminal access roads (per vehicle – various charges)[h]	4.00	109.5	105.0	103.0	101.3	100.0
Minimum charges						
Minimum charge for runway use (per movement)	66.00	106.8	105.0	103.0	101.3	100.0
Minimum charge for regional services (0–5 tonnes)	22.00	106.8	105.0	103.0	101.3	100.0
Minimum charge for regional services (5–10 tonnes)	45.38	106.8	105.0	103.0	101.3	100.0
Minimum charge for regional services (over 10 tonnes)	55.00	106.8	105.0	103.0	101.3	100.0

Notes: Real indexed prices are in 2019–20 dollars. Charges include GST.

N/A Not applicable.

* 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. Since 1 February 2020, the domestic security costs have been eligible for reimbursement by the Australian Government under the Australian Airline Financial Relief Package

(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 faciliti

Table 7.3.2 Sydney Airport – revenue, expenses and operating profit for aeronautical and total airport services – line in the sand approach (excluding landfill): 2010–11 to 2019–20

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Revenue ($m)	Aeronautical	621.0	628.7	664.8	683.9	696.2	757.9	821.3	874.5	909.8	713.3
	Total airport	**1,139.5**	**1,161.4**	**1,214.7**	**1,261.4**	**1,288.3**	**1,384.0**	**1,487.8**	**1,586.6**	**1,632.7**	**1,354.0**
	Aero % of total airport	54.5	54.1	54.7	54.2	54.0	54.8	55.2	55.1	55.7	52.7
Operating expenses ($m)	Aeronautical	321.0	311.7	313.3	328.5	345.5	404.2	442.5	480.4	500.0	532.5
	Total airport	**454.1**	**441.4**	**435.7**	**444.3**	**472.9**	**544.2**	**586.6**	**639.0**	**661.3**	**732.7**
Operating profit ($m)	Aeronautical	300.0	317.0	351.5	355.3	350.7	353.7	378.8	394.1	409.8	180.8
	Total airport	**685.4**	**720.0**	**779.1**	**817.1**	**815.4**	**839.8**	**901.2**	**947.6**	**971.3**	**621.3**
Profit margin (%)	Aeronautical	48.3	50.4	52.9	52.0	50.4	46.7	46.1	45.1	45.0	25.3
	Total airport	**60.2**	**62.0**	**64.1**	**64.8**	**63.3**	**60.7**	**60.6**	**59.7**	**59.5**	**45.9**
Revenue per passenger ($)	Aeronautical	16.76	16.90	17.52	17.66	17.30	17.95	18.78	19.34	19.92	22.10
Operating expenses per passenger ($)	Aeronautical	8.66	8.38	8.26	8.48	8.58	9.57	10.12	10.62	10.95	16.50
Operating profit per passenger ($)	Aeronautical	8.10	8.52	9.26	9.17	8.71	8.38	8.66	8.72	8.97	5.60

Note: Real values in 2019–20 dollars.

Table 7.3.3 Sydney Airport – selected investments in aeronautical services and facilities

Description of investment	Value ($m)	Started	Completed
Projects completed			
T1 Departure Point Entry	25-30M	Q1 2018	Q3 2019
T2 Loading Dock Redevelopment	10-15M	Q3 2017	Q4 2019
Taxiway T6 reconstruction	5-10M	Q3 2018	Q4 2019
Projects underway			
Northern Ponds Infrastructure upgrade	50-75M	Q3 2019	*Q2 2021*
Stage 2-3 Runway 16R/34L Central & South	40-50M	*Q3 2020*	*Q4 2021*
T1 Southern Bag Room Civil Works	15-20M	Q3 2019	*Q3 2020*

Table 7.3.4 Sydney Airport – non-current assets for aeronautical services and total airport services in real terms – line-in-the-sand excluding landfill: 2010–11 to 2019–20 ($m)

