



Submission to the  
Australian Competition & Consumer Commission  
Airport quality of service monitoring

Discussion paper for the review of quality of service monitoring

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## 1. Introduction

- 1.1. The Australian Airports Association (AAA) is a non-profit organisation founded in 1982 which represents the interests of over 260 airports Australia-wide, from local country community landing strips to major international gateway airports. The AAA's members include all the capital city airports, including Sydney, Melbourne, Brisbane and Perth Airports, and regular passenger transport airports across the country. There are a further 100 corporate members representing aviation stakeholder companies and organisations providing goods and services to airports.
- 1.2. The Charter of the AAA is to facilitate co-operation among all member airports and their many and varied partners in Australian aviation, whilst maintaining an air transport system that is safe, secure, environmentally responsible and efficient for the benefit of all Australians.
- 1.3. The AAA noted the report by The Australian Competition & Consumer Commission (ACCC) dated November 2012 (the discussion paper) reviewing the current quality of service monitoring (QSM) regime in Australia.
- 1.4. The AAA makes this submission to assist the ACCC in its review. The AAA hopes that a better understanding of the changes the industry underwent over the past decade as well as the continuing long-term trends will assist the ACCC and the Department of Infrastructure and Transport (the Department) to implement appropriate changes to the current QSM regime.
- 1.5. QSM is a dynamic tool for airport service providers in receiving information about their customer service performance. Service providers monitor their service quality almost constantly and in some cases in real time using many tools, of which surveys are but one (stakeholder consultation, service and service level agreement (SLA) audits and real time service monitoring including social media are used). Feedback influence the service provided in a constant feedback loop. Annual surveys published months after the fact using single methods has questionable relevance.
- 1.6. A number of the current QSM measurements are not only counter-productive but are measuring services our customers are at times actively requesting airports to cease providing in order that service quality can improve.
- 1.7. The current measurements include a number of factors that are not within the long-term trends and have proved to be fleeting interim processes that have become obsolete. Any standardisation, based on a generalisation of how the various airports, terminals and service providers in those terminals function, implemented on a national basis is unlikely to remain relevant.
- 1.8. The AAA is of the opinion that not only the factors measured by the current ACCC QSM regime must be reformed as discussed in the discussion paper, but that the entire process be reconsidered. The industry supports the publication of applicable service metrics that reflect services actually rendered. To this end, a number of AAA members are currently voluntarily publishing their own QSM data on the World Wide Web.
- 1.9. The AAA believes that if monitoring is to go ahead, all those that provide services to passengers must be surveyed. Each agency or operator's customer service elements should be measured independently to reflect who is responsible for specific elements, whilst noting that most service elements are joint responsibilities of several parties, and that the service elements are interdependent.



1.10. Frequently the airport operator is held responsible and accountable for the overall service experience. Airports have no direct control over many aspects of a passenger's experience (for example, interaction with border agencies and airlines). This is a fundamental weakness of the current regulatory QSM.

1.11. The industry would welcome a central body such as the AAA to perform oversight over QSM. The AAA could monitor the QSM activities by the four monitored airports; monitor that those airports make public the QSM outcome/ results promptly and ensure that all the QSM results would be available as an aggregated result accessible from one location. The above would ensure that the industry monitor itself with sufficient oversight and regularity of reporting whilst reflecting the ever changing reality at each individual airport.

1.12. The AAA would like to set the scene prior to dealing with the specific requests for information made by the discussion paper (dealt with in section three of this submission). It is important to understand the reason for the existence of the current QSM regime. Understanding its intended purpose will assist the reader with much needed context. This is done in section two of this submission, titled "The need for reporting". This is materially a reflection of a similar section provided to the Department, on request as part of their report titled "Airports Economic Regulation – Quality of Service Monitoring" recently.

1.13. The airport industry is looking forward to working with all stakeholders through the process of implementing a long-term and relevant QSM reporting framework.

1.14. It is important to note that individual airports may make additional submissions highlighting local conditions or idiosyncrasies.

