SUBMISSION BY IATA:

Australian Competition and Consumer Commission (ACCC) Airport Quality Indicators Consultation

29 July 2022

PREAMBLE

The International Air Transport Association (IATA) is the trade association for the World's airlines, representing some 290 airlines or 83% of global air traffic. IATA member airlines include many that operate flights to Australia, including Australian carriers Qantas Airways and Virgin Australia Airlines. IATA supports many areas of aviation activity and help formulate industry policy on critical aviation issues to drive a safe, secure and sustainable environment for aviation to flourish.

IATA appreciates the opportunity given to provide our comments for consideration by the Australian Competition and Consumer Commission (ACCC) on the ongoing review of Airport Quality Indicators. Our views are from an international perspective based on global best practices which are relevant and applicable to Australia.

IATA stands ready to support the ACCC in improving the airport quality monitoring process and welcomes further engagement and collaboration following this round of consultation.

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1.0 EXECUTIVE SUMMARY

IATA is pleased to take part in the ACCC's consultation on the important topic of airport quality indicators. This submission starts with some of IATA's guidance on industry best practices and then provides comments and recommendations on the current ACCC quality framework.

An airport quality framework should clearly define key performance indicators (KPIs) and objectively measure the performance of an airport on an ongoing basis. One of the principal goals is to drive the consistent and efficient delivery of assets and services that users pay for through airport charges. This is done by having a framework in place to not only measure and report quality KPIs but to prompt corrective action when necessary.

To provide value, airport quality framework must be based on well-defined and auditable measures that reflect airline-user priorities. These are typically focused on passenger processing facilities, critical operational assets, and passenger experience elements. The KPIs should be directly related to the quality of airport infrastructure and services and their impact on airline operations and the passenger experience. To the greatest extent possible, quantitative measures should be used. Although subjective assessments such as focus groups and surveys also have a role to play in assessing quality; these should be used to supplement a robust set of objective measures. The processes to determine and track performance must also be practical to implement and administer; therefore, whenever possible, automated measures are preferred.

The stated objective of the ACCC quality of service program is to promote transparency but there is no mention of measuring actual performance nor of setting quality standards that must be achieved. The ACCC's quantitative indicators produce data on capacity, including ratios, that are usually used as inputs for an airport capacity assessment but not as quality indicators of an airport's performance with regards to airlines and their passengers. The ACCC's quantitative indicators should therefore be changed to KPIs that measure the type of performance that matters to airlines and passengers such as asset availability and queuing times.

The ACCC quality framework also uses airline and passenger surveys as inputs. This type of qualitative data can be valuable for assessing different aspects of airport quality but should be primarily used for the experiential elements or to provide perception-based feedback on the overall airport experience. The ACCC administers airline-user surveys which is good but these could be improved with the inclusion of comments from respondents on the reasons why they rate services high or low.

Passenger surveys are done by the airports themselves with the results then provided to the ACCC; however, neither the content nor the methodology of the airport surveys is specified by the ACCC. Consideration should be given to providing a set of guidelines on how surveys should be conducted to ensure consistency across all airports.

The ACCC's scoring and benchmarking system should also be reconsidered. Using a set of benchmarks based on the relative performance of the four main airports diverts attention from actual performance and is not a true assessment of quality. Each has its own circumstances and should be judged based on its own baseline and against standards of quality that are set in meaningful consultation between airports and airlines.

The ACCC should also think about a more dynamic format for how it reports quality. A quarterly report with a concise set of data would allow quicker identification of trends and enable airports to take more

timely remedial actions. In addition, a governance structure that provides a forum for discussing quality issues including sharing ideas on how to address shortfalls in performance would be beneficial.

Taken together the above recommendations would require some significant changes to the current ACCC framework but will result in better defined performance standards and a more meaningful assessment of the extent to which quality that matters to customers has been achieved.

It is also necessary to recognise the significant risk that occurs i.e. gold platting and over-investment if we have well-established airport quality protocols in a weak price regulation environment. Stronger and more effective price regulation is also required to deliver the required outcomes.

2.0 INTRODUCTION

IATA welcomes the opportunity to participate in the ACCC's Airport Quality Indicators Consultation. Airport service quality is extremely important for airports and airport users particularly airlines and their customers. The issue of airport service quality is now receiving increased attention as air traffic bounces back from the Covid-19 pandemic and the industry copes with the return in demand.

This submission will start with an overview of the key principles and features that IATA believes constitute best practice for airport quality monitoring and then follows-up with specific comments and recommendations on the ACCC's current airport quality monitoring process. An Annex section with answers to some of the specific consultation questions that the ACCC has raised can be found at the end of this submission along with the following attachments:

- IATA Service Level Agreement Metrics
- IATA Sample Airport Service Level Agreement
- Sample Performance Report – February 2021

2.1 Airport Service Quality Frameworks

Airports, airlines, and the travelling public have a joint interest in airports that can efficiently meet demand while providing a passenger experience that delivers on expectations. Quality frameworks are often mandated by supervisory authorities and grantors of concessions as part of their economic oversight. These quality regimes come in various forms, including an Airport Service Level Agreement (SLA) which is a jointly agreed commitment between a service provider (the airport) and users (the airline community) that defines the services and assets an airport will provide and at what level of service in return for the charges that airlines pay.

2.2 Objectives of an Airport Service Quality Framework

A properly structured quality regime should establish a formal commitment from the airport service provider to its users and provide a framework that measures the performance of facilities and services on an ongoing basis. The quality regime should drive the consistent and timely delivery of assets and services and:

- Clearly define airport service levels and quality standards based on users' needs.
- Incentivize the provision of reliable and functional airport infrastructure that delivers agreed service standards and efficiently processes passengers at the lowest possible cost.
- Support a passenger experience that meets expected service levels.
- Promote continuous improvement through effective monitoring and measurement.
- Establish accountability and assurance for customers in return for user charges.
- Build trust and communication between airports and airlines.
- Enhance an airport's reputation for quality and accountability.

2.3 Key elements of an Airport Service Quality Framework

An effective quality framework should include the following elements:

- A statement of the business objectives and principles including the recognition that airport users (airline and passengers) are airport customers. The link between direct cost relatedness and airport performance and user charges is a key principle.

- An effective governance structure with clear roles and responsibilities for all parties.

- Well-defined KPIs that reflect airline-user priorities. The first step is to clearly understand and agree on an existing airport baseline in order to determine appropriate targets and inform subsequent discussions on the performance required in the future. Service levels and key performance indicators should be based on achieving an optimum balance between costs and performance.

