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Mr David Salisbury  
Director – Transport Monitoring and Analysis  
Australian Competition and Consumer Commission  
GPO Box 520J  
MELBOURNE VIC 3000

AIRPORT MANAGEMENT  
LEVEL 2, T2  
MELBOURNE AIRPORT

LOCKED BAG 16  
GLADSTONE PARK  
VICTORIA 3043 AUSTRALIA

TEL: (61 3) 9297 1600  
FAX: (61 3) 9297 1886

[www.melbourneairport.com.au](http://www.melbourneairport.com.au)

Dear David

### **ACCC Airport Quality of Service Monitoring Discussion Paper**

In response to the Discussion Paper of November 2007, Melbourne Airport (MA) forwards its response as attached.

#### ***2.1 Responsibility for quality of service standards - the issue of 'control'***

MA does not agree with the ACCC's position on "control" and its interpretation of control for use in regards to the monitoring of quality of services.

While Section 152 of the Airports Act indicates coverage of quality of service is not restricted to the operator, it gives no guidance on how to monitor the services where control is not significantly influenced by the airport operator or where there may be some sharing of control or partial control.

MA does not agree that being the operator of the airport in all circumstances provides it with the ability to influence the quality of services provided at the airport. Queuing at Customs, Immigration desks, Check in desks and Baggage reclaim are prime examples. Despite MA's commitment to full and effective consultation with our airline customers and agencies on operational performance, the fact remains that the quality of the service provided is linked to the issue of staffing and processing capabilities all of which is not under MA control. Once it is established that the number of desks provided for the peaks is adequate (which at MA is the case), the service level is the responsibility of the desk operator. These are governed by such things as availability of staff, management of staff absence and their staffing budgetary constraints. In recent months MA has experienced examples in baggage reclaim where airline staffing issues have caused delays.

While the 2006\_7 reporting by the ACCC attempts to address the airport's concern about control by reporting in a single graph all aspects of the service being assessed; and while MA accepts that the ACCC does provide the airports with a draft for comment and checking where the airport has the opportunity to comment on major issues such as control, the fact that items are reported on where the airport feels it has no influence we believe to be misleading to the users. It also does not reflect the ACCC's objectives such as to "discourage Airport Operators from providing unsatisfactory standards for services which are associated with significant market power".

#### **2.4 Authoritative international benchmarking exercises**

MA agrees that data collected from the Airports Council International (ACI) should be an acceptable alternative for data collection for the ACCC. Currently this data is based on our International Terminal only. The existing Domestic Terminal (T3 only) surveys would need to continue.

The ACI survey is conducted for departing passengers only, which means all questions asked regarding the arrivals process require the participant to recall their previous arrivals experience which may be up to six months prior to the survey (or not answered at all) and is not timely. Also the questions for arriving passengers are very limited.

The advantage of using ACI for International quality questions is its consistency across all airports, however not all airports complete the survey.

MA does not see a material cost advantage for it if the ACI survey was used in place of the existing survey information.

#### **2.5 Australian Customs Service and Airline perception survey information**

The comments about control previously raised are relevant for this discussion point.

Historically comments provided by the ACS have in some instances been in consistent with other quality indicators and this has caused tension between MA and the agency. MA believes that the methodology in both ACS and Airline perception survey information is flawed in comparison to passenger survey information collected by the airports. Passenger survey information is based on statistically significant samples of passengers throughout the year. It is our understanding that ACS and Airline surveys are one off interviews that may have "situational" or "personnel" bias in built because of the sample size and/or the period in which the sample was taken, and that not all airlines complete the survey.

The ACCC appears to have misunderstood the MA comments in its submission to the Productivity Commission (14 December 2006, p.12). MA was not proposing to expand the perception surveys to other agencies operating at the airport such as Airservices Australia, but was attempting to illustrate the point that to only survey one of a number of agencies appeared to lack logic in methodology and was potentially misleading to users. MA does not agree with the ACCC's view that the ACS is in effect a "proxy" for all Government agencies that operate at the airport. The ACS primarily operates within the International Terminal only (one of a number of agencies) and do not have a material presence outside of the International Terminal.