## **2. The need for reporting**

Section 155 of the Airports Act 1996 (Act No. 42 of 1996 as amended) (the Act) empowers the Department to require that the Australian Competition and Consumer Commission (ACCC) monitor and evaluate the quality of certain aspects of airport services and facilities. This section and others were included as part of the larger leasing or "privatisation" processes happening at the time.

QSM was included as a part of the CPI – X Price Control regime for the first five years of privatisation to ensure that quality standards did not slip in a price control environment, which prohibited proper commercial negotiations between airlines and airports. When the CPI – X regime was removed, the need for a QSM regime also evaporated. "Regulatory" QSM should have been removed at that time.

In the intervening years the leased airports have not only shown themselves to be striving to this ideal, but in a number of aspects have built brand names around quality of service. To this extent they are always looking to build the brand through the actual experience consumers have at airports. Consequently airports have spent many hundreds of millions of dollars on non-aircraft related facilities such as improving the passenger experience at terminals as well as way finding and customer friendly processes that enhance efficiency. In essence, this was investing for customer service.

In order to manage businesses more effectively, airport operators are employing a number of different strategies to measure customer service to assist future interventions that will be aimed at increasing customer quality of service perceptions. This in-house QSM must not be confused with the "regulatory" QSM oversight dictated by the Department.

One of the management strategies employed was to move to a more comprehensive, more relevant and transparent “in-house” system of QSM. The four airports currently monitored are following the ACI system of QSM internally. This was initiated without regulatory pressure.

Each airport also conducts additional independent surveying to gain further and more detailed insights in specific areas (carriers may change, new technologies introduced such as automated check-in etc).

The industry would however not want to be tied to this system indefinitely as other systems may become available that suit the needs of individual businesses better. The airports industry in Australia is evolving very fast, being driven by customers that are very service quality focussed. This global system (ACI QSM) is not unanimously felt to be representing the various airport service offerings and therefore approaches should remain flexible.

For airport operators, measuring client service is an important step in effective management of the airport. This is a business function and not a regulatory function. Each airport also does additional independent surveying to gain further more detailed insights in specific areas (as focus may change one year to the next) into the quality of customer service in their airports. In addition, many of the airports are conducting additional surveys specific to the circumstances of the airport at that particular point in time.

However, in a fast changing environment regulatory QSM models can be slow to adapt and find themselves less relevant at times. With industry pro-actively going above and beyond the original QSM rules laid down, the need for policy makers to prescribe that QSM must be undertaken has become irrelevant, as models laid down in regulation will not keep pace with industry requirements. Furthermore, QSM has become a business imperative, hence the need to force it by regulation is both unnecessary and cumbersome.

To a large extent monitored airports have already moved beyond the suggested QSM model noted in the discussion paper. Airports are comprehensively measuring holistic and integrated quality of service, facility usage, service demand, contractor performance, business delivery and a host of other details in order to have a complete view of the airport’s performance.

Any changes made to the current process, will at some point in future be considered less than applicable. To this end, the AAA requests that the Department remove the requirement compelling airports to perform “regulatory” QSM.

A particular weakness of dictated QSM is the fact that it prescribes specific minutiae such as approach, methodology, format and even the provider as in the current ACCC regime. This hastens its irrelevance as the industry has moved beyond it already (by adding to the existing regulatory QSM methodology) in a constant push for organisational effectiveness.

Considering the origins of the need to report QSM data along with the above, taking into account the various types of travellers and the options they have to purchase specific levels of service (at hugely differing pricing points) from other operators such as airlines, the industry questions the on-going value of legislated QSM.



### 3. Comment on specific ACCC information requests

The AAA provides additional comments below on the specific requests for information made by the discussion paper. These proposals are underpinned with a presumption that the reader agrees with on-going QSM. The views expressed to those proposals by the AAA should be seen as being subject to the airport industry's firm belief that regulatory QSM no longer has any policy basis and has been surpassed by methods of self-monitoring sourced from the airport operators themselves.