- To the greatest extent possible, objective (quantitative) measures rather than subjective (perception) based measures.

- Automated performance measurement and data collection to make quality monitoring convenient to establish and administer.

- Performance monitoring and reporting for passenger terminal-related processes and infrastructure should be done for each terminal to provide the necessary granularity.

- Performance reports issued on a consistent basis. Regular monitoring through local associations e.g., Airline Operators Committee (AOC) and with meetings held to discuss performance and discuss solutions to problems. Management performance reviews may include consideration of changes to scope and measures e.g., quarterly and annual reviews.

- A remedial mechanism and defined escalation process to address underperformance.

- Financial penalties in the form of rebates on aeronautical charges may be considered as an enforcement mechanism when there is a consistent lack of performance. Conversely, bonuses for providing higher service levels than requested by airlines should be avoided as outperformance may lead to unnecessary costs and operational consequences.

- An auditing process to provide a transparent, independent assessment of whether performance against standards has been measured and reported as intended.

3.0 AIRPORT SERVICE QUALITY SCOPE

The scope of an airport service quality framework is typically focused on: passenger processing facilities, critical operational assets, and passenger experience elements. The scope should not include airline processes such as check-in and boarding remembering it is the airport's performance being monitored and measured. Some of the common measurement areas that can be included are listed under the below categories. This list is by no means exhaustive but gives an indication of the many areas that can be part of a quality regime. What is important is to prioritize what quality elements should be measured and tracked.

3.1 Airport Processing Facilities

The passenger processing sub-systems that comprise the entire end-to-end passenger journey should be measured in terms of queuing or total transaction times to assess performance and identify bottlenecks. Typical passenger processing elements that may be included are:

- Passenger departures and transfer security screening
- Staff security screening
- Passport control (emigration and immigration)
- Vehicle control posts and security search to access airside

Measurements are usually done on a per-passenger or per-vehicle queuing time and is conducted on a regular frequency (e.g., a 5-minute range measured every 15 minutes). The KPI is often the percentage of median measurements that are within the target. Where possible, automated measurement methods should be used and there are a range of available solutions (e.g., wireless, lasers, optical sensors, etc.).

Airlines and their passengers share an interest in a cost-efficient airport experience that provides sufficient space to accommodate necessary functions and provides stable passenger flows with acceptable processing and waiting times. Targets should be set in consultation with airport users.

While most of the above airline processing facilities are managed by the airport, IATA also recommends that border control agency performance be monitored for quality even through this is not under the direct control of airports. However, as the airport is a series of interconnected sub-systems that make up the overall passenger experience, this element should be measured, and the results shared with the control authority. Airports, not users, have the formal link with control authorities and can work with them on infrastructure, staffing and other issues that can affect border control throughput.

3.2 Asset Availability

The category of asset availability includes Passenger Sensitive Equipment (PSE) and other assets related to both the passenger terminal and the airfield including:

- PSE: passenger lifts, escalators, and moving walkways
- Automated People Movers (APM)
- On-airport bussing e.g., inter-terminal and to gates
- Flight Information Display Systems (FIDS)
- Passenger Boarding Bridges (PBB)

- Baggage Handling Systems (BHS)
- Arrivals reclaim
- Airport common use equipment e.g., check-in desks, bag drops, gate areas
- Airport IT systems
- Airfield elements may include runways, taxiways, taxi lanes, aircraft stands, Fixed Electrical Ground Power (FEGP), and Pre-Conditioned Air (PCA), and other systems where relevant such as snow ploughs and de-icing equipment.

Asset availability is commonly measured as the percentage of time that the asset is serviceable and ready for use. Automated monitoring linked to airport maintenance systems is critical to monitor actual performance and ensure that a robust basis for auditing exists.

In addition, service maintenance windows should be considered when setting targets. Performance shortfalls that result from 'Force Majeure' events should be noted for information purposes but are not factored into the calculation of KPI achievement.

3.3 Passenger Experience

Elements of the passenger experience at the airport may also be included in the quality framework. While some of these may be assessed with quantitative measures others will be assessed on a qualitative assessment via surveys and other means.

- Pier service
- Departure lounge / gate / arrivals seating
- Cleanliness – overall airport and toilets
- Passengers with Restricted Mobility (PRM) service timeliness
- Ease of wayfinding and flight information
- Internet / Wi-Fi

4.0 COMMON AIRPORT SERVICE QUALITY FRAMEWORK REQUIREMENTS AND CHALLENGES

Establishing an effective airport service quality framework requires a spirit of cooperation and transparency. There should be consensus among all stakeholders on what performance areas to focus on and what measurement and reporting methodology to use. It needs to be practical to implement and administer. Targets on the base level of performance that must be achieved should be clearly defined in consultation amongst all parties. The agreed standards – specific to each airport can be used or airlines may propose the required/expected service level which the ACCC can then review and consider as best practice for each airport to monitor.

Common quality framework challenges include weak or non-existent regulation, a lack of alignment on objectives and processes, and poorly defined measures that lack the precision to accurately measure performance.

Another issue that sometimes arises is reciprocity. The question is asked whether airline performance should also be tracked within an airport quality regime. While IATA believes that such information may be useful it should <u>not</u> form part of an airport's quality framework for the following reasons:

- A service quality framework should be focused on the service standards that airlines, as customers, can expect in return for the regulatory charges they pay to airports which are service providers. Airlines are in competition and are penalized by the market for poor operational performance.

- Airline performance has little direct impact on most airport quality indicators such as the availability of assets or the efficiency of such processes as security search.

- In cases, where airline actions do affect the achievement of Airport KPIs (e.g., airline non-notification for PRM), the results can be adjusted to carve out that performance.

Examples of airport metrics and airport quality agreements are attached to this IATA submission to aid the ACCC's understanding of the above points. These documents include:

- IATA SLA Metrics
- IATA Sample Airport Service Level Agreement
- Sample Performance Report – February 2021

5.0 COMMENTS AND RECOMMENDATIONS ON THE ACCC'S AIRPORT SERVICE QUALITY FRAMEWORK

The following comments and recommendations are based on the information that was shared about the ACCC's qualify of service monitoring program. IATA is pleased that Australia has included quality as part of its oversight framework and believes that this review is an opportunity to strengthen it.

