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7 January 2008

Mr David Salisbury
Director - Transport Monitoring and Analysis
Australian Competition and Consumer Commission
GPO Box 520
Melbourne VIC 3001

Dear Mr  Salisbury

The Board of Airline Representatives of Australia (BARA) has reviewed the ACCC discussion paper titled *Airport Quality of Service Monitoring, November 2007* (the discussion paper) and would like to provide the following comments and queries.

1. ACCC monitoring should address all aspects

Section 1.3 of the discussion paper sets out in Table 1 *Aspects for the purposes of monitoring and evaluation quality of service*. It should be noted that the *Aspects* listed include freight facilities. The inclusion of this *Aspect* is appropriate as all the monitored airports purport to deliver a combination of passenger and freight services.

However, in Table 2 of the discussion paper, where *Current quality of service aspects and associated criteria* are listed there is no reference to freight facility *Aspects* and *Criteria*. BARA believes that the absence of any monitoring of freight specific quality of service aspects and criteria is a failure of the existing quality of service monitoring system.

BARA's membership includes a number of freight only airlines. Most of BARA's members engaged in RPT services also engage in freight operations, either using dedicated freight aircraft or carrying freight in the holds of passenger aircraft or a combination of both. Airlines are often critical of the quality and capacity of facilities offered, or the absence of facilities deemed necessary for the safe and efficient delivery of freight services.

The movement of livestock, mainly thoroughbred horses, presents particular problems for freight operators. Sydney and Melbourne airports are the locations where most livestock movements occur. The value of livestock shipments can be hundreds of millions of dollars.

In the case of livestock the available airport infrastructure needs to cater for quarantine requirements as well as the safe and efficient movement of the cargo. The quarantine requirements extend to the horse handlers/grooms as well as the horses themselves. At the present time the on-

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site facilities available at Sydney and Melbourne airports do not cater for all the services necessary for livestock movements. The lack of all the necessary infrastructure adds considerably to the cost of livestock movements as quarantine and cleaning services must be sought off airport. Freight operators have reported that access to the airport for livestock road transport vehicles has also been a problem at times in the past. This is an important matter at Sydney Airport where access delays may result in freighters being penalised under the Sydney Airport slot management arrangements.

BARA believes there is a number of quality of service indicators that the ACCC should consider specifically in relation to freight operations. These include:

- (i) parking availability for freight aircraft
- (ii) availability of freight sheds – capacity and suitability for purpose
- (iii) airport accessibility for road transport heavy vehicles
- (iv) corral facilities for livestock – capacity and suitability for purpose
- (v) facilities for meeting quarantine requirements – disposal of waste, washing/cleaning
- (vi) air stall storage facilities – capacity and accessibility.

2. Approach to quality of service monitoring

2.1 Objectives of quality of service monitoring

BARA endorses the objectives of quality of service monitoring set out in the discussion paper. However, BARA believes the ACCC should state that the objectives relate to both RPT and freight operations.

2.2 Responsibility for quality of service standards – the issue of control

BARA agrees it is necessary for the quality of service monitoring program to continue to include services over which an Airport Operator may not have direct control or may have only partial control. In this regard it is noted that the delivery of some services and facilities at airports is often a function of allocation of available terminal or airfield space. The ACCC, therefore, should have the capacity to assess whether the actions of the airport operator have the effect of limiting or reducing airport services as a result of control of terminal or airfield space. Again, this aspect has particular application to the delivery of freight services.

2.3 Quantitative and subjective measures

BARA endorses the comments in the discussion paper regarding quantitative and subjective measures. However, it is noted again that all the references to subjective measures relate to passenger services only. Other airport customers with a stakeholding in freight services also should be afforded the opportunity to participate customer perception surveys appropriate to their area of operations. Such customers could include freight forwarders and road transport operators engaged in movement of air freight to and from airports.