Airports, airlines, border agencies and other parties jointly provide a service to a single customer – the passengers. As such, the experience of the passengers is the measure by which all of the parties should be jointly judged. Hence surveys of one joint provider (e.g. the airport) by another joint provider (e.g. airlines or border agencies) reveal little information about the service to the customer, and have significant inherent conflicts of interest.

Similarly, different passengers and different airlines have different expectations of their airport and airline experience, and as a result the objective measures will frequently give misleading results (for example, airports have been requested to remove aerobridges so that aircraft turnarounds can be quicker, and investment in new IT-based check-in technologies can reduce the need for traditional check-in counters). Only the passenger surveys can respond automatically to changing expectations and avoid conflict of interest.

The AAA has consulted its members affected by quality of service monitoring and would like to provide the following feedback. For ease of reference this submission will state the ACCC required consultation point using the discussion paper numbering system, followed by points the industry would like to make with regards to that ACCC consultation point.

#### 1. Sources of information for subjective measures

##### 1.1 Airline surveys

###### The ACCC seeks comment on:

- Whether the current approach and use of airline surveys in the ACCC's quality of service monitoring, including the non-weighting of survey responses, remains appropriate.

**AAA:** The industry believes that the current approach is not appropriate. The relationships between terminal service providers are too complex. As noted above, airlines are a joint provider of a passenger service rather than the ultimate customer. In addition, business models differ greatly between airlines (Minimum service budget airlines versus full service operations). Airports have reacted to this with differing strategies such as by providing common user or leased terminals. The appropriate weighting of different specific measures is impossible to define and unnecessary if an 'overall satisfaction' is reported.

- Whether the coverage of services and facilities captured in the airline surveys remains appropriate (note that the information used in relation to individual services and facilities is covered in detail in section 2).

**AAA:** No – Terminals and business models have moved on since privatisation. The survey results have become irrelevant. There is also a conflict of interest here based on different airline business models and commercial agreements. Service Level Agreements are in place dictating the level of services and the penalties for corrective action. These agreements are tailored for the different ports, airlines and the strategy the various parties have for the relationship going forward. As an example, airports at times agree to terms that they would otherwise not have at the outset of a relationship with a new carrier in order

to establish the route. To base (or deny) the comparison of services in all ports for all routes and airlines on this would decrease the usefulness of the overall monitoring.

- How information contained in service level agreements negotiated between airports and airlines could be used by the ACCC, if at all, in its quality of service monitoring.

**AAA:** The AAA has a number of concerns regarding this suggestion. The agreements are complex as they reflect the agreed services, service levels and the level of support the airline is willing to pay for in order to service a specific route. This means differences per airline for different routes. These would be inappropriate to base a standard service-monitoring regime on. The Service Level Agreements are confidential between the airports and the airlines, and communication of the contents to other airlines or other airports is not appropriate.

## 1.2 Passenger surveys

### The ACCC seeks comment on:

- Whether the current approach and use of passenger surveys in the ACCC's quality of service monitoring remains appropriate.

**AAA:** The airports industry does not believe this to be the case. The various service providers, providers of infrastructure, service providers using the infrastructure (or relying on it to provide their own services), or even portions of services are generally not understood by the traveller. In addition, the port of departure would have a material impact on the perception of the traveller. The service model at that port is likely to be different to that of the port of arrival. The current regulatory framework must be reconsidered.

- The extent to which there should be greater standardisation of passenger surveys and whether industry groups would be best placed to implement this.

**AAA:** Each airport, airline and journey is different. In addition, airport operators are measuring the performance of the tasks they are responsible for more comprehensively than ACCC QSM. To a large extent, the items measured by ACCC QSM are not the drivers of either service increases, terminal usage by travellers or cost decreases. Competition between ports are not affected by ACCC QSM as service is expected as a standard and not a luxury.

The most relevant service quality survey will usually be the survey used by management to assess and improve its own performance.