MA believes the objectives of both the National Facilitation Forum (NFF) and the Airport Passenger Facilitation Taskforce (APFT) would better serve the objectives of the ACCC than the current ACS survey conducted by the ACCC. The NFF objectives would satisfy the ACCC objective of inter-airport comparisons and benchmarking, while the APFT and its objective of improving passenger facilitation would satisfy the ACCC objectives of monitoring changes in quality over time and improved transparency. It is our understanding that the statistical significance concerns that MA has with the current ACCC survey of the ACS would be alleviated if data produced from both the NFF and APFT were used in its place.

## **Airline perception survey**

The comments in the previous section regarding the survey limitations are also relevant here.

While the airlines are important users of airport facilities, MA considers that the limitations of the perception surveys render them of little value for users of the information. MA has commercial agreements with airlines that have incorporated key quality measures to both parties which we believe take precedent over the published ACCC survey results.

It is our view that these perception surveys are not statistically reliable and provide users with no real insight into quality of services provided by MA. MA would not advocate any extension of aspects to be surveyed.

### ***4.1. Aerobridges, check-in and security clearance***

MA would be unable to provide aerobridge use by airlines for the T3 domestic terminal as the airline user does not provide us with data by gate.

The current Security Clearance question is considered adequate to satisfy the objectives of the ACCC. MA believes that the quality question covers all aspects of the security process such as the approach of the security staff, their own feeling of safety as well as the queuing time. MA subcontracts the security function to a third party provider and incorporates quality measures in the commercial agreement that the provider is required to satisfy to MA. Hence we feel that we do have a sufficient degree of control to justify the current passenger perception survey.

### ***4.2. Gate lounges, baggage services, and flight information displays and signs***

MA would support the removing of the survey question regarding crowding as we believe that passengers are confused about the difference between the questions, which exhibit similar characteristics. The similar ratings for both questions support this position.

MA has available sufficient information to calculate the "average throughput of outbound baggage system, bags during peak hour". It is important to note that baggage throughput through the baggage system commences approximately three hours prior to departure (when the check in desks open), which may influence the data collected in the peak hour.

The current measure of "average throughput of outbound baggage system, bags per hour" only provides limited information for users. Baggage throughput issues occur in the peaks. The existing measure indicates total system capacity across all period only and takes no account of the time achieved from check in input to reclaim output.

In regards to FIDS, Baggage reclaim signage and signage and way finding, MA would support an overarching passenger perception survey question as opposed to the three questions currently asked. Intuitively MA believes that the three measures should be grouped. We do not believe that passengers understand the purpose of the current three questions (the information display for baggage reclaim question is not applicable to MA).

MA agrees that the measure of FIDS per passenger should be removed as it adds no significant value to the quality of the service provided.

MA has peak period passenger numbers available for arrivals and departures.

#### ***4.3. Baggage trolleys and washrooms***

MA supports the extension of the survey regarding washrooms to be broken up into two questions: one regarding cleanliness and another regarding availability of facilities. This would provide users with more relevant information.

#### ***4.4. Car parking and airport access***

MA acknowledges that the Discussion Paper has been prepared on the understanding that the Airport Regulations will be amended to remove car parking as an aspect of the monitoring regime.

#### ***4.5. Management responsiveness***

MA supports the proposition that in light of comments in relation to the Passenger Facilitation Task Force that the ACCC should discontinue seeking quality of service comments from ACS and hence no longer report these comments.

MA thanks the ACCC for the opportunity to provide feedback on its Discussion Paper.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon Gandy', written over a circular stamp or mark.

**Simon Gandy**  
**General Manager Environment Strategy and Planning**