BAC
Australia

Brisbane Airport
Corporation Pty Ltd

BRISBANE AIRPORT CORPORATION PTY LIMITED

QUALITY OF SERVICE MONITOR REVIEW

SUBMISSION TO ACCC
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1   INTRODUCTION

Brisbane Airport Corporation (BAC) welcomes the opportunity to provide comments on the Australian Competition and Consumer Commission (ACCC) Discussion paper for review of quality of service monitoring (QSM) that will apply to Brisbane, Melbourne, Perth and Sydney airports.

We look forward to working together with the ACCC and the other monitored airports to develop a future Airport QSM framework and regime that meets the needs of government, passengers and industry.

2   BAC'S VISION

BAC considers that the provision of good facilities and services to the customers of Brisbane Airport is a core responsibility of managing and developing the airport.

This is demonstrated in BAC's corporate vision to be '*world-best and preferred airport of choice for passengers, airlines, business and the community*'.

In order to realise this vision for our passengers, BAC is committed to (continue to) provide world-class services and facilities at both the Brisbane Domestic and Brisbane International Terminals.

BAC aims to achieve passenger ratings of '*good*' or above for all criteria. BAC is also focussed on retaining its ranking as the best performing airport in this regard as measured by the ACCC's QSM.

BAC is proud that overall quality ratings as measured by the QSM across the International Terminal, Domestic Terminal and other Airport Services were rated as 'good' or above for the last three years.

3   BAC'S SURVEY PROGRAM

BAC strongly believes that information about passengers' perceptions of the airport facilities and services assists in delivering on its vision.

BAC has therefore developed and implemented a programme of regular research into service standards and facilities with a view to achieving continual improvement for the benefit of all passengers.

BAC's extensive research program canvasses the views of passengers, airlines, relevant government and border agencies, tenants, the community and BAC's own staff.

In addition to the annual QSM survey, BAC's research program includes the following:

- Airport Council International (ACI's) Airport Service Quality (ASQ) quarterly survey,
- Annual customer service survey by tenants and airlines, and
- several ad-hoc surveys conducted with passengers, users of the terminals, the community and visitors to the Brisbane Airport website (www.brisbaneairport.com.au).

BAC believes that this extensive survey program provides a solid framework to monitor feedback from our key stakeholders.

Additionally, BAC actively seeks feedback or suggestions as to how we can improve our services or facilities at Brisbane Airport from passengers, visitors to our website or members of the community.

Lastly, social media also provides constant real time feedback that BAC uses to monitor perceptions and to improve quality of its facilities or services as required.

4   MONITORING RESULTS

BAC has established an internal steering committee that consists of members of its Senior Management team to monitor the results of the QSM and all other surveys included in the research program.

The committee's key task is to review survey results, to identify key bottlenecks and issues and to monitor implementation of follow-up responses to address these bottlenecks or issues.

5   BUSINESS FUNCTION

BAC believes that its vision, extensive research program and internal processes implemented to achieve continual improvement clearly demonstrates its commitment to providing world-class facilities and services to passengers and users of the terminals.

We understand that Sydney, Melbourne and Perth airports have also implemented similar programs and follow-up mechanisms to monitor and manage passenger satisfaction at their airports.

6   INDUSTRY BODY TO MONITOR QSM

BAC considers that the monitoring and management of service standards is common business practise for all major airports and as such a regulatory framework implemented by the government is no longer required.

We do however consider that there should be a requirement for the monitored airports to make all QSM results publicly available.

BAC supports the Australian Airport Association's (AAA) proposal for a central industry body to oversee the coordination and governance of the QSM publication process. This industry body (ideally the AAA) would oversee the publication process and ensure that all airports publish their individual results on their website as well as make all airport results available in a single central location.

BAC believes that the above publication process would ensure an open, transparent and efficient way of monitoring results with sufficient oversight and regularity of reporting.

7   DOMESTIC TERMINAL LEASES

BAC believes that one of the limitations of the current QSM regime – as it applies to Brisbane Airport - is that it only measures the quality of service in the International Terminal and Common User Domestic Terminal.

It does not measure standards in the areas of the domestic terminal that are leased directly to Qantas and Virgin Australia (comprising approximately 80% of total annual domestic passengers).

Given that the majority of domestic passengers pass through the Qantas and Virgin Australia controlled areas of Brisbane's Domestic Terminal, the majority of perceptions developed regarding quality of services at Brisbane Airport are formed through experiences in those parts of the terminal over which BAC has no control.