The AAA could under certain circumstances provide a single place (via its online presence) for travellers to access information regarding QSM. This could link to additional information on other sites such as that of QSM monitored airports.

- Whether the coverage of services and facilities captured in the passenger surveys remains appropriate (note that the information used in relation to individual services and facilities is covered in detail in section 2).

**AAA:** The airports industry believes that the ACCC QSM metrics are based on a view of how airports function that is out-dated. The modern travel experience goes beyond a clear line of distinction between the airport and the airline. Government services, safety, security and third party infrastructure and services make the ACCC QSM data largely irrelevant. Business including the



airlines and airports do not structure their product offerings, service offerings or strategic investments based on the ACCC QSM results. Instead, each entity in the travel value chain constantly monitors their input and output, including customer feedback in great minutia based on the actual relationship between the service provider and the customer. The relationship between terminal and off-terminal service providers are too complex to be measured in every airport, for every route for every airline in the exact same way.

### 1.3 Border agency surveys

#### The ACCC seeks comment on:

- Whether the current approach and use of border agency surveys in the ACCC's quality of service monitoring remains appropriate.

**AAA:** The relationship between state agencies and airports are governed by law with strong recourse if airports do not comply. In reality, agencies prescribe the required resources that have to be provided by the airport. ACCC QSM plays little part in either the level of services provided to these agencies, or the level of services these agencies themselves provide. A number of contracts, leasing agreements, facility use contracts and consultation is in place between the entities.

Service however includes more than just the facilities that an agency has at its disposal. How these agencies treat the customers of airlines reflect strongly on the airport in the minds of travellers. These agencies, along with airlines are joint providers of passenger services rather than the ultimate customers. Because these services are standardised, measuring them from a QSM point of view is easier than a number of the other services.

QSM results of government agencies such as border agencies should be published separate from those of other service providers such as airport operators. The industry believes it is misleading to aggregate the QSM results of multiple service providers as it creates the illusion that specific entities are responsible for specific services, when they are not.

- Whether the coverage of services and facilities captured in the border agency surveys remains appropriate.

**AAA:** The AAA does not believe that the current surveys are appropriate.

- Whether there are new or alternative sources of information that the border agency survey typically provides.

**AAA:** As above

- Whether an alternative form of monitoring passenger experience at airports, separate from the ACCC's quality of service monitoring, would be sufficient to monitor and address quality of service issues at airports in relation to this *aspect*.

**AAA:** The airports industry does not believe that alternative ways of monitoring can correct the flawed nature of the current measuring exercise.



## 2. Review of quality of service criteria

Section 2 of the discussion paper sets out the *aspects, matters*, subjective measures and *criteria* used in the ACCC's quality of service monitoring on a service-by-service basis. The section asks airports to provide comment on whether the measures achieve the objectives of monitoring. In particular, the extent to which changes in technology, market conditions and users expectations are adequately captured by these measures.

As noted above, different passengers and different airlines have different expectations of their airport and airline experience. As a result taking standardised measurements across, passengers, airlines and airports are unlikely to yield a meaningful picture. Taking identical objective measurements will be independent of the context of the particular travel, airport or service level relationship at that port for that instance giving misleading results.

For example, airports have been requested to remove aerobridges so that aircraft turnarounds can be quicker, and investment in new IT-based check-in technologies can reduce the need for traditional check-in counters.

However, generalisation of results, and comparing various ports with each other in defiance of different types of customers, services and airlines distort the possible usefulness of individual measurements over time.

### 2.1 Number of passengers during peak hour

The ACCC seeks comment on:

- Whether the use of peak period measures remains appropriate for quality of service monitoring.

**AAA:** To the extent that any measure of throughput is relevant, the peak period is more relevant than the average. Peak hours rarely happen in full hours as per the clock, but may occur in rolling hours. However, there is no one peak period but many different peak periods (on different days, at different times and for different durations) for different facilities (and it is often very difficult to isolate exactly what activity triggers additional capacity requirements), so the peak period is at best indicative. Usage of facilities by different types of passengers using different types of services is likely to present themselves in different peaks.