The ACCC quality of service monitoring program monitors objective quantitative data; however, it differs from the type of quality regime that IATA describes in the above-mentioned best practices. Many of the quantitative indicators in the ACCC framework are focused on capacity and do not set minimum standards of quality at any airport nor provide any mechanism to address shortfalls in performance. The stated objective of the ACCC framework is to promote transparency. There is no reference to objectives that are directly related to the impact on airline-user performance and the customer experience.

While the current framework provides a large amount of information, much of it is suitable for other purposes but may not for measuring actual performance and service quality due to issues in each of the following areas:

5.1 Data Metrics

The three main sources of quality indicators for an ACCC quality framework are:

- Objective data that airports provide on an ACCC reporting template
- Subjective data from airport passenger surveys
- Subjective data in the form of quality ratings and comments collected from airlines by an ACCC administered user survey

The service quality base data collected for the objective indicators consists of the number / size of facilities and peak passenger demand numbers. The KPIs are then calculated as a ratio of these inputs. This approach is appropriate for an airport capacity assessment but not for measuring the quality of outcomes. For example, the number of peak passengers per security lane is a design input appropriate for identifying processing capacity and queuing space but not for determining the actual service quality for the customer.

The objective data that should be collected are the types of measurement outputs described in IATA's description of quality best practices in the first part of this feedback. For airport processing facilities there would typically be queuing times or total transaction times per-passenger or per-vehicle queuing times. With the technology that is available, these can be measured on a consistent and automated basis. For asset availability 'in-service' rates are commonly used.

The comparison below illustrates how one of the ACCC framework's quantitative indicators differs from the metrics commonly used in the industry:

	ACCC Quality Framework	Industry Best Practice for quality measurement
	Security Checkpoint	Security Checkpoint
Data Inputs	Number of security systems and peak departing pax	Automated measurement of queue time at 15-minute intervals
Outcome	Number of peak hour departing pax per system	Median customer waiting time in minutes from back of queue

The ACCC also collects quality perceptions through its own surveys and consultations with airlines and landside operators. Surveys are also done by the airports themselves with the results provided to the ACCC. These surveys are perception-based even for questions on the waiting time for airport processes. Qualitative measures have a role to play in a performance framework as there are some service quality elements, such as those related to passenger experience, for which well-constructed surveys are targeted to specific facilities or services can complement the more objective quantitative metrics to present a comprehensive view of the airport's quality. It is noted that neither the content nor the methodology of surveys conducted by airports is specified by the ACCC. Consideration should be given to providing a set of guidelines on how surveys should be conducted in order to ensure consistency across all airports.

In addition to the subjective data provided by airport operators on passengers' surveys, the ACCC also collects additional subjective data through an annual survey that is sent out to the airlines. Airlines are asked to rate the availability and standard of airside and terminal services and facilities managed by the airport operator as well as the responsiveness of the airline operator when issues arise on a 1 to 5 scale (very poor – excellent). These scores are then aggregated among the respondents and an average reported. Although the airlines have space to provide comments, detailed information on the reasons airlines rate services and facilities highly or poorly does not appear. Including a summary of the comments in the report would aid the reader in better understanding the context of the ranking.

5.2 Scope

The organization of the quality areas into the four main categories of passenger-related, aircraft-related, landside-related, and management performance is logical and makes sense. If ACCC is to shift to quality metrics that are more aligned with industry best practice, the sixteen quality service areas will need to be reviewed.

Check-in, for example, is an airline process and therefore should not be included. However, the availability of such assets such as lifts, escalators, and moving walkways, which are left out, should be included. Likewise, airside freight handling and cargo facilities are often not under the direct operational control of airport management as they are usually leased facilities, so they are not typically included in most airport quality frameworks.

The performance monitoring of assets and services that have a direct impact on airline operations by facilitating the movement of passengers, baggage, and aircraft should be included.

5.3 Benchmarking

The current quality framework uses a set of benchmarks for each measure based on how the four airports performed against that measure. This distracts from actual performance and is not a true assessment of quality. Each airport is different in terms of its customer base, asset base, operating costs and design; therefore, each needs to be assessed independently. The cost relatedness of service levels and costs is critical to consider, and the true cost can only be determined through a transparent and meaningful consultation structure between airports and airlines.

The baseline should consider each airport's circumstances. Each airport is different in its customer base, asset base, operating costs and design and therefore should be assessed independently. The rating system should be independent and based on each airport's own baseline instead of its comparison to the peer group.

5.4 Other Comments

- The service quality results are included in the ACCC's annual Airport Monitoring Report. This comprehensive report also includes updates on charges, costs, and financial performance at the four main airports as well as the supply of aeronautical, car parking and landside services. The service quality information should be put into its own concise section where it is easier to find. The ACCC should consider moving to a more dynamic format of issue concise monthly or quarterly reports so the information can be more readily acted upon.

- An airport-level governance structure and consultation process between the airports and airlines would help increase accountability and ensure that quality monitoring is focused on priorities and aimed at what should be its primary objective – driving the consistent and timely delivery of assets and services at the agreed service levels.

- There is no escalation process or enforcement mechanism to address shortfalls in performance. A governance structure that provides a forum for discussion of quality issues and an escalation process to address problems at individual airports would be useful. It would also provide a platform for receiving feedback and ensuring that the quality KPIs remain relevant.

- It is also necessary to recognise the significant risk that occurs i.e. gold platting and over-investment if we have well-established airport quality protocols in a weak price regulation environment. Stronger and more effective price regulation is also required to deliver the required outcomes.

ANNEX: Response to questions raised by the ACCC in the consultation paper

1. Do you make use of the ACCC's monitoring and evaluation of airport quality? If yes, how and why? If not, why not?

As a trade association, IATA is not an active user of the ACCC's quality reports but does refer to the information as required to act for the benefit of its airline members.

2. Is the ACCC's monitoring and evaluation of airport quality 'fit for purpose' or 'working'? If yes, how and why? If no, why not? What would be the measures and gauges of success or failure of the monitoring and evaluation of airport quality?