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Investment property	Aeronautical	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total airport	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Land	Aeronautical	1,262.4	1,220.3	1,179.9	1,303.2	1,266.0	1,233.8	1,198.4	1,161.3	1,128.3	1,099.4
	Total airport	**1,934.8**	**1,869.2**	**1,806.1**	**1,737.5**	**1,687.6**	**1,644.2**	**1,596.7**	**1,546.9**	**1,502.6**	**1,463.8**
Property, plant and equipment	Aeronautical	1,729.0	1,663.6	1,655.8	1,636.0	1,589.2	2,171.9	2,229.6	2,122.5	2,134.1	2,012.6
	Total airport	**2,334.5**	**2,268.9**	**2,299.5**	**2,272.5**	**2,194.6**	**3,164.3**	**3,222.9**	**3,307.0**	**3,249.1**	**3,183.2**
Intangibles	Aeronautical	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total airport	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**8.3**	**8.2**	**8.0**
Other tangible non-current assets	Aeronautical	51.0	43.3	38.7	37.3	30.6	20.4	17.5	17.4	16.8	17.5
	Total airport	**5,675.5**	**6,561.5**	**7,246.2**	**11,186.5**	**11,546.6**	**10,538.8**	**10,802.3**	**10,569.9**	**10,784.1**	**10,689.4**
Total tangible non-current assets	Aeronautical	3,042.5	2,927.2	2,874.4	2,976.4	2,885.9	3,426.1	3,445.5	3,301.2	3,279.3	3,129.6
	Total airport	**9,944.8**	**10,699.6**	**11,351.8**	**15,196.4**	**15,428.8**	**15,347.3**	**15,621.9**	**15,423.8**	**15,535.8**	**15,336.4**
Total non-current assets	Aeronautical	3,042.5	2,927.2	2,874.4	2,976.4	2,885.9	3,426.1	3,445.5	3,301.2	3,279.3	3,129.6
	Total airport	**9,944.8**	**10,699.6**	**11,351.8**	**15,196.4**	**15,428.8**	**15,347.3**	**15,621.9**	**15,432.1**	**15,544.0**	**15,344.4**

Note: Real values in 2019–20 dollars.

Line-in-the-sand – including landfill

The value of landfill assets was not included in the asset base provided by Sydney Airport when asset values were locked in (for monitoring purposes) on 1 July 2005. The ACCC therefore presents two versions of Sydney Airport's line-in-the-sand financial accounts, one with the value of the landfill included and one without. The preceding discussion presented line-in-the-sand accounts without the value of landfill assets, while this section reports those accounts including landfill. The value for this landfill as at 30 June 2020 was $145.5 million.

Table 7.3.5 shows Sydney Airport's aeronautical revenue, expenses and operating profit over the past decade including landfill asset values. While there is no difference between revenue reported for the line-in-the-sand accounts that exclude landfill and those that include it, total expenses were 0.4% larger in 2019-20 for the accounts including landfill.

Table 7.3.5 Sydney Airport – revenue, expenses and operating profit for aeronautical services including landfill in real terms: 2010–11 to 2019–20

	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Revenue ($m)	621.0	628.7	664.8	683.9	696.2	757.9	821.3	874.5	909.8	713.3
Operating expenses ($m)	322.6	313.9	315.5	330.6	347.5	406.3	444.5	482.3	501.9	534.4
Operating profit ($m)	298.5	314.8	349.4	353.2	348.6	351.7	376.8	392.2	407.9	178.9
Profit margin (%)	48.1	50.1	52.6	51.7	50.1	46.4	45.9	44.8	44.8	25.1

Note: Real values in 2019–20 dollars.

Line-in-the-sand assets – including landfill

Table 7.3.6 shows that the total value of aeronautical tangible non-current assets including the value of landfill at Sydney Airport was $3.3 billion during 2019-20, down 4.5% from 2018–19. This amount is 4.6% higher than the line-in-the-sand asset value that does not include landfill assets.

Table 7.3.6 Sydney Airport – non-current assets for aeronautical services under the line-in-the-sand approach including landfill in leasehold land: 2010–11 to 2019–20 ($m)

	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Investment property	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land	1,454.7	1,406.1	1,359.4	1,475.8	1,433.8	1,397.2	1,357.1	1,315.0	1,277.6	1,244.9
Property, plant and equipment	1,729.0	1,663.6	1,655.8	1,636.0	1,589.2	2,171.9	2,229.6	2,122.5	2,134.1	2,012.6
Intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other tangible non-current assets	51.0	43.3	38.7	37.3	30.6	20.4	17.5	17.4	16.8	17.5
Total tangible non-current assets	3,234.7	3,112.9	3,053.9	3,149.1	3,053.6	3,589.5	3,604.2	3,455.0	3,428.6	3,275.1

Note: Real values in 2019–20 dollars.

Line-in-the-sand assets including landfill – rates of return on tangible non-current assets

The rate of return on average aeronautical tangible non-current assets (including landfill) was 5.3% during 2019–20. This is 0.3 percentage points below the return for aeronautical services when landfill assets are not included.

The rate of return on average tangible non-current assets (including landfill) for total airport services was 10.4% in 2019–20. This is 0.5 percentage points below the return for total airport services excluding landfill assets.