As an example, fly-in fly-out operations are likely to peak at different times than the usual holidaymaker flux. The groups will use different services in ways that are common but not exact. The service level expected, purchased and paid for may be different in a number of important ways. Depending on the circumstance, the airport operator may have hugely differing interactions with these groups as they are very likely to use different service providers.

- Whether the definition of peak hour, as given in the Airports Regulations, remains appropriate for quality of service monitoring.

**AAA:** There is no reasonable measure of the "peak period" that would serve as a good proxy for additional capacity requirements because of the reasons listed elsewhere. Due to the complexities at each airport a standardised approach is unlikely. Therefore all possible definitions of a "peak period" is likely to present issues. Other definitions of "peak hour" may not function better than the current.

- Whether the existing approach to calculating the total number of passengers during peak hour remains appropriate for quality of service monitoring.  
**AAA:** The industry does not feel that the current approach to calculating the number of passengers during peak hour is appropriate.

## 2.2 Baggage trolleys

### The ACCC seeks comment on:

- Whether the ACCC should continue seeking information and reporting on the quality of baggage trolleys.

**AAA:** This is another example of how the current measurement metrics have not stayed in sync with developments in the industry. The increasing use of wheeled bags has reduced the need for baggage trolleys by the vast majority of passengers. Different types of travellers have different requirements (say business versus holidaymakers).

The challenge for the airports and airlines is to ensure adequate trolleys for the few passengers that need them whilst minimising the congestion caused for all passengers by abandoned trolleys. As more passengers use wheeled bags, the appropriate number of baggage trolleys could reduce despite increased passenger volumes.

- Whether there are any new issues arising that the ACCC should be aware of in its evaluation of baggage trolleys for quality of service monitoring.

**AAA:** New issues present themselves in trends constantly. Questions that are raised at the moment by examining long-term trends in baggage trolleys include congestion caused by abandoned trolleys, the number of trolleys, the cost and location of trolleys. Any centrally controlled, standardised quality of service monitoring regime that is imposed from externally onto any industry is unlikely to reflect the realities of that industry and measure the appropriate metrics.

## 2.3 Check-in services and facilities

### The ACCC seeks comment on:

- Whether the combination of objective measures provided by the airport operators and survey of airlines about the quality of check-in services and facilities is sufficient to evaluate check-in services and facilities.

**AAA:** Rapid changes to check-in technology means that no objective measure will stand the test of time. This technology is not implemented by all service providers at each airport, however skewing the results of any measurement. As Qantas has demonstrated in some of its domestic terminals, the likely future of check-in is for most passengers to check in off-site, with self-service bag-drop being the primary activity in the check-in hall in the long term.

Passenger surveys provide the most meaningful information, but as with all surveys, results need to be interpreted as the measure of the joint product of the airport and airlines, and of how well they work together. Simply ranking the output is not only counterproductive but in many instances meaningless. This trend will continue and will accelerate in future.

Waiting times is but one example of a measure that may be more meaningful than the number of check-in counters and kiosks available.



- Whether there are any new or alternative forms of measures that the ACCC should consider using in its evaluation of check-in services and facilities provided by airport operators.  
**AAA:** Because of the stark differences between business models, technology, airlines and ports, no single static and generalised measurement will remain informative indefinitely.

#### 2.4 Security inspection

##### The ACCC seeks comment on:

- Whether there are any new issues that the ACCC should be aware of in its evaluation of security inspection for quality of service monitoring.  
**AAA:** It is important to note that performance in this area can be materially influenced by any change to regulations, particularly if those changes are made without a long period of notice. Rules around security inspections change regularly requiring different measurements, and different methods to perform QSM. Static measures such as ACCC QSM and others are unlikely to be flexible enough to keep pace.

