



Media Release

Success of Australia’s airport regulatory framework is a global role model

Airport liberalization has helped increase choice, foster lower airfares, and passenger growth

Sydney, 1 June 2018 – Airports Council International (ACI) World and the Australian Airports Association (AAA) this week said that Australia has led the world in promoting a regulatory framework that facilitates more choice and better service for passengers and that the calls for tighter regulation on airport revenues are unfounded.

ACI World Director General, Angela Gittens, [speaking at a gathering of aviation stakeholders in Sydney](#), said that claims by some that airport privatization has, over time, increased costs for users are not supported by evidence. Over the last 20 years, Australian airports have delivered better terminals, better services, and more choice than ever before for passengers. In delivering these benefits to passengers, Australia’s airports have invested \$11.5 billion on airport improvements over the last decade – without taxpayer funding – and airfares have decreased.

The 2017 ICAO/Industry Aviation Benefits Report made several recommendations to governments to maximize the benefits of aviation and Australia has been a global role model in keeping charges at a level that encourages passenger and traffic growth. This is facilitated by the liberalization of airport ownership combined with light-touch economic regulation.

ACI World and AAA continue to highlight that any regulatory framework must facilitate and incentivise airport investment that drives connectivity, passenger service quality, and, ultimately, wider economic growth and job creation.

“In an increasingly commercial and competitive business environment, airports must be able to collect sufficient revenues to finance their investments in airport infrastructure and operations,” said Angela Gittens. “This is crucial as it allows airports to maintain service levels to passengers and airlines.

“For Australia, we forecast a 20-year cumulative average growth rate of 3.7% with annual passenger traffic reaching 321 million by 2040. To keep pace with this demand, Australian airports must be able to invest, improve and grow. Aeronautical and non-aeronautical revenues are the major sources of funds for airports to invest in infrastructure and service improvements.

“To this end, privatization has been a way to finance much needed infrastructure investments, and Australian airports continue to be able to finance their operations and development. Thanks to their revenues – major projects such as the Brisbane Airport runway, now under construction, and planned new runways at Melbourne and Perth airports, are good examples of airport investment increasing capacity.”

“Australia’s airports are investing in runways, terminals and technology to make it easier, cheaper and more enjoyable for passengers to fly,” said Caroline Wilkie, Chief Executive Officer at Australian Airports Association. “Our regulatory approach here in Australia fosters collaboration with airline and government partners to direct investment where it is needed most and put passengers at the centre of the decision-making process. This has unquestionably delivered significant benefits for Australian travelers and our growing visitor economy.

“It comes as no surprise that successive Australian governments and Productivity Commission reviews have endorsed the current regulatory approach. It has been shown to encourage strong competition between airlines and has overseen a period where international airfares have fallen in real terms.

“Airports have also invested to manage significant growth, without putting a burden on the taxpayer in the same way as other forms of infrastructure. These are significant benefits that are supporting the growth of our economy and tourism industry.”

Notes for editors

1. [Download the ACI World Director General’s full speech](#) and learn more about the Australian Airport industry by downloading the [AAA factsheets](#).
2. Get more insight about the global airport trends by ordering the [2018 Airport Economics Report](#) and 2018 [Airport Key Performance Indicators](#).
3. [Airports Council International \(ACI\)](#), the trade association of the world’s airports, was founded in 1991 with the objective of fostering cooperation among its member airports and other partners in world aviation, including the International Civil Aviation Organization, the International Air Transport Association and the Civil Air Navigation Services Organisation. In representing the best interests of airports during key phases of policy development, ACI makes a significant contribution toward ensuring the global air transport system is safe, secure, efficient and environmentally sustainable. As of January 2018, provisional figures show that ACI serves 641 members operating 1,953 airports in 176 countries.

Media contacts:

Hicham Ayoun
Manager, Communications
ACI World
Telephone: +1 514 373 1223
Email: mediarelations@aci.aero

Anita Berthier
Manager, External Relations and Special Events
ACI World
Telephone: +1 514 373 1254
Email: mediarelations@aci.aero

Joeley Pettit
Corporate Affairs Director
Australian Airports Association
Telephone: +61 407 061 421
Email: jpettit@airports.asn.au

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