A.7.4 Quality of aeronautical and total airport services

Table 7.4.1 Sydney Airport – indicators of quality of passenger-related services and facilities – international terminal: 2019–20, 1-year change and change since 2010–11

Category	Indicator	Data source	Indicator result 2019–20	1-year change	Change since 2010–11
Check-in	Check-in waiting time	Passenger survey	Good	▲	▲
Immigration	Waiting time in outbound Immigration area	Passenger survey	Good	▲	▲
	Waiting time in inbound Immigration area	Passenger survey	Good	▲	▲
	Waiting time in inbound baggage inspection area	Passenger survey	Good	▲	▲
Information	Flight information display screens	Passenger survey	Good	▲	▲
	Signage and wayfinding	Passenger survey	Good	▲	▲
Baggage	Circulation space for inbound baggage reclaim	Passenger survey	Good	▲	▲
	Information display for inbound baggage reclaim	Passenger survey	Good	▲	▲
	Findability of baggage trolleys	Passenger survey	Good	▲	▲
Gate lounges	Seating in lounge area (quality and availability)	Passenger survey	Good	▲	▲
	Crowding in lounge area	Passenger survey	Good	▲	▲*
Amenities	Standard of washrooms	Passenger survey	Good	▲	▲
Security	Quality of security search process	Passenger survey	Good	▲	▲

Notes: The rating categories are: very poor, poor, satisfactory, good and excellent. ▲ indicates an improvement; *Rating changed by a category over the period.

Table 7.4.2 Sydney Airport – indicators of quality of passenger-related services and facilities – domestic precinct (T2/T3): 2019–20, 1-year change

Category	Indicator	Data source	Indicator result 2019–20	1-year change
Check-in	Check-in waiting time	Passenger survey	Good	▼
Baggage	Circulation space for inbound baggage reclaim	Passenger survey	Good	▲
	Information display for inbound baggage reclaim	Passenger survey	Good	▲
	Findability of baggage trolleys	Passenger survey	Good	–
Information	Flight information display screens	Passenger survey	Good	▼
	Signage and wayfinding	Passenger survey	Good	▲
Gate lounges	Seating in lounge area (quality and availability)	Passenger survey	Good	–
	Crowding in lounge area	Passenger survey	Good	▲
Amenities	Standard of washrooms	Passenger survey	Good	▲
Security	Quality of security search process	Passenger survey	Good	▼

Notes: The rating categories are; very poor, poor, satisfactory, good and excellent. ▲ indicates an improvement; ▼ indicates a decline; – indicates no change.

A.7.5 Car parking

Table 7.5.1 Sydney Airport – selected investments in car parking and landside access services

Description of investment	Value ($m)	Started	Completed
Projects completed			
Ground Access Management	1–2m	Q1 2019	Q1 2020
Ground Access Improvement	1–2m	Q2 2020	Q2 2020
Car Park Enhancements	1–2m	Q2 2019	Q1 2020
Projects underway			
Ground Access Management	100–150m	Q3 2019	*Q4 2024*
Ground Access Improvement	5–10m	Q3 2019	*Q4 2024*
Car Park Customer Service Improvements	4–5m	Q1 2020	*Q3 2020*

Table 7.5.2 Sydney Airport – number of car park spaces and average daily throughput: 2010–11 to 2019–20

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018-19	2019-20
Number of car park spaces	Domestic terminal	3,244	3,207	3,599	4,446	4,367	3,889	4,888	4,779	4,767	4,496
	International terminal	2,306	1,882	3,257	6,301	6,008	6,105	6,267	7,897	7,630	7,146
	Long-term (Blu Emu)	4,307	5,694	5,817	6,117	6,117	5,939	5,939	6,222	5,781	2,851
	Staff	2,414	2,333	3,149	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Total airport	**12,271**	**13,116**	**15,822**	**16,864**	**16,492**	**15,933**	**17,094**	**18,898**	**18,178**	**14,493**
Annual throughput of car park facilities (thousand)	Domestic terminal	1,561	1,513	1,548	1,926	1,960	1,982	1,396	1,238	1,214	902
	International terminal	1,888	1,983	2,179	2,388	2,414	2,482	2,721	2,857	2,698	1,866
	Long-term (Blu Emu)	232	228	246	240	246	245	210	195	172	108
	Total airport	**3,680**	**3,724**	**3,972**	**4,555**	**4,621**	**4,708**	**4,327**	**4,290**	**4,084**	**2,875**
Average daily throughput of car park facilities	Domestic terminal	4,278	4,133	4,240	5,277	5,370	5,415	3,824	3,391	3,327	2,470
	International terminal	5,171	5,418	5,969	6,543	6,615	6,781	7,455	7,827	7,392	5,111
	Long-term (Blu Emu)	634	624	673	659	675	668	576	535	471	382
	Total airport	**10,083**	**10,176**	**10,882**	**12,479**	**12,660**	**12,864**	**11,856**	**11,754**	**11,190**	**7,964**

Note: N/A = not applicable.