#### 2.5 Outbound baggage system and baggage make-up, handling and reclaiming services and facilities

##### The ACCC seeks comment on:

- Whether the combination of objective measures provided by the airport operators and survey of airlines and passengers about the quality of baggage services and facilities is sufficient to evaluate the baggage services and facilities.  
**AAA:** The airports industry believes that the surveying of passengers is insufficient. Measuring perceived waiting times and rating this as an objective number brings all measures into disrepute. Scientifically measured actual waiting times as measured by management is the only way to produce useful information.
- Whether there are any new or alternative forms of measures that the ACCC should consider using in its evaluation of baggage services and facilities provided by airport operators.  
**AAA:** Measures that can be taken scientifically and objectively should be done so.

#### 2.6 Facilities to enable the processing of passengers through customs, immigration and quarantine

##### The ACCC seeks comment on:

- Whether an alternative form of monitoring passenger experience at airports, separate to the ACCC's quality of service monitoring, would be sufficient to monitor and address quality of service issues at airports in relation to this *aspect*.  
**AAA:** Yes, depending on how such an alternative is sensitive to changes in circumstances and can capture the context of each piece of feedback from travellers. The correct interpretation of the results must also be made. It must be clear that the result is a measure of the joint product, with the border agencies being primarily responsible.
- Whether the proposal to discontinue the use of *criteria* to evaluate this aspect in the ACCC's quality of service monitoring is appropriate.  
**AAA:** The AAA supports the discontinuation of *criteria* to evaluate this aspect in the ACCC's quality of service monitoring.

## 2.7 Flight information, general signage and public-address systems

### The ACCC seeks comment on:

- Whether the ACCC should continue seeking information and reporting on the quality of flight information, general signage and public-address systems.

**AAA:** Terminals are complex environments where multiple service providers come together. Apart from the fact that in a number of terminals the airport operator do not primarily provide the way finding and flight information (such as in leased terminals), airlines and airport operators monitor the efficiency of these systems very closely. This information is important to ensure passengers arrive at the correct gates at the correct times, and assist in planning future set-ups. The feedback loop between measurement and action is short. However, because every terminal (of which a number can be found at some airports) is so unique, standardised surveys on a national scale will not capture the specific conditions each traveller experienced. Individual travellers can also have unique experiences depending on airline and service level they bought (as an example a business lounge traveller versus a non-English speaking individual travelling on a budget). Airport operators are capturing these for management of the facilities that they are responsible for.

- Whether there are any new issues arising that the ACCC should be aware of in its evaluation of this *aspect* for quality of service monitoring.

**AAA:** No, the industry does not believe that new aspects must be included.

## 2.8 Public areas in terminals and public amenities (washrooms and garbage bins), lifts, escalators and moving walkways

### The ACCC seeks comment on:

- Whether the ACCC should continue seeking information and reporting on the public areas in terminals and public amenities.

**AAA:** The passenger surveys conducted by terminal operators (which may or may not be the airport operator) usually capture this information based on the unique circumstances of that terminal, the airport and the airlines using it. It is not appropriate to measure these specific circumstances in standardised surveys imposed nationally. Even individual travellers will have different experiences in the same terminal depending on airline and service level bought (business lounge versus common user).

Without scrutiny of the individual case within context of both the departure and the arriving port, simply ranking outcomes destroys what useful lessons could have been learnt from the data.

In leased terminals airlines are responsible for a number of tasks (such as cleaning of amenities) and passenger interactions. A very clear distinction must be drawn between responses collected from passengers that were serviced in different terminals. If reporting is not reported in context the public is not only misled by the ACCC, but lower standard providers will never be held accountable.

- Whether there are additional or alternative sources of information, both objective and subjective measures that the ACCC could use in its evaluation of public areas in terminals and public amenities for quality of service monitoring.

**AAA:** No, the industry does not believe that new aspects must be included.



## 2.9 Gate lounges and seating other than in gate lounges

### The ACCC seeks comment on:

- Whether the existing *criteria* used by the ACCC in relation to gate lounges, as well the *matters* that provide supporting information, appropriately evaluates the *aspect*.

