



14 January 2013

Mr David Salisbury
Deputy General Manager
Fuel, Transport and Prices Oversight Branch
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Melbourne VIC 3001

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Dear Mr Salisbury,

Re: ACCC QSM SUBMISSION

Many airports now see customer service as a core issue for their business to manage. Customer service is also a brand issue for airports and will continue to receive active senior management involvement and intervention.

We do not believe that there is an ongoing requirement for a regulated Quality of Service Monitoring to be performed by the ACCC or other elements of Government.

Airports have a strong self-interest in conducting research into the customer experience and as a result, are more likely to ensure that their surveys remain relevant and customer focused.

Adelaide Airport has recently created a new customer focused business unit, with an executive manager accountable for customer outcomes. We have also placed improvements in customer service as a key outcome in our new Strategic Plan and the airport's Board of Directors receive regular reports on the progress of all strategic plan initiatives.

Adelaide Airport has been an active participant in the Airports Council International, Airport Service Quality (ASQ) surveys for the past 5 years. We have also separately commissioned an annual customer satisfaction survey by TAFE South Australia.

While both surveys assist management in identifying trends and macro issues that impact upon the traveller experience, they are not the only tools used to understand the customer experience. We are well aware of dramatic changes in communication technology that have empowered visitors with unrestricted opportunities to broadcast their experiences while travelling within the airport environment. Contemporary airport management teams see this change as an

opportunity to improve their understanding of passenger touch points and areas of concern or improvement.

With numerous agencies and stakeholders involved in the passenger experience at airports, we believe that the current regulatory Quality of Service Monitoring (QSM) of airports does not adequately address the complex relationships that result in the customer experience survey outcomes. If regulatory QSM is to continue, then we strongly urge the government to modify the regime to identify the particular agencies, airlines and providers that are pivotal to the overall passenger experience at airports. It is not reasonable to have all survey outcomes attributed to the airport management when in reality many areas of customer interaction are controlled or influenced primarily via business partners.

It is also unreasonable to survey airport business partners who often have inherent conflicts of interest, to report on the service quality of an airport.

For example the expectations (and hence QSM survey responses) from a Full Service airline regarding check-in counters, aerobridges and other expensive aeronautical infrastructure may be vastly different to that of a Low Cost Carrier. Both airlines' point of view may be valid in the context of their respective business operations but the survey outcomes will be biased towards the dominant business model operating at that airport.

In our experience it is difficult to compare or benchmark airports as each has significantly different customer profiles; from airlines through to the services that are provided by the various airport business partners.

An example is that Adelaide Airport has the largest single terminal, common use environment in Australia. This one terminal environment caters for charter, regional, domestic and international traffic with common use (shared) operating facilities and services.

It would be challenging and potentially misleading, to comparing the services provides at Adelaide Airport to other airports that do not employ full common use principals to their operations.

As a major infrastructure provider in South Australia, Adelaide Airport is continually monitoring various capacity levels to ensure that appropriate long term capital investments are made in a timely manner. The negotiations associated with this activity involves design and service level input from airlines, financiers and other key business partners and are done with significant planning and consultation.

Additionally the airport is required by the Airports Act to provide regular infrastructure planning guidance through the Master Planning and Major Development Planning processes. These documents are an excellent source of strategic information associated with the future capacity of the airport. Duplicating the capacity planning process via the current regulatory QSM surveys does not add any value to this activity.

Adelaide Airport is committed to ongoing monitoring of customer service levels as part of its professional management of our airport. At this stage we will continue to conduct quarterly ACI ASQ surveys and intend to publish the result on our web site

for the public's information. We do not believe that the currently regulatory approach to QSM provides value to airport operators or their customers.

Yours sincerely
ADELAIDE AIRPORT LIMITED

A handwritten signature in blue ink, appearing to be 'M Young', with a stylized flourish extending to the right.

Mark Young
MANAGING DIRECTOR