For a service quality framework to be effective it needs to measure the actual performance and service quality provided to users in return for the airport charges they pay. The current framework should be reviewed for re-consideration in respect to:

- Focuses on averages and not actual performance required to make well informed and reasonable assessments of airport performance. The current approach is unlikely to result in credible data to assess performance.
- What is recommended are quantitative, automated measurement where practical e.g., per passenger metrics based on queuing times for key passenger experience airport processes such as security. Technology is readily available and commonly applied to objectively measure performance and should be mandated to support the ACCC effectively in monitoring airport performance in consumers interests.
- The current approach focuses on capacity assessments / ratio's and does not focus on outcomes e.g., space per passenger in the peak hour or aircraft movements per apron / stand etc. are valid measures however only as capacity planning inputs and are not outputs that demonstrate an airports performance e.g., the number of security lanes, or departure lounge space is an input the design process and demand / capacity analysis to generate the required processing and queuing space – this is not output focused and may provide limited value when considering monitoring and transparency.
- The scope of ACCC measures should be reviewed e.g., check-in is an airline process with service levels determined by users in tough competition with one another (noting airports help provide the infrastructure).
- A substantial omission is monitoring the performance of assets that has a direct impact on passengers and operation, specifically the availability of assets e.g., passenger facing assets such as lifts, escalators and travellators, and baggage systems availability.
- A comparison between 4 major Australian airports should also be reconsidered as it is a distraction from actual performance. Each airport is different in its customer base, asset base, operating costs and design and therefore should be assessed independently. The cost relatedness of service levels and costs is critical to consider, and the true cost can only be determined through a transparent, meaningful consultation structure between airport and airlines.

A fundamental point to recognize is that airports can abuse their market power unless the right incentives and regulatory safeguards are in place (which is not currently the case).

3. To what extent, if any, and with regard to any particular airport or airports, has the ACCC's monitoring and evaluation of airport quality contributed to:

a. promoting the interests of passengers?

Only partially, based on passenger survey which is very subjective in nature. Qualitative measures have a part to play in the performance framework when combined with more objective quantitative metrics, on the basis surveys are frequent and targeted to the facility or service.

b. promoting the interests of airlines?

Will leave airlines to comment directly.

c. promoting efficiency

Limited, as the end result of the monitoring is comparing one airport to the others. Does not address the localized issues or operational performance in any obvious way or the relationship between service and costs.

Frameworks should clearly be focused on outcomes and not investment thresholds. Investment should only be considered when required and after existing infrastructure capacity is fully utilized and then backed by a business case process consulted upon and agreed with users.

d. detecting instances of the exercise of market power?
No impact.

e. deterring instances of the exercise of market power?
No impact.

4. To what extent have the ACCC's ratings of airport quality been a significant factor, or been referenced, in bargaining between airlines and airports?
IATA is not a party to the negotiations between airlines and airports in Australia. Airline operators will be able to provide specific comments on this aspect.

5. How can and should the ACCC best use ratings of the *quality* of airport services and facilities in conjunction with its monitoring of the *prices, costs and profits* related to the supply of aeronautical services and facilities by airports?
Cost relatedness is key and there should be separate consultations at each airport on options / costs / service levels with ACCC oversight if there are disputes. Consideration should be given to giving quality more prominence in the current report or providing a concise quarterly summary of quality results. A more dynamic reporting structure would better identify trends and allow quicker action to make corrections.

6. To what extent are airlines good 'agents' for promoting the interests of passengers travelling through airports. Why?
Airlines can be viewed as the proxy of passengers both on costs and service levels. Passengers are primarily the customer of the airline from point a to point b (and beyond) with seats being ticketed by airlines and fares (including taxes, third party fees and charges) collected from passengers, while for airports the interface is limited from kerb to the gate. Airlines have a duty to deliver the expectation of its passengers for the entire journey, not limited to services provided while passengers are in the aircraft cabin. Airlines and their passengers share an interest in a cost-efficient airport experience that provides sufficient space to accommodate necessary functions and provides stable passenger flows with acceptable processing and waiting times.

Expectations and outcomes
7. What has changed in the past 10 years in the nature of the services and facilities passengers and airlines need or value and / or airports provide? For example, how should the monitoring evolve in the face of technological change, such as online check ins or access to information and notifications on personal electronic devices?
The digitalization of airport is fundamentally changing many processes. The introduction of self-service technology, smartphones and automation is changing such passenger processes as check-in and drop bags. This includes the development of off-airport check-in and self-bag drops. Covid-19 impacts have had a substantial impact on accelerating technology and automation trends through increased adoption of biometrics and touchless technology. This results in more efficient airport infrastructure able to process more passengers in the same footprint, while improving passenger experience and control over their journey. This efficiency should result in lower operating costs, address workforce shortages for a better passenger experience. Investment in technology should optimize capacity, efficiency and service level when supported by a clear business case and does not necessarily mean higher charges.

8. What outcomes do *passengers* and, separately, *airlines* now most need, and / or value, when using airport services and facilities? Why? You may wish to specify, for instance, issues such as on-time departure, efficient security inspections, reliable baggage handling or the availability and quality of runways.
Reliable and functional airport infrastructure that efficiently processes passengers at the lowest possible cost, based on a technology enabled experience. Seamless, touchless, certainty (availability and reliability), flexibility, enabling the full capability of aircraft/investments made by airlines which are normally not matched by airports.

9. How would you measure the outcomes you have identified? What are the indicators that their quality is high or low?
Covered in the main submission. See IATA attachments
- IATA Service Level Agreement Metrics
- IATA Sample Airport Service Level Agreement

- Sample Performance Report – February 2021

Whether quality is high or low depends upon setting targets in consultation with the airlines on what constitutes an acceptable level of performance.

10. Do the answers differ if the airport user is:
a. an international or domestic traveller?
The passenger experience and airport service levels should be common to both, noting that some additional processes are required for certain passenger types such as international passengers e.g., transfer security, customs / quarantine / immigration /emigration. The expectations for common services should be similar.

b. an international or domestic airline?
As above in terms of a baseline functional airport facilities, however airlines may wish to differentiate their products e,g, premium service at check-in, boarding or through the passenger journey.
IATA recommends that 'functional facilities' be the common theme in relation to airport / airline discussions noting that best efforts should be made to deliver common service levels to airlines at the lowest possible cost. Airlines business model may naturally require differentiated customer facilities e.g., for premium and branding purposes that is a matter for discussion with them.

c. an airline, or a traveller that is using an airline, that is a full-service or low-cost carrier?
Answer as above – consistent and functional service levels.

d. a leisure or business traveller?
Again, airlines may wish to differentiate their products based on their business model. That is a choice they, not airports should make. Where airports provide dedicated services such as fast track security the costs of these services should be recovered across the user base.