**AAA:** Yes. The passenger surveys conducted by airport operators for their use in improving the airport typically include this information. The passenger surveys are more meaningful than any objective criteria.

- Whether there are additional or alternative sources of information, both objective and subjective measures that the ACCC could use in its evaluation of gate lounges and seating other than in gate lounges for quality of service monitoring.

**AAA:** No, the industry does not believe that new aspects must be included.

## 2.10 Ground handling services and facilities

### The ACCC seeks comment on:

- Whether there are additional sources of information, particularly objective measures, that the ACCC could use in its evaluation of ground handling services and facilities for quality of service monitoring.

**AAA:** No. The airport operator, as with a number of the other measurements, has almost no input into ground handling. This measurement, its reporting and grading is largely irrelevant to the airport operator and the passenger as the service is governed by SLA and interaction with the passenger is unlikely.

## 2.11 Aerobridge usage

### The ACCC seeks comment on:

- Whether the existing *criteria* used by the ACCC in relation to aerobridge usage, as well as the *matters* that provide supporting information, appropriately evaluates the *aspect*.

**AAA:** No. This is another example of the reduction in relevance criteria and aspects suffer when data is collected out of context. Some airlines are requesting the removal of the aerobridges to save time whilst boarding customers, and as a result the criteria used by the ACCC can conflict with the preferences of the airlines.

- Whether there are alternative or additional sources of information that the ACCC could use in its evaluation of aerobridge usage for quality of service monitoring.

**AAA:** No. Measurement of this item, and other similar measures (such as elements related to check-in) should be discontinued. Continuing reporting and ranking can create the incorrect view with those that are not well informed regarding the respective service levels at airports. The natural progression of the service may be hampered with services being offered merely to provide a measurement. This might be adding unnecessary costs to tickets, or hampering the rollout of new infrastructure that could increase the quality of service but that is not measured by the ACCC. The use of aerobridges is closely tied with the service of airlines at various pricing points. What constitutes an aerobridge, a fixed link and others are also ignored by the current measurements.

## 2.12 Runways, taxiways and aprons

### The ACCC seeks comment on:

- Whether there are additional sources of information, particularly objective measures, which the ACCC could use in its evaluation of runways, taxiways and aprons for quality of service monitoring.

**AAA:** From a service point of view there is not a need for measurement of airfield capacity. Capacity is taken into account when flight schedules are created. The airports have extensive consultation with the airline community to agree the appropriate investments, and accordingly both airports and airlines jointly bear responsibility for the infrastructure provided. Given the interests of both parties to ensure sufficient but not excessive capacity, and issues are most likely to arise from unexpected traffic growth or unforeseen maintenance. The industry is unsure what the purpose of this measurement is other than a reflection on the local conditions.

## 2.13 Aircraft parking facilities and bays

### The ACCC seeks comment on:

- Whether there are additional sources of information, particularly objective measures, that the ACCC could use in its evaluation of aircraft parking facilities and bays for quality of service monitoring.

**AAA:** No, as above

## 2.14 Airside freight handling, storage areas and cargo facilities

### The ACCC seeks comment on:

- Whether there are additional sources of information, objective or subjective measures, that the ACCC could use in its evaluation of airside freight handling, storage areas and cargo facilities for quality of service monitoring.

**AAA:** No. These facilities are predominantly the responsibility of airlines and freight handlers, and are generally not owned, managed or operated by the airport.

## 2.15 Airport management responsiveness

### The ACCC seeks comment on:

- Whether there are additional or alternative sources of information, objective or subjective measures, that the ACCC could use in its evaluation of airport management responsiveness.

**AAA:** No

- Whether there is information available about the airports' complaint handling processes and/or the processes for negotiating terms and conditions of access to, and investment in, aeronautical infrastructure that the ACCC could use in its evaluation of airport management responsiveness.

