AUSTRALIAN AIRPORTS ASSOCIATION

STATEMENT

22 February 2019

Response to Qantas CEO Alan Joyce's comments on airport charges – 21 February 2019

Mr Joyce's comments come from a business that has earned 10 times what its next biggest competitor has made in the domestic market[1]. Qantas enjoys 62 per cent domestic market share and 80 per cent profit share[2]. Mr Joyce's priority is entrenching Qantas' market dominance and fighting competition to that dominance.

There is no link between how aeronautical charges are agreed between airports and airlines and the price of car parking at airports. The Productivity Commission's draft report clearly shows that the sort of changes Mr Joyce is calling for may put future investment in better facilities and expansions at Australian airports at risk. Airport expansion benefits passengers and it encourages new airline services and new airlines. This is the sort of competition that dominant incumbents generally don't welcome.

It is great to see that Australian airlines are doing so well – the long-term health of our industry needs successful local airlines. But this week's call for reform is about profit for airlines, not fairness for passengers.

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[1] The Australian, 21 February 2019, https://www.theaustralian.com.au/business/aviation/qantas-profit-drops-as-fuel-prices-prove-a-significant-headwind/news-story/a83732b3ef81f711460f5b42b8a0fbf1

[2] Qantas Group HY19 Results Investor Presentation

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