Note we should refer to premium rather than business services, as many passengers flying on business are not necessarily paying for premium services. The same is also true for leisure passengers. Premium passengers such as business travellers would have access to premium services based on their needs if they are willing to pay for them. Business traveller who chooses to not procure/pay for these premium services should accept the agreed, functional level service.

e. any other characterization of passenger or flight, such as arriving or departing?
The positioning of the airport based on the major market segments it services should be addressed during the traffic forecast / design phase (build or modernization/renovation); for example airports serving mainly long-haul leisure markets passengers would normally result in a higher ratio of bags per person vs an airport with mainly short-mid haul business or premium traffic. Customer expectations and facilities requirements would differ and have a direct correlation to the cost of providing those services e.g., baggage systems, processing facilities.

11. Can and should the ACCC monitor and evaluate flight *delays* at airports as part of monitoring and evaluating airport quality? Why or why not? To what extent, if any, is the ACCC's current monitoring and evaluation directly or indirectly addressing delay issues?
Flight delays monitoring are complicated especially when it comes to understanding the underlying causing factors, and in apportioning the share of the delays. Key to ACCC's focus should be the airport elements that required monitoring and measuring relating to delays, such as the availability of major assets and the recovery back into service after disruption events. Similarly effective monitoring of airport delay codes relating to airport infrastructure is a useful approach within the service quality framework.

In addition, regular engagement and consultation on operational contingency and irregular operations plans is commonplace and required e.g., between Airline Operators Committee's and airport teams as a critical piece beyond the scope of a service level framework.

12. Should, or how should, the ACCC monitor and evaluate the service to, and the facilities for, passengers with special needs: such as people with a disability or from disadvantaged, vulnerable or culturally and linguistically diverse backgrounds? How does this aspect of monitoring and evaluation fit within the overall aim or aims that you consider the monitoring regime should pursue?

Accessibility needs of customers should ideally be treated with same functional service levels as all passengers, and any bespoke services and equipment required subject to consultation and cost relatedness principles within the scope of service level frameworks where airports are responsible e.g., customer waiting times.

13. Are there any areas included in the ACCC's reporting of airport quality over which airport operators do not have enough control or responsibility to justify their inclusion? What is your view on whether certain elements should be excluded from monitoring and evaluation for this reason?
Control authorities such as emigration and immigration, customs. However, should be monitored and the airport held to account in terms of its efforts as it will have the formal relationship (rather than airlines or passengers) with these agencies. Agreed service levels should be established to support the quality monitoring process.

14. Overall:
a. What are the most important performance measures in airport quality in terms of reliability, quality of supply and customer services?
While each airport is different a high level of service is typically required i.e., assets available 98%-99% during live operations. See IATA SLA / service quality frameworks. Includes:
- Waiting times for passenger processes (ideally including transaction times also for full end to end elements - e.g., passenger security, transfer security, staff security, vehicle control posts, transfer security.
- Passenger facing assets typically include:
  - Passenger lifts, escalators, conveyors.
  - Automated People Mover (APM) Systems.
  - On-airport bussing e.g., inter-terminal, to gates.
  - Passenger Boarding Bridges (PBB).
  - Elevating equipment for boarding and disembarking passengers with accessibility needs where provided by airports.
  - Airfield and Related Elements:
    - Runway/s as the primary airport asset.
    - Taxiway, taxi lanes and parking aprons.
    - Aircraft parking and stand availability.
    - Stands and their associated infrastructure:
      - Fixed Electrical Ground Power (FEGP).
      - Pre-Conditioned Air (PCA).
      - Visual Docking Guidance Systems (VDGS).
      - Navigation Aids (NAVAIDS) – where provided by the Airport
  - Passenger terminal facilities - airport systems are inter-related and will impact the overall passenger experience and operation, appropriate KPI's should be considered for:
    - Baggage handling systems (BHS) e.g., "in-system time" of bags and the availability of the system.
    - Baggage Misconnect Rates
    - Arrival reclaim belts availability.
    - Airport common use equipment availability e.g., check-in desks/bag drops, gate areas.
    - Flight Information Display Systems (FIDS) availability.
    - Wi-Fi availability, coverage and quality.
    - Pier Service – % passengers able to access the aircraft via a contact gate.
  - Some elements are typically based on qualitative metrics / surveys
    - Departure lounge / gate / arrivals seating.
    - Cleanliness – airport overall and toilets.
    - Wayfinding to orientate around the airport.

b. What is the best framework to align customer expectations with service performance?
Baseline quality of service framework agreed in consultation with the airline's community base on the principles of:
- Cost relatedness
- Transparency
- Non-discrimination
- Consensus decision making with airline customers
- Informed decision making based on a review or options, costs and outcomes for key service levels and asset performance
- Scope that focused solely on airport services and facilities

Specific services and facilities, aspects and matters

15. Are there any *aeronautical services or facilities* listed in Regulation 7.02A that are not incorporated into the aspects listed in Schedule 2 but are as significant as, or more significant than, the aspects listed in Schedule 2 – and so should be listed there?

Will leave airlines to comment directly.

16. What are the top three to five aspects listed in Schedule 2, or that you consider should be listed in Schedule 2, that should receive the most attention from the ACCC in monitoring and evaluating airport quality (for example, being weighted more heavily or retained in a shorter, rationalised list of items)? Why?

The quality indicators to be monitored will depend upon what the airlines and airports jointly decide are priorities. Key airport issues sometimes differ across different airports and regions; however, some of the areas that are most often monitored include:

- Passenger security control points (and border control queues)
- Airport infrastructure availability (e.g., critical passenger facing assets, passenger boarding bridges, IT systems, Baggage Handling Systems availability / in-system time, stands availability and related infrastructure)
- Passenger satisfaction (e.g., cleanliness, toilet facilities, flight information and wayfinding)
- Accessibility - Passengers with Reduced Mobility (PRM) service levels (if differentiated from others)

17. What are your views, if any, on the use and specifics of the definition of 'peak hour' in Schedule 2?

As referred to, peak hour demand should be used in capacity assessments and as an input to inform the number of functional facilities and space required and as the required service quality measure. There are several different definitions of peak hour being used in the industry but all attempt to identify a peak rate that is representative of busy periods throughout the year. Section 2.2.10 of the IATA ADRM 12th edition provides a recommended methodology (Design Hour Rate) to select relevant peak demand. Again this is required as an input however not as an output/service measure.

Similarly the IATA Level of Service (LoS) concept used widely by airports is a way to ensure that demand and service quality are considered when defining airport service levels and that capacity is balanced to avoid bottlenecks. The LoS guidelines for sufficient space and acceptable queuing times can be useful for determining quality targets related to passenger processes. More information can be found at: IATA - Level of Service (LoS) Concept. It is critical to note that IATA LoS is also an input to planning. However, to determine the service levels required an airport this requires consultation with airline stakeholders regarding the range of options and costs at an airport level – the airlines full support is required to agree with selected service levels to identify the appropriate service level that may vary between airports.

