

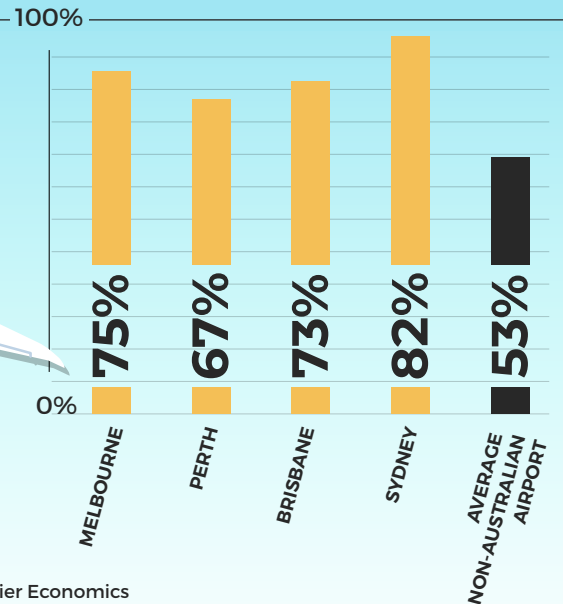
# AUSTRALIA'S AIRPORTS FLYING HIGH

## Monopoly Airports Making Excessive Profits

### COMPARISON OF EBITDA\* MARGINS, 2008-2015



The **4** monitored Australian airports (Sydney, Melbourne, Perth and Brisbane) are in the **top 6** in the world for highest profit margins.

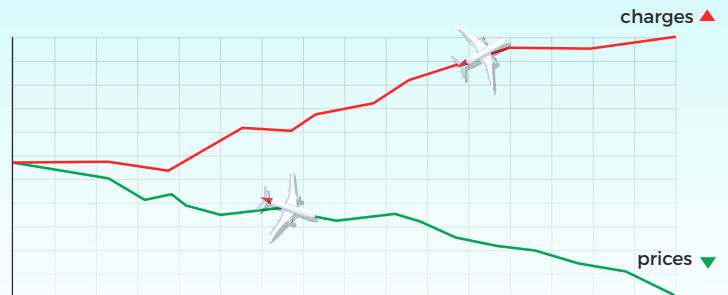


Source: Frontier Economics



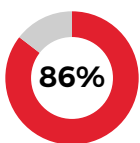
Australia's other city and regional airports are also monopolies - but with **no regulation and no transparency**

**Airport profits** and airport charges continue to rise - conversely, **airfares** continue to decrease in price.

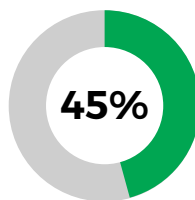


## Monopoly Airports Exercising Market Power

### LACK OF CONSULTATION:



Overwhelming majority (**86%**) of regional airports only give airlines **three to six months' notice** of changes to airport charges, often after tickets have already been sold



### NOT WORKING IN PARTNERSHIP:

Fewer than half of regional airports (~ **45%**) consult with airlines prior to **major capital works** entailing increased airport charges

This can lead to **excessive** and **unnecessary** investment at an airport, instead of building infrastructure that is fit-for-purpose.



\*Earnings before interest, tax, depreciation and amortisation (EBITDA) margins provide an indication of the cash-earning potential of a business.