

Fact Check: Airport myths mustn't get in the way of reform delivering \$18 billion

Airlines for Australia and New Zealand (A4ANZ) has today released a "Fact Check" which aims to sort fact from myths contained in recent submissions to the Productivity Commission (PC)'s Inquiry into the Economic Regulation of Airports.

A4ANZ's Fact Check corrects a number of the claims made, citing evidence showing that:

- airport charges represent the single largest cost (>30%) to Australian airlines on some domestic routes;
- revenue per passenger has risen 25% in a decade, earning the airports "super profits";
- Australian airports are in the top 10 most expensive in the world, charging rental car operators more than London Heathrow, LAX, and Paris-CDG;
- despite the high charges, ACCC data show no increase in quality at any monitored airport since 2015.

In addressing the need for the Fact Check, A4ANZ Chairman, Professor Graeme Samuel AC said "A4ANZ was moved to produce this Fact Check because of the large number of unsubstantiated, and in some cases, outright false statements made to the PC. A4ANZ has and will continue to propose options which are supported by evidence."

A4ANZ CEO, Dr Alison Roberts said that "While we might live in the age of so-called 'alternative facts', airing these can halt progress on important policy issues like airport regulation. We're open to debating issues, and the merits of change versus the status quo, but let's do so on the basis of facts, not defensive rhetoric."

"By contrast, A4ANZ committed to using evidence to inform our proposal for change. Our [submission](#) presents information that is consistent with global trends, regulatory and economic best practice, and accords with statements made by the ACCC, car rental companies, taxi and off-site parking operators, consumer representatives, lawyers and independent economists."

Professor Samuel said that "Australia's regulatory system is lagging behind the rest of the world, and while this delivers record profits to Australian airports, it results in airport users getting a dud deal. Just look at the submission from rental car operators who are charged 3-5 times more to operate at airports than at other locations. It ultimately hits the traveller's hip pocket."

"Airport operators like to focus attention on investment in upgrades, but it is the airport users paying for these. And travellers simply need to look at the quality of profit-generating areas of many airports, for example retail stores, compared to consumer amenities like toilets – the contrast in quality is stark indeed." Professor Samuel said

Dr Roberts added "For the airports to defend the status quo is understandable. As unregulated monopolies they can do as they please. But it means Australia is missing out on \$18 billion in economic benefits, most of which flows to consumers because of the highly competitive environment in which airlines operate. If the airports are behaving reasonably despite their monopoly position, they have nothing to fear from this reform, so you have to ask the question, are they actually attempting to defend the right to be unreasonable?"

A4ANZ will meet with the Productivity Commission, Government, and other relevant stakeholders, to discuss a way forward. This is part of a strong commitment to building, maintaining and improving positive, constructive commercial relationships with airports; with a view to seeing airports, airlines and the whole aviation sector prosper.

About A4ANZ

Airlines for Australia and New Zealand (A4ANZ) is an industry group that has been established as a voice to represent airlines based in Australia and New Zealand. Member-funded and representing international, domestic, regional, full service and low cost carriers, A4ANZ advocate on key public policy issues that impact airline operations such as efficient access to infrastructure, in the interests of our passengers, staff and shareholders.

Media Enquiries: 0418 210 005

Please direct any airline-specific media enquiries to the relevant airline media teams.