18. Can and should the ACCC monitor and evaluate the quality of aircraft refuelling services and facilities? Why or why not?

As a general rule, where a service provided is under a monopoly, the quality of the service would need to be monitored and evaluated to ensure that an acceptable level of service is provided at a reasonable price. In the case of aircraft refuelling services, where only one entity is providing the service, monitoring and evaluation of service should be in place and remain in place until the users are provided with a choice of providers operating independently and competitively. In the case of refuelling facilities, this is typically operated by a monopoly entity and duplication of the facility is costly and inefficient. As such, monitoring and evaluation of service should be in place. A simplistic/starting approach which can be expanded further as necessary:

- Refuelling services:
    - Below x number of delays to aircraft departure due to refuelling per 1,000 fuellings
    - Below y number of refuelling incidents per 10,000 fuellings

- Fuel facilities
    - 100% availability of fuel at the airport
    - Zero fuel contamination

Open access and competition are key principles to support in order to avoid market abuse.

19. Compared with other airport services and facilities, how important are airport carparking facilities to promoting positive outcomes for passengers using airports?

Car parks are usually essential airport facilities and important to passengers in the context of an overall surface access strategy. Car parks should be accessible, provide convenient and frequent access to and from terminal buildings, and should be priced competitively to avoid excessive costs compared with local markets.

Generally, surface access to the airport should be reliable, timely, convenient and affordable. It is important to ensure the ease of access by all mode modes of transport. As a result of greater penetration of affordable ride hailing/sharing, and availability of other modes of transportation (rail, bus etc.), long term parking facility outside the airport, we would expect that the demand for carparking facilities at the airport will gradually drop. But this does not necessarily mean that the footprint will be reduced, it could simply mean that it might be repurposed to meet the higher demand in other areas (rental, dedicated drop off/pick up). This must be evaluated on a case by case basis as each location is different. The key is to ensure that comprehensive analyses are completed to support the master planning process and business case for capital investment, in consultation with airport users.

20. Please list in order of highest to lowest dollar value, the top three to five airport services or facilities by:
a. cost for an airline / revenue for an airport
b. cost for an airport
c. margin or profit for an airport.
Will leave airlines to comment directly.

21. With regard to the aspects you identified in answer to question 16 above, what are the key matters the ACCC should take into consideration towards monitoring and evaluating the quality of the aspect?
Covered in the main submission.

22. In light of your answers to earlier questions, what amendments, if any, should the Australian Government make to Schedule 2? Why?
Covered in the main submission.

Criteria and reporting of results
23. What are your views of the criteria for the ACCC's quality monitoring program, as outlined in the ACCC's Guideline for quality of service monitoring at airports – June 2014? You may wish to comment on, for example:
      a. what subjective and objective information the ACCC uses
      b. who the information is collected from, who collects it and how it is collected.
Covered in the main submission.

24. In light of your answers to earlier questions, what changes, if any, can and should the ACCC make to its criteria? Why?
Covered in the main submission.

25. What are your views of the ratings the ACCC has published in its annual Airport monitoring reports of airport quality? You may wish to comment on, for example:
    a. the extent to which the ratings help achieve the aims of the ACCC's monitoring of airport quality b. aspects of methodology, such as:
        i. benchmarking an airport against the average of monitored airports
        ii. whether other comparators, variables or inputs should contribute to calculating any benchmark – for instance, selected overseas airports
        iii. producing a single indicator (a rating along a five-point scale), including one that applies to all services and facilities; and all types of passengers and airlines (such as international and domestic, and full-service and low-cost travel).
Covered in the main submission. Each airport is different and baseline targets should be established in consultation with airline stakeholders and primary airport customers (and in turn their customers, the passengers that contract with them).

26. In light of your answers to earlier questions, what changes, if any, can and should the ACCC make to its ratings methodology and presentation?

Covered in the main submission.

27. Does the ACCC publish an appropriate level of detail on airport quality? For example, should the ACCC publish more disaggregated information, for more transparency? If yes, what is this likely to achieve and why?

Covered in the main submission.

28. Overall:

a. What is your view on the appropriateness of performance measures included in recent ACCC Airport monitoring reports?

Covered in the main submission. Improvements needed.

b. Should the ACCC adopt other established quality measures for its monitoring report, to analyse an airport's performance and benchmark it against other local and overseas airports – for example, the Airport Service Quality survey from Airports Council International?

Partly covered in the main submission. Qualitative monitoring alone is not sufficient but could complement the proposed quantitative approach which should be the main mechanism in monitoring the quality of services being provided by the airports.

c. Given your answers to the questions above, what changes should be made to the quality data collection requirements, including the scope of the aspects, matters and criteria?

Covered in the main submission. Airport specific and objective set of measures with baselines and targets established in consultation and in agreement with airlines, who are also the proxies for passengers.