**AAA:** No

## 2.16 Airport access facilities (taxi facilities, kerbside space for pick-up and drop-off)

### The ACCC seeks comment on:

- Whether there are additional or alternative sources of information, objective or subjective measures, that the ACCC could use in its evaluation of airport access facilities.

**AAA:** No

- Whether there is information available about the airports' complaint handling processes and/or the processes for negotiating terms and conditions of access to landside infrastructure that could assist the ACCC in its evaluation of airport access facilities.

**AAA:** No



## 2.17 Car parking service facilities

### The ACCC seeks comment on:

- Whether there are additional or alternative sources of information, objective or subjective measures, that the ACCC could use in its evaluation of airport car parking services.

**AAA:** No

## 2.18 Airservices Australia data

### The ACCC seeks comment on:

- Whether the ACCC should continue to collect and report on the data provided by Airservices for the purposes of quality of service monitoring.

**AAA:** The industry is unsure as to what data is referred to that may affect the quality of service perceptions of the traveller relating to the airport. Airservices are collecting information regarding various measurements which could be shared with the public, however the proper context must be given to these though.

## 3. Other issues

### 3.1 Overall quality of service ratings and rankings

#### The ACCC seeks comment on:

- Approaches to calculating and reporting on *overall* ratings and rankings in the Airport Monitoring Reports.

**AAA:** Many entities come together to provide travellers with an end-to-end-service. Travellers have different opinions as to what is important for them. The reason the traveller travelled that instance, the amount of money the traveller was prepared to spend and many other variables determine what the quality of service perception would be. The best way to ensure that the actual quality of service experienced by the traveller is captured is to ask travellers for their overall experience. This is the only way to be sure that his relative weightings are the correct.

However by asking in the survey or reporting an overall mark, the distinction between the different services and service providers rendering those services are lost. The airport operator is likely to be acclaimed with the result regardless of the fact that very few of the services were provided by airport management. Without context the result of the ACCC QSM is likely to be misinterpreted. It is unlikely that contextual commentary to the results will be duly considered by the intended users of the report. An overall mark is therefore misleading as well.

- Potential alternative methods that would facilitate the reporting of quality of service monitoring reports.

**AAA:** The commentary on the reporting should reflect the balance of the responses, without rounding down average to the lower result.

### 3.2 Reporting requirements by airports

#### The ACCC seeks comment on:

- The ACCC's approach to accepting the quality of service monitoring information from airport operators.

**AAA:** The airports propose to self-report the service quality results used by management to improve the airports. Given the primary purpose of these surveys is to inform management decisions, there is no likelihood of inherent bias.

#### 4. Conclusion

The industry supports relevant unbiased QSM measurements that give insight in to the passenger's ultimate experience considering the specifics of each case. The industry does not support the measurement of largely irrelevant matrices, collected by using only a single means (a survey) from commercially conflicted entities that themselves dictate the level of service passengers will experience, enforced centrally on a generalised basis in contradiction of the service requested by the passenger or the provider and published with no context months in arrears.

The current QSM regime was implemented to ensure service levels do not fall in a CPI – X Price Control environment. Not only has the policy basis for the current regime expired, but also the results are now incomparable even where similar variables are measured across different airports. In recognition of this, airport operators, airlines and other service providers have moved to using a mix of global best standard measurements augmented by specific measurements depending on the local reality.

The airport industry will continue to implement the latest management methodologies in managing airports. Reliance on individual measures has largely been abandoned as effective enterprise management rests on integrated information systems and interventions. Compelling QSM reporting based on a compulsion to follow one single approach will unlikely result in a long term value adding endeavour.

The AAA would like to thank the ACCC on behalf of the airports industry for the opportunity to make these comments and we look forward to working with the ACCC in future regarding any of the proposals.

Should you have any further questions on the above, please contact Salomon Kloppers, Policy and Research Manager at the AAA on 02 6230 1110 or at [skloppers@airports.asn.au](mailto:skloppers@airports.asn.au).



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