



Research Directions

Office of Research Services

Should Airports be Privatised?

Ms Dorothea Zakrzewski from the School of Accounting is exploring the impact of privatisation on airport stakeholders through a Business Performance Management Area Doctoral Grant from the US-based IMA Foundation for Applied Research.



'There is an underlying assumption in economics, finance and accounting theory that privatisation, that is the transfer of ownership and management of enterprises into private hands, improves profitability and efficiency. Airport privatization has led to the emergence of new industry players enabling these airport operators, reportedly, to raise additional capital, improve efficiency, reduce costs, generate new revenue streams and engage in new commercial airport investments in the market economy. However, in a complex and dynamic business such as an airport, with a diversity of stakeholder interests and subject to much public concern, little work has been done to test the validity of these assumptions', says Ms Zakrzewski. 'This project will look at Sydney Airport to determine whether privatisation of this vital service has reaped the expected benefits for key stakeholders.'

Furthermore, airport performance is frequently assessed by focusing on financial performance; little attention is given to combining an analysis of financial measures together with non financial measures, especially when airports are complex entities exhibiting monopolistic attributes and having extensive social responsibilities. The aim is to develop an airport performance assessment tool, taking into account stakeholder needs.

Working closely with key stakeholder groups at Sydney Airport, the investigator will undertake interviews to assess the impact of privatisation on stakeholder operations, financial performance and service provision. In an environment where a company's core business may no longer be solely to do with passenger movements, the research will also explore the various problems, conflicts and issues that may have arisen as a result of privatisation.

This project will add valuable knowledge to existing theories about the perceived benefits of airport privatisation. Improved knowledge in this field and the development of the airport performance stakeholder model may contribute to improvements in the performance management of privatised airports.

Project Title: Perceptions of privatisation and its impact on performance – A study of Sydney Airport stakeholders

Funding has been set at: \$10,371
December 2007

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