IATA Airport Service Level Agreement (SLA) - Range of Indicative Measures

Category	Metric	Recommended Metric Specification	Measured By Airport or User	Preferred Method of Measurement	IATA - Airport Development Reference Manual (ADRM)*1	Airport example - London Heathrow "Service Quality Regime" *2
Queuing	Passenger Security Search	Waiting Time in minutes- recommend back of queue to completion of transaction	Airport	Automated, measured on a periodic basis as a % of passengers processed in a given hour throughout the operational day-by Terminal	5-10 minutes "Optimum" range	95% in 5 mins, 99% in 10 mins-back of queue to start of the security process. Automated measurement every 15 minutes.
	Transfers Security Search	Waiting Time in minutes- recommend back of queue to completion of transaction	Airport	Automated, measured on a periodic basis as a % of passengers processed in a given hour throughout the operational day-by Terminal	5-10 minutes "Optimum" range	95% in 5 mins, 99% in 10 mins-back of queue to start of the security process. Automated measurement every 15 minutes.
	Staff Security Search	Waiting Time in minutes- recommend back of queue to completion of transaction	Airport	Automated, measured on a periodic basis as a % of passengers processed in a given hour throughout the operational day-by Terminal	5-10 minutes "Optimum" range	95% in 5 mins, 99% in 10 mins-back of queue to start of the security process. Automated measurement every 15 minutes.
	Vehicle Control Posts Security Search	Waiting Time in minutes- recommend back of queue to completion of transaction	Airport	Automated, measured on a periodic basis as a % of passengers processed in a given hour throughout the operational day-by Control Post groupings, or across the airport campus		95% of vehicles within 15 minutes
	Emigration and Immigration Controls	Waiting Time in minutes- recommend back of queue to completion of transaction	Control Authorities and/or Airport	Automated, measured on a periodic basis as a % of passengers processed in a given hour throughout the operational day-by Terminal	5-10 minutes "Optimum" range	25 mins EU / 45 mins non-EU
Asset Availability-Passenger Sensitive Equipment	Passenger Critical Lifts, Escalators, Passenger Conveyors	% of service availability	Airport	Automated, measured daily. High percentage availability recommended e.g. 99%		99%
	Automated People Mover Systems	% of service availability	Airport	Automated, measured daily. High percentage availability recommended e.g. 99%		99%
	Bussing - passenger movements	% of service availability	Airport-if the provider	Waiting time minutes, measured periodically throughout the operational day.		99%
Asset Availability-Other Equipment	Airfield Availability-Runways-Aprons-Taxiways	% of service availability and ability to recover from disruption events	Airport	100% availability normal operations. Ability to recover from disruption events in specific time periods e.g. weather events such as fog, snow clearance. Force Majeure events excluded.		Aerodrome Congestion Charge - airport wide compensation scheme
	Overall Stand Availability-contact or remote	Overall % of Available Aircraft Stands - contact or remote	Airport	Stand availability in minutes prior to standard departure time measured versus schedule / stand plan		99%, by Terminal
	Fixed Electrical Ground Power (FEGP)	% of service availability	Airport	Automated, measured per stand and by Terminal - 99% asset availability		99% by Terminal
	Pre-conditioned Air (PCA)	% of service availability	Airport	Automated, measured per stand and by Terminal - 99% asset availability		99% by Terminal
	Stand Entry Guidance	% of service availability	Airport	Automated, measured per stand and by Terminal - 99% asset availability		99% by Terminal
	Arrival Reclaim Belts	% of service availability	Airport	Automated, % availability by total number of flights, measured daily - 99% asset availability	First passenger to first bag - 1-25 minutes max	99% by Terminal
	Baggage Misconnect Rate-Transfer and Direct	Number of missed bags-separate measures for direct and transfers	Airport and Airlines	Identify airport accountable delays by Code - informed by airport and airline data - e.g. target 1/1000 direct		IATA standard is 4/1000.
	Departures Baggage Handling System (BHS) availability	% of service availability	Airport	Automated, % availability of system by Terminal, measured daily - 99% asset availability		
	Availability of Departures and Boarding Equipment e.g. kiosk/bag drop/check-in and/or gate boarding equipment if provided by airport	% of service availability	Airport	Automated, measured daily. High percentage availability recommended e.g. 99%		
Passenger Experience	Departures Lounge-Seating Availability	Ease of finding a seat	Airport	Typically perception based measures based on passenger surveys. Design standards can be % of seats available as a proportion of total aircraft seats in peak hour		Perception based - QSM measure 3.8/5
	Gate Room-Seating Availability	Proportion of seated occupants in gateroom area	Airport	Typically perception based measures based on passenger surveys. Design standards can be % of seats available as a proportion of total aircraft seats in peak hour	50%-70% is Optimum design standard	Perception based - QSM measure 3.8/5
	Arrivals Hall-Seating Availability	Proportion of seated occupants in Arrivals Hall area	Airport	Typically perception based measures based on passenger surveys. Design standards can be % of seats available in the peak hour	15%-20% is Optimum design standard	
	Flight Information Display System (FIDS)-accuracy and ease	FIDS % asset availability	Airport	Automated, % availability of system by Terminal, measured daily - 99% asset availability		Perception based - QSM measure 4.2/5
	Wayfinding-ease of finding your way	Ease of finding your way around the airport	Airport	Typically survey based by Terminal		Perception based - 4/4-4.2
	Cleanliness of Toilets	Overall cleanliness of the Terminal	Airport	Typically survey based by Terminal		
	Overall Cleanliness	Cleanliness of the Terminal toilets	Airport	Typically survey based by Terminal		Perception based - 3.9/4-4.2
	Wi-Fi	% Availability and Speed-assumes free of charge	Airport	Automated - based on 99% availability		
	Stand Availability-Pier Service	% of passengers embarking and disembarking directly into the terminal building	Airport	Measured as a % of actual passengers		95%

*1 ADRM LoS - IS A DESIGN INPUT TO HELP DEFINE REQUIRED PERFORMANCE. AIRPORT SLA DEFINES PERFORMANCE.

Airport Service Level Agreement
Example
2019

DRAFT

1. Introduction

This Airport Service Level Agreement (ASLA) is entered into as a Memorandum of Understating (MoU) between XOXO Airport and the airline community of XOXO Airport as represented by the membership XOXO Airport Operators Committee as well as representatives of the National Board of Airline Representatives and the International Air Transport Association who are facilitators to this agreement.

2. Airport SLA Objectives

An Airport SLA is a jointly-agreed formal commitment between a service provider (the airport) and Users (the airline community) that provides a framework for measuring the quality of services and facilities on an ongoing basis.

The objectives of the XOXO ASLA include the following:

- ↗ Clearly define the required assets and basic standard of service that airline expect in return for the regulatory charges that they pay.
- ↗ Drive the consistent and timely delivery of assets/services.
- ↗ Promote the efficient use of airport infrastructure.
- ↗ Improve the passenger experience and operational performance
- ↗ Create a healthy business environment by building trust and communication between the airport operator and the airline community.
- ↗ Manage expectations by identifying service levels that are realistic and achievable.
- ↗ Facilitate knowledge sharing about performance standards and opportunities for continuous improvement and prioritize Opex.
- ↗ Enhance XOXO Airport's reputation for quality and accountability.

3. ASLA Effective Date and applicability

This ASLA will take effect on (insert date) and will be for a four-year duration. Amendments may be made by joint-agreement. If either the airport operator or the airline community wishes to terminate the agreement, this must be done with adequate notice (3 months).

The terms of this agreement apply to XOXO Airport and members of the Airport Operators Committee (AOC) that are using the infrastructure and services that are subject to the agreed measuring points.

4. Governance

The ASLA will be governed by a joint working group, composed of representatives from the airport operator, and airlines who are party to this agreement as well as industry associations that helped facilitate this agreement. A Chairperson, will appointed and given

responsibility for managing meetings, ensuring the discussion of all views and coordinating logistics with the chief representatives of the airport operator and the airline community.