2.4 Authoritative international benchmarking exercises

BARA accepts that consistency of approach and data collection is beneficial for the purpose of benchmarking airports' quality of service performance. Further, the conduct of two different customer surveys to obtain data for virtually the same objective is inefficient and costly for airport operators. Therefore, BARA does not object to the ACCC continuing its practice of accepting, in

lieu of passenger surveys conducted by Airport Operators, surveys of passengers conducted on an authoritative and independent basis that may be used in international benchmarking exercises.

2.5 Australian Customs Service and Airline perception survey information

2.5.1 Australian Customs Service

BARA supports the ACCC continuing to include in its monitoring program information from a quality of service monitoring survey of airport services and facilities completed by the Australian Customs Service. BARA endorses the ACCC's conclusion that the views of the ACS are important as a source of information in assessing an Airport Operator's quality of service. There is no evidence to suggest that concerns by airport operators that the survey could be biased according to the "whim" of an ACS employee are justifiable. Such claims merely denigrate the professionalism of the ACS. In any event, the ACCC's practice of providing Airport Operators with extracts of the draft monitoring report for accuracy checking and comment provides sufficient checks and balances to ensure the veracity of the final report. BARA also accepts that the ACS survey responses generally can act as a proxy for other government agencies that operate within monitored airports.

BARA notes, however, that the reference in this section of the discussion paper to the work of the Passenger Facilitation Taskforce is largely irrelevant. While it is true that the Taskforce is reviewing those QSM matters concerning inwards and outwards international passenger clearance processes, such deliberations do not necessarily translate into better service delivery by Airport Operators. The Taskforce can consider policies and procedures, but the delivery of infrastructure and services is principally the responsibility of the airport operator. An independent and separate monitoring process remains essential.

2.5.2 Airlines

In raising various concerns about the contribution of airline perception surveys to the QSM regime Airport Operators seem to be raising concerns about survey responses from everyone. Airport Operators should recognize that airlines are their principal customers and, hence, their views on service quality is paramount to assessing whether an airport is operating efficiently and effectively in terms of the fundamental requirement of the movement of passengers and freight.

BARA strongly urges the ACCC to continue to seek perception survey responses from airlines. Far from restricting the current range of responses to a more limited range of *aspects* of airport services and facilities, the current range needs to be expanded to address the quality of service delivered by the Airport Operator to airlines conducting freight operations. Those *aspects* that should be considered by the ACCC are set out in section 1 above.

3. Approach to determining criteria

3.1 Additional guidance to airlines

BARA endorses the ACCC's proposed additional guidance to be provided to airlines when completing user perception surveys. It is appropriate that the quality of service at an airport should be assessed relative to demand for the service and the standard of the facility supplied. BARA

acknowledges that airlines should only provide a perception rating and comment on those services and facilities the Airport Operator provides and which the airline uses.

3.2 Quality of service criteria

BARA endorses the ACCC's approach to the principles for determining quality of service criteria. However, as noted in section 1 above, the coverage of quality of service criteria as set out in Table 2 does not fully accord with the principles. While the principles note the need to address the quality of service associated with "the movement of passengers **or freight** by air" (emphasis added), the ACCC's coverage of quality of service criteria ignores specific criteria related to the movement of freight.

4. Review of quality of service criteria

4.1 Aerobridges, check-in and security clearance

BARA endorses the ACCC's current approach to the measurement of the aerobridge *aspect* as it applies to international airline operations. BARA is unable to offer any comment on the measurement of this aspect as it applies to domestic airline operations.

BARA also endorses the ACCC's current approach to the measurement of check-in *aspect*. BARA sees no compelling reason to alter the percentage thresholds, although BARA would not object to a change to a measure of percentage of hours with more than 90% of check-in desks in use. Similarly, BARA would not object to a change to measuring check-in availability for periods of peak activity only. It should be noted, however, that peak times vary from airport to airport.