Table 7.5.3 Sydney Airport – revenue, expenses and operating profit for car parking and total airport services: 2010–11 to 2019–20

		2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019-20
Revenue ($'000)	Car parking	115.9	116.1	126.1	132.2	138.4	142.8	141.5	140.5	135.4	101.3
	Total airport	**1,140.6**	**1,161.4**	**1,214.7**	**1,261.4**	**1,288.3**	**1,384.0**	**1,487.9**	**1,586.6**	**1,632.7**	**1,354.0**
	Car parking % of total	10.2	10.0	10.4	10.5	10.7	10.3	9.5	8.9	8.3	7.5
Operating expenses ($'000)	Car parking	34.1	35.9	39.4	35.2	39.2	38.4	39.7	42.2	43.2	40.8
	Total airport	**454.1**	**441.4**	**435.7**	**444.3**	**472.9**	**544.2**	**586.6**	**639.0**	**661.3**	**732.7**
Operating profit ($m)	Car parking	81.8	80.3	86.7	97.0	99.1	104.4	101.8	98.2	92.2	60.5
	Total airport	**685.4**	**720.0**	**779.1**	**817.1**	**815.4**	**839.8**	**901.2**	**947.6**	**971.3**	**621.3**
Profit margin (%)	Car parking	70.6	69.1	68.8	73.3	71.6	73.1	71.9	69.9	68.1	59.7
	Total airport	**60.1**	**62.0**	**64.1**	**64.8**	**63.3**	**60.7**	**60.6**	**59.7**	**59.5**	**45.9**
Revenue per space ($)		9,447	8,855	7,972	7,839	8,389	8,965	8,279	7,433	7,449	6,991
Operating expenses per space ($)		2,782	2,735	2,491	2,089	2,379	2,410	2,323	2,234	2,378	2,818
Operating profit per space ($)		6,665	6,119	5,481	5,750	6,010	6,555	5,956	5,198	5,071	4,174
Revenue per vehicle ($)		31.5	31.2	31.8	29.0	29.9	30.3	32.7	32.7	33.2	35.2
Operating expenses per vehicle ($)		9.3	9.6	9.9	7.7	8.5	8.2	9.2	9.8	10.6	14.2
Operating profit per vehicle ($)		22.2	21.5	21.8	21.3	21.4	22.2	23.5	22.9	22.6	21.0

Notes: Real values in 2019–20 dollars. Staff car parking spaces have been excluded from the analysis since 2013–14 and may affect comparability over the decade.

A.7.6 Landside access

Table 7.6.1 Sydney Airport – landside access charges, access volumes and revenue: 2015–16 to 2019–20

Transport option	Measure	2015–16	2016–17	2017–18	2018–19	2019–20
Taxi	Price (per pick-up)	4.38	4.46	4.64	4.66	4.75
	Volume (000s)	3,244.3	3,091.4	2,975.1	2,728.0	1,755.2
	Revenue ($000s)	**12,914.8**	**12,450.1**	**12,415.3**	**11,559.4**	**7,578.2**
Ride share / priority pick-up	Price (per pick-up)	N/A	4.20	4.12	4.26	4.35
	Volume (000s)	N/A	535.6	918.6	1456.7	1251.2
	Revenue ($000s)	**N/A**	**2,360.2**	**3,894.7**	**6,306.2**	**5,527.0**
Private car	Price (minimum fee)[a]	5.50	5.56	8.45	8.51	11.35
	Volume (000s)	518.8	517.4	531.6	517.9	364.2
	Revenue ($000s)	**3,055.6**	**3,859.5**	**4,354.1**	**5,031.3**	**3,545.9**
Private bus and off-airport parking	Price (minimum fee)[b]	N/A	N/A	N/A	N/A	N/A
	Volume (000s)[c]	315.6	285.9	260.6	269.6	188.3
	Revenue ($000s)[c]	**2,790.4**	**2,614.3**	**2,424.8**	**2,468.6**	**1,798.8**

Notes: Real prices in 2019–20 dollars. N/A = not applicable. (a) Sydney Airport charges private cars based on length of stay and terminal. (b) Private bus, off-airport parking and public bus operators are charged multiple different access fees. (c) Sydney Airport does not report disaggregated revenue from private bus and off-airport parking operators.

Table 7.6.2 Sydney Airport – passenger ratings of the quality of landside access services and facilities: 2019–20, 1-year change and change since 2015–16

Terminal	Indicator	Rating category 2019–20	1-year change	Change since 2015–16
International	Kerbside pick-up and drop-off facilities	Good	▲	▲
	Taxi facilities waiting time	Good	▲	▲
	Kerbside space congestion	Satisfactory	▲	▲
Domestic terminal (T2)	Kerbside pick-up and drop-off facilities	Good	▲	▲
	Taxi facilities waiting time	Good	▲	▲
	Kerbside space congestion	Satisfactory	▲	▲
Domestic terminal (T3)	Kerbside pick-up and drop-off facilities	Good	▲	▲
	Taxi facilities waiting time	Good	▲	▲
	Kerbside space congestion	Satisfactory	▲	▲

Notes: The rating categories are: very poor, poor, satisfactory, good and excellent. ▲ indicates an improvement; ▼ indicates a decline.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