BAC believes that if the current QSM approach continues, the Domestic Terminal as a whole should be subject to the same QSM regime as the International Terminal and Common User Domestic Terminal.

The National Aviation Policy White Paper also supports this view as it clearly states that 'relevant airlines and airports to work together to ensure terminals with airline-operated domestic terminal leases, such as Qantas and Virgin at Brisbane Airport, are covered in the expanded quality of service monitoring regime being developed by the industry'.

Note that since 2010 BAC has provided Qantas and Virgin Australia with proposals to have their domestic terminal leased areas included in the annual QSM survey. BAC has been very pleased that in 2011 and 2012 Virgin Australia voluntarily joined the Quality of Service Monitoring program.

8   ASPECTS OUTSIDE OF AIRPORT'S CONTROL

Another limitation of the current regime is that BAC is held responsible for services over which it has limited control and ability to influence outcomes. Examples of such services are check-in and baggage reclaim operated and managed by ground handling agencies (on behalf of airlines); and immigration, customs and quarantine processes which are operated and managed by the various relevant government border agencies.

In principle we believe that each operator's processes should be measured separately; that each operator should be accountable for its own results and that there results should be published.

However BAC believes that ultimately the airport operator is and should be responsible for the overall airport experience. We believe that it is only possible to provide a world-best experience for our customers if we work closely with our airport partners including the airlines, border agencies and other service providers to collaboratively monitor and improve services and facilities.

9   CONCLUSION

BAC considers that the provision of good facilities and services to the customers of all monitored airports is a core responsibility of managing and developing the respective airports. Therefore, BAC recommends that a regulatory QSM framework is no longer required.

BAC would recommend that all individual airports are responsible for measuring and monitoring their airport's QSM results, whilst an industry body such as AAA would ensure that all QSM results are made publicly available.

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APPENDIX A. COMMENTS ON ISSUES AND QUESTIONS

1.   Sources of Information of Subjective Measures

This section sets out the sources of information for subjective quality of service measures such as surveys of airlines, border agencies and passengers. BAC has included our comments on the current approach to the collection and use of the information collected through each of these surveys.

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;
  BAC believes that this part can be heavenly influenced by other aspects such as current issues and relationships between airlines and airports. BAC conducts an annual customer service survey where tenants including airlines can provide feedback about a range of topics including the airport's facilities and services. BAC believes this annual survey and its extensive meeting structure with key airline partners is sufficient to address any potential quality issues.
- 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 7); and
  See comment above.
- 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.
  BAC believes that information in SLA's is a matter between airlines and airports and there is no need for the ACCC to governance this process.

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;
  BAC believes that a regulatory framework is no longer required.
- The extent to which there should be greater standardisation of passenger surveys and whether industry groups would be best placed to implement this; and
  In principle BAC supports a more standardised approach.
- 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 7).
  In principle BAC agrees that key services and facilities are included in the current approach.
  Note, however that domestic passengers tend to travel with less luggage then international travellers and more and more domestic passengers only travel with hand-luggage; as a result only a very limited number passengers were included in the research samples in 2011 (6 out of 75 arriving passengers; and 3 out of 75 departing passengers) and 2012 (3

out of 78 arriving passengers; and 3 out of 76 departing passengers) that used baggage trolleys.

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;
  As BAC conducts an annual customer service survey where tenants including border agencies can provide input about a range of topics including airport's facilities and services. BAC believes this annual survey and its extensive meeting structure with key agencies is sufficient to address any potential quality issues.
- Whether the coverage of services and facilities captured in the border agency surveys remains appropriate (note that the information used in relation to individual services and facilities is covered in detail in section 7);
  In principle BAC believes that the scope of border agencies services and facilities is appropriate.
- Whether there are new or alternative sources of information that the border agency survey typically provides;
  BAC would support replacement of the current ACCC QSM by border agencies' own research program to measure passenger satisfaction with service and perceptions of waiting times. BAC believes that border agencies are primarily driving passenger perceptions of border agencies processes; airport operators only have very limited opportunities to influence satisfaction ratings.
- 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.
  See comment above. BAC also believes that ACI's ASQ program will provide enough detail about border agencies processes to provide an alternative (voluntary) framework to address quality of border agencies processes.

