

# MEDIA RELEASE



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## **Sydney Aviation Alliance’s proposed acquisition of Sydney Airport not opposed**

The ACCC will not oppose Sydney Aviation Alliance’s proposed acquisition of Sydney Airport (ASX: SYD).

Sydney Airport Alliance is a consortium of investment funds which each have investments in a range of infrastructure assets, including shareholdings in other Australian airports.

“Throughout our investigation, we heard that there is very little, if any, competition between Australian airports,” ACCC Chair Rod Sims said.

“This is no surprise, as we’ve been saying for a long time that Australian airports such as Sydney Airport are natural monopolies, with significant market power and no price regulation.”

“The proposed acquisition is therefore unlikely to substantially lessen competition in a market that already has such little competition.”

The ACCC accepts that there is some minimal potential for competition between airports in relation to some aeronautical services, for example when an international airline seeks to enter the Australian market or when airports are located close to one another.

However, taking into account the minimal level of this potential competition, any lessening of competition from the proposed acquisition would not be substantial.

During its review process, the ACCC consulted with interested stakeholders including airlines, retailer groups, service providers and industry bodies. Some stakeholders raised concerns that the proposed acquisition may add to the flow of information between airports with common ownership, which could give airports more bargaining power against airlines and other users of airports.

“We understand the stakeholder concerns, however, fundamentally the lack of competition between airports means that any such sharing of information between airports would not amount to a substantial lessening of competition, which is what the law requires before we can oppose a merger,” Mr Sims said.

Market participants also told the ACCC that the current monitoring regime is not effective in constraining Sydney Airport from charging excessive prices.

“The ACCC maintains the view that the threat of regulation under the current limited monitoring regime does not constrain the pricing behaviour of our airports,” Mr Sims said.

“The absence of constraint ultimately leads to consumers paying higher airport passenger charges than they otherwise would.”

“We will continue to advocate for a regulatory regime that is effective, particularly as the aviation industry and the Australian economy recover from the COVID-19 pandemic,” Mr Sims said.

Further information is available at: [Sydney Aviation Alliance – Sydney Airport](#)

**Notes to editors:**

The Airports Act 1996 (Cth) limit cross ownership of Sydney/Melbourne, Sydney/Brisbane and Sydney/Perth airports to 15 per cent. There are also limits on foreign ownership (49 per cent), and ownership by airports (5 per cent). The Department of Infrastructure, Transport, Regional Development and Communications is responsible for administering these parts of the Airports Act.

**Background:**The Sydney Aviation Alliance

The Sydney Aviation Alliance is comprised of the following parties:

- IFM Australian Infrastructure Fund
- Conyers Trust Company (Cayman) Limited as trustee for IFM Global Infrastructure Fund (IFM GIF)
- AustralianSuper Pty Ltd
- QSuper Board as trustee for QSuper
- Global Infrastructure Management, LLC

UniSuper Limited as trustee for the UniSuper Fund is not part of the Sydney Aviation Alliance consortium. However, it is anticipated that UniSuper, as a current shareholder in Sydney Airport, will maintain its equivalent shareholding in the new entity post acquisition.

Sydney Airport

Sydney Airport operates three passenger and seven cargo terminals in Sydney, and supplies a range of aeronautical services and facilities to airlines, retailers and other users.

Sydney Airport is listed on the ASX and holds 100 per cent of Sydney (Kingsford Smith) Airport through its operating subsidiaries.

ACCC reports on the prices, financial performance and quality of service at Australian airports can be found here: [Airport monitoring reports](#)

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