

MEDIA RELEASE

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AAA calls for action on competition at airports

The Australian Airports Association (AAA) has today appeared at the House of Representatives, Standing Committee, Economics and urged the Australian Government to take steps to address competition issues plaguing the domestic airline industry.

"Australia's domestic aviation market is alarmingly concentrated, with Qantas Group alone holding a market share of approximately 60-65 per cent, to increase competition in the market Australia should be supporting existing airlines to expand their services," AAA Chief Executive, James Goodwin said.

"This concentration has led to significant competition issues, including rising airfares, lower reliability, and customer service concerns.

"The ACCC's June 2023 report into Airline Competition in Australia confirms that airfares have soared above pre-pandemic levels, leaving travellers paying more for less.

"The AAA is continuing its calls on the Federal Government for the ACCC to restart its quarterly Airline Monitoring Report, after the monitoring ended in June. This will go some way to holding airlines to the same level of scrutiny as airports.

"The AAA believes a new regulatory framework that promotes competition in the aviation sector and holds airlines to a similar regulatory standard as airports, particularly on the exercise of market power.

"The four previous Productivity Commissions reviews into airport regulation found that airports have not abused market power and that the current competition framework remains suitable.

"The average airports aeronautical revenue per passenger was \$21.65 across the four major airports. This shows how small a proportion aeronautical fees are in making up the cost of an airfare ticket.

"These charges are comparable to Europe and are reflective of the high levels of investment and service delivery at Australian airports."

The AAA is the national voice for airports, representing the interests of more than 340 airports and aerodromes across Australia. It also represents over 150 corporate members supplying products and services to airports and the wide aviation industry.

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