2.   Sources of Information of Subjective Measures

This section sets out the aspects, matters, subjective measures and criteria used in the ACCC's quality of service monitoring on a service-by-service basis. BAC has included our comments 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.

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

When calculating peak hour metrics BAC uses a rolling hour (so not from 5.00-6.00 but from 5.10-6.09 if that represents the highest value) rather than a clock hour as is better represents the peak. BAC also suggests clarifying the current definition as its open for interpretation.

- Whether the existing approach to calculating the total number of passengers during peak hour remains appropriate for quality of service monitoring.
  BAC believes that monitoring peak hours assist in determining peak hour capacities of key assets such as check-in desks, reclaim belts, security lanes and border agencies facilities. BAC believes that the passenger survey information provides passengers' satisfaction levels about both the quality as the quantity of the facilities and as such the need to also review the metrics separately is a double up in the current approach.

2.2   Baggage Trolleys

The ACCC seeks comment on:

- Whether the ACCC should continue seeking information and reporting on the quality of baggage trolleys; and
- 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.
  Domestic passengers tend to travel with less luggage then international travellers and more and more domestic passengers only travel with hand-luggage; as a result only a very limited number of passengers were included in the research samples in 2011 (6 out of 75 arriving passengers; and 3 out of 75 departing passengers) and 2012 (3 out of 78 arriving passengers; and 3 out of 76 departing passengers) that used baggage trolleys.

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; and
  BAC believes that the criteria of "% of hours with more than 80% of check-in desk in use" does not necessarily inform quality aspects. BAC believes that it's more important to review waiting times and perceived crowdedness.
  BAC also believes that one of the weaknesses of the current QSM approach is that waiting times are based on perceived waiting times and not on actual waiting times. This could lead to an over- or understatement.
- 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.
  Over the last years there is a tendency to replace conventional check-in desks with check-in kiosks and self-service bag drop units. This change need to be taken into account in the future QSM approach.

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.
  The implementation of 'body scanners' in International Terminals might justify inclusion of different metrics.

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; and
  BAC believes that one of the weaknesses of the current QSM approach is that waiting times are based on perceived waiting times and not on actual waiting times. This could lead to an over- or understatement.
- 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.
  No additional metrics or measures are required.

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; and
  BAC believes that separate research from the border agencies as measured in their traveller satisfaction survey could replace this part of the current QSM approach.
- Whether the proposal to discontinue the use of criteria to evaluate this aspect in the ACCC's quality of service monitoring is appropriate.
  BAC would support this approach.

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; and
- 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.
  BAC doesn't believe new aspects should be added to the current QSM approach.

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; and
- 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.
  BAC doesn't believe new aspects should be added to the current QSM approach.

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;
  BAC believes that the current information included is relevant and appropriate.
- 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.
  BAC doesn't believe new aspects should be added to the current QSM approach.

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.
  BAC doesn't believe new aspects should be added to the current QSM approach.

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;
  BAC believes that the current information included is relevant and appropriate.
- 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.
  BAC suggest that the ACCC redefines its definition of aerobridges to also include fixed links; or suggest to also report on passengers using a fixed link.

2.12   Runways, Taxiways and Aprons

The ACCC seeks comment on:

- Whether there are additional sources of information, particularly objective measures that the ACCC could use in its evaluation of runways, taxiways and aprons for quality of service monitoring.
  BAC would like to question if airlines are able to provide relevant input about the standard of runways, taxiways and aprons.

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.
  BAC question if there is a double up with the information requested under 2.12.

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.
  BAC doesn't believe new aspects should be added to the current QSM approach.

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.
- 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.
  BAC doesn't believe new aspects should be added to the current QSM approach.

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.

- 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.
  BAC doesn't believe new aspects should be added to the current QSM approach.

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.
  BAC doesn't believe new aspects should be added to the current QSM approach.

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.
  BAC doesn't believe the ACCC should continue collecting and reporting on Airservices Australia data.

3.   Other Issues

This section outlines other issues for consideration, including overall ratings and rankings for quality of service monitoring and reporting requirements by airports. BAC has included its comments on the use of overall quality of service ratings and rankings and the reporting requirements by airports.

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.
- Potential alternative methods that would facilitate the reporting of quality of service monitoring reports.
  BAC suggests that the ACCC should be more transparent about the airlines and border agencies ratings and how these together with the objective measures impact the overall rating.

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.
  No changes to current approach.

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