The matter of new options for check-in and possible implications for monitoring the check-in function needs to be approached cautiously. BARA is presently engaged in discussions with Airport Operators about likely future technology for check-in services. Some Airport Operators seem anxious to invest in CUSS kiosks. However, BARA's members have advised that the CUSS option has limited, if any, application for the Australian situation with virtually all BARA members not CUSS compliant. Further, airlines report the uptake of internet check-in for international operations has been particularly strong. It seems that the internet option will make the CUSS option obsolete. For both options, however, the need for adequate bag drop facilities is critical. Therefore, the ACCC monitoring of the check-in function should give consideration to the availability of bag drop facilities.

BARA does not accept that there should be any change to the ACCC's current approach to the measurement of the security search process. In the case of international operations it is the sole responsibility of the Airport Operator to deliver the security search service. The Airport Operators' responsibilities are set out in government regulations. This is a function over which Airport Operators have total direct control.

4.2 Government inspection

As stated above, BARA maintains that the ACS perception survey should continue as an integral element of the QSM arrangements.

4.3 Gate lounges, baggage services and flight information displays and designs

BARA has no objection to the ACCC removing the passenger perception survey *criteria* concerning gate lounge crowding, given passengers are already asked to respond to a question concerning the *standard* and *availability* of seating. BARA's position in relation to this matter is subject to there being continued measurement of gate lounge crowding in those instances where Airport Operators opt to provide the ACCC with passenger surveys used in international benchmarking exercises.

BARA would not object to a change to measuring average throughput of outbound baggage system, bags during peak hour if the data is available from Airport Operators. However, BARA believes that the current quantitative criteria – measuring average throughput of outbound baggage system, bags per hour – should be retained. The comparison of the two measures provides an indication of available additional capacity in the baggage system during normal operating conditions.

BARA also believes that an additional measure of baggage services should be adopted as part of the QSM arrangements. A measure of the number of bags that missed flights would be a useful indicator of baggage system service quality. This measure gives a better view of the baggage system reliability, as opposed to the baggage system capacity.

BARA sees no compelling reason to change the measures for flight information displays and signs. However, the ACCC proposal to vary the peak hour measure adopted is acceptable to BARA. The quantitative measures of FID, information point and baggage trolley facilities supplement the aspect FID and signs in the current passenger survey. Removing the quantitative measure of FIDs per passenger would remove an important capacity measure. The variability of the size of FIDs is largely irrelevant in this consideration.

4.4 Baggage trolleys and washrooms

BARA maintains:

- (a) the current arrangements adopted by the ACCC for measuring baggage trolley service standards should be retained, and
- (b) the passenger perception survey response concerning washrooms should be extended to include the two separate *criteria* of cleanliness and availability of facilities.

4.5 Airside services and facilities

BARA sees no reason for changing the current measures for airside services and facilities.

4.6 Management responsiveness

BARA endorses the ACCC's position regarding seeking input from airlines and ACS on the issue of airport management responsiveness. As management responsiveness to ACS concerns about border control services can have a significant effect on the quality of passenger facilitation services the ACCC should continue to seek survey responses from the ACS. BARA does not support condensing the airline survey response *criteria* into a single question. The current approach provides a more effective early warning system for evidence of a decline in management attention to quality of service problems.

5. Implementation and reporting

5.1 Information requirements

BARA does not object to the ACCC's intention not to impose any regulatory requirements relating to information regarding service quality on monitored airports that is additional to that which applied in the previous monitoring regime.

5.2 Provisions for requiring further information

BARA endorses the ACCC's procedures for accessing from interested parties and Airport Operators further information in relation to the QSM program.

5.3 Analysis and interpretation of the data

BARA does not object to the ACCC's proposal for changes to the basis for its analysis and interpretation of quality of service information.

5.4 Publication by ACCC

BARA strongly supports the view that publication of all available information is in the best interests of stakeholders and the general public.

Please contact BARA if you have any questions in relation to the above comments.

Yours sincerely



Warren Bennett
Executive Director