



Australian Government
Department of Infrastructure and Transport

Deputy Secretary

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Mr David Salisbury
Deputy General Manager
Fuel, Transport and Prices Oversight Branch
Australian Competition and Consumer Commission
GPO Box 520
MELBOURNE VIC 3001

Dear Mr Salisbury

Subject: Joint Agency Comments to the ACCC Draft QSM Guideline

The Department of Infrastructure and Transport along with Australian Customs and Border Protection Service and Department of Immigration and Citizenship welcome the opportunity to comment on the ACCC quality of service monitoring draft guideline.

Please find attached the joint comments by the Department of Infrastructure and Transport and border agencies.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Wilson', written in a cursive style.

Andrew Wilson
Deputy Secretary
Department of Infrastructure and Transport

12 April 2013

Department of Infrastructure and Transport, Australian Customs and Border Protection Service and Department of Immigration and Citizenship

Comments for the Australian Competition and Consumer Commission (ACCC) on the proposed changes to the guideline for quality of service monitoring at airports

1. Introduction

This submission has been prepared jointly by the Department of Infrastructure and Transport in conjunction with Australian Customs and Border Protection Service and Department of Immigration and Citizenship (the border agencies). The Department and border agencies welcome the opportunity to comment on the proposed changes to the guideline for quality of service monitoring at airports.

The Department and border agencies broadly support the ACCC's stated objective of seeking to increase the transparency of the airport operators' performance and to discourage them from increasing prices excessively and providing unsatisfactory standards of aeronautical services. The Department and border agencies believe through the pursuit of this objective, quality of service monitoring should also deliver a meaningful picture of airport performance over time for the travelling public.

The Department and border agencies also broadly support the continued use of a range of subjective and objective measures, including the introduction of annual consultation with landside operators and ground handling service providers. The Department and border agencies agree with the majority of approaches proposed by the ACCC, with some exceptions which are detailed below.

Sources of information for subjective measures

Airline Surveys

The Department and border agencies support the ACCC's continued use of airline surveys in quality of service monitoring. In this paper, the ACCC identifies and acknowledges the potential commercial incentive for airlines to under-report on quality outcomes at airports and the opportunity to engage in gaming behaviour. The Department and border agencies continue to support a weighting system aimed at eliminating the potential for this behaviour. However, in the absence of such a system, it is agreed that the maintenance of statistical integrity is a matter for the ACCC. The ACCC could consider additional reporting elements which aid interpretation of the results. An example could be a table showing the total proportion of airport passengers carried by each respondent to the survey.

Border Agency Surveys

The Department and border agencies support the discontinuation of border agency surveys. It is agreed that border agency surveys in their current form serve little purpose in identifying misuse of market power and are not the best indicator of quality of service.

However, the provision of services by airports to border agencies should not be removed entirely from quality of service monitoring. The provision of these services forms the basis of border agency operations at all Australian airports.

It is the Department and border agencies view that in the absence of any monitoring or reporting under the ACCC's quality of service regime, the provision of adequate services by airports to border agencies may be undermined by short term commercial imperatives.

The potential for inadequate service provision by airports to erode the efficient operation of border agencies is such that airports must plan in advance to accommodate these services allowing for future growth. The collection and reporting of objective data in relation to these services will provide the Government and public with a level of comfort that future needs are being accommodated, as well as provide border agencies with relevant data over time to assist in commercial negotiations with airports. The Department and border agencies believe the inclusion of the suggested additional objective measures for services provided by airports to border agencies would not add significantly to the cost of monitoring as the required information is available from the border agencies and the airports. Suggested measures are provided later in the submission under 'facilities to enable the processing of passengers through Customs, Immigration and Quarantine'.

The proposed enhancements to the Australian Customs and Border Protection Service 'Traveller Satisfaction Surveys' mentioned under paragraph 5.3.3 on page 22 are not supported. The survey currently provides an overall indication of the experience of international travellers with the border agencies at Australia's airports. Extending the survey to provide a view of traveller satisfaction for the entire airport experience would be expensive and would not provide any real benefit to the agency or Government.

Airport Regulation Amendments

In this paper, the ACCC proposes a number of amendments to the *Airports Regulations 1997*. The Department will consider each of these proposals on their merits in consultation with the ACCC and Treasury, and any changes will be subject to legal advice.

Review of quality of service criteria

Facilities to enable the processing of passengers through Customs, Immigration and Quarantine

The Department and border agencies support the ACCC's proposed approach to discontinue border agency surveys.

However, the Department and border agencies believe the border agency surveys should be replaced with the collection of objective criteria.

Suggested measures are:

- Sqm per passenger in arrivals hall by airport;
- Sqm per passenger in departures area by airport;
- Sqm per passenger in baggage hall by airport;
- Sqm per passenger in secondary examination areas by airport; and

- Sqm provided for border agencies' support functions per passenger (including interview rooms, back of house, etc)

Additionally, the Department and border agencies do not support the ACCC's recommendation to remove this *aspect* from the Airports Regulations.

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

The Department and border agencies support the ACCC's proposed approach to continue reporting on the existing measures for public areas in terminals and public amenities, including the addition of an objective indicator in relation to the number of washrooms, or the number of washrooms per passenger.

The Department will accordingly consider amending the Airports Regulations in line with the statement contained under Airport Regulation Amendments.

Aerobridge usage

The Department and border agencies support the ACCC's proposed approach to continue using existing objective measures, as well as the introduction of the objective measure 'the number of airlines requesting and using aerobridges'. The Department and Border agencies support the additional subjective criteria 'standard of aerobridges', provided this question is only completed by passengers where aerobridges are in use.

The Department will accordingly consider amending the Airports Regulations in line with the statement contained under Airport Regulation Amendments.

Runways, taxiways and aprons

The Department and border agencies agree with the ACCC's proposed approach to continue using airline surveys in relation to this *aspect*, in conjunction with the additional objective measures 'square metres of aprons available at 30 June in the financial year' and 'length and width of runways 30 June in the financial year'.

The Department will accordingly consider amending the Airports Regulations in line with the statement contained under Airport Regulation Amendments.

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

The Department and border agencies support the ACCC's proposed approach in relation to airport access facilities, including the addition of the matters 'capacity and availability of public pick-up and drop-off facilities on 30 June in the financial year', 'capacity of taxi services and facilities on 30 June in the financial year' and 'capacity of landside operators services and facilities on 30 June in the financial year'. The removal of the passenger survey question 'waiting time for taxis', as well as the inclusion of landside operator consultation, is also supported.

The Department will accordingly consider amending the Airports Regulations in line with the statement contained under Airport Regulation Amendments.

Airservices Australia data

The ACCC's proposed approach to discontinue the reporting of Airservices data in its current format due to it no longer being available is supported by the Department and border agencies, subject to the continued reporting of available relevant Airservices data. Data provided by Airservices Australia gives an un-biased and impartial view as to the capacity and efficiency of Australia's airports. It is the Department and border agencies view this data provides a form of check and balance against that provided in the airline surveys and therefore should be retained.

Reporting requirements by airports

The Department and border agencies agree with the ACCC's proposed approach to extend the timeframe for provision of data by airport operators to 90 days.

The Department will accordingly consider amending the Airports Regulations in line with the statement contained under Airport Regulation Amendments.