The ASLA working group will meet on a scheduled basis (quarterly) to share information, review performance, address problems and discuss solutions. Where a service breakdown occurs, data will be collected and analysed to determine the cause (e.g. excessive demand, insufficient processing capacity or inadequate infrastructure). The results of this analysis will be shared within four weeks of the issue being reported to the ASLA Working Group.

4.1 Amendments

The working group will periodically assess whether any adjustments to the ASLA are required due to changes in priorities, regulation, technology, market conditions or operational elements. Each party can make proposals to changes in the KPIs, measures and targets. Any change will require the agreement of both parties.

4.2 Performance Reporting

The airport operator will be responsible for measuring and reporting performance on a systematic basis. Distribution of a concise and complete quarterly report will be done via means accessible to all parties to this agreement (e.g. e-mail report, website, etc.).

4.3 Remedial Measures

Performance areas that underperform will be marked for action. The airport operator will be responsible for taking the necessary steps to ensure that the agreed service standards are met and must be able to diagnose the problem and take prompt corrective action particularly for those areas that show a pattern of failure or that have a significant impact. Repeated problems will be prioritized and escalated.

5. Performance Areas, Measurements and Targets

This ASLA focuses on jointly-identified areas that most benefit from performance monitoring. The performance measures should be quantitative rather than perception based and automated as much as possible. The assigned targets are specific to each of XOXO Airport's terminals.

The following performance indicators are selected to be tracked:
1. Passenger Security Search waiting time
2. Departure Baggage Handling System mishandling
3. IT Infrastructure availability
4. Passenger Boarding Bridge availability
5. Passenger Boarding Bridge Air Conditioning Unit availability
6. Fixed Electrical Ground Power (FEGP) availability

7. Passengers with Reduced Mobility (PRM) timeliness

Monitoring key performance indicators (KPI) will be done through the use of the best available tools to ensure accurate and efficient measurement. The agreed KPIs and targets are described in Annex 1.

5.1 Exclusions

Performance shortfalls that result from 'Force Majeure' events or are directly attributed to airline actions will be noted for informational purposes but will not be factored into the calculation of KPI achievement. Force Majeure events will be defined as extraneous and unavoidable incidents that interrupt the expected course of events and restrict participants from fulfilling obligations. Examples would include a severe weather event, a power outage, terrorism incident or a pandemic.

Service maintenance windows for such equipment as Passenger Boarding Bridges should be taken into account when setting targets.

6. Miscellaneous

6.1 Costs

The cost of performance monitoring and reporting will be borne by the Airport Operator. All parties will be responsible for their own expenses in connection with entering into the ASLA and attending meetings.

6.2 Dispute Resolution

Any dispute resolution process will be jointly identified and agreed to by the ASLA Working Group.

6.3 Auditing Process

An Audit process to provide a transparent, independent assessment of whether performance against standards has been measured and reported as intended by this ASLA will be jointly identified and agreed to by the ASLA Working Group.

7. Open Issues

Some issues have been deferred for further discussion and negotiation and will be addressed in completion of an 'Advanced SLA'. It is agreed by all parties to discuss and work to resolve open issues during 2019. One of the open issues is setting up an accountability mechanism.

<u>Accountability Mechanism - Rebates</u>

This ASLA may include a mechanism for rebates but will not include penalties or incentives. An effective accountability mechanism will be subject to further negotiations with the goal of finding a reasonable and effective system to ensure accountability.

While the rebate scheme is subject to future negotiations; the airline community has suggested the below possible outline as the basis for such a scheme.

- Calculated per terminal (e.g. quarterly).
- The rebate for each performance indicator would have its own criteria and calculated separately. The level would have to be negotiated.
- Rebates would be deducted from airport landing and takeoff charges but would be capped at an agreed percentage.
- Rebates for common infrastructure (Passenger Security Search, Departure Baggage, and IT Infrastructure) and PRM would be totaled and the amount of rebate for each airline would be apportioned according to passenger share.
- Rebates for failures of Passenger Boarding Bridges, Ground Power, and Air Conditioning would be paid to affected airlines at an individual level.

Annex 1: ASLA Scope and Measures

#1 Passenger Security Screening

Passenger Security Screening		
Description		
Waiting time in minutes, measured from the start of the queue to the security search tray load point. The KPI is the percentage of median measurements that are within the target.		
Measurement method		
Automated measurement of median queue time every 15 minutes. A tracking system of wireless (Bluetooth), lasers, or optical sensors will be used.		
<u>KPI Targets</u>	<u>Criteria</u>	<u>Unit</u>
Terminal 1: TBD	≤ 'x' minutes	%
Terminal 2: TBD	≤ 'x' minutes	%
Remarks		
Placement of sensor to capture the start of the queue is critical.		

#2 Departure Baggage Handling System

Departure Baggage Handling System	
Description	
Bags that are left behind or delayed as a result of the Airport Baggage Handling System. The KPI is the number of mishandled bags per 1,000.	
Measurement method	
World Tracer #64 data will be used to produce monthly statistics.	

KPI Targets	Criteria	Unit
Terminal 1: TBD	≤ target #	#
Terminal 2: TBD	≤ target #	#
Remarks		

#3   Information Technology Systems

Information Technology Systems	
Description	
Availability of critical IT systems: CUTE, Gate Readers, Doors, FIDS. The KPI is the percentage of average availability for each system each month.	
Measurement method	
Use airport maintenance management system to calculate average monthly availability for each of the major IT systems.	

KPI Targets	Criteria	Unit
Terminal 1: TBD	≤ target %	%
Terminal 2: TBD	≤ target %	%
Remarks		

#4   Passenger Boarding Bridge Availability

Passenger Boarding Bridge Availability		
Description		
Availability of mechanically functional passenger boarding bridges. KPI is the average percentage of time that PBBs are serviceable and available for use during operational hours each month.		
Measurement method		
Use airport maintenance management system to calculate average monthly availability of Passenger Boarding Bridges each month.		
KPI Targets	**Criteria**	**Unit**
Terminal 1: TBD	≤ target %	%
Terminal 2: TBD	≤ target %	%
Remarks		

#5   Passenger Boarding Bridge Air Conditioning Unit

Passenger Boarding Bridge Air Conditioning Unit		
Description		
Percentage of service availability of fully functional Passenger Boarding Bridge Air Conditioning Units. KPI is average percentage of time that ACU are serviceable and ready for use during operational hours on a monthly basis.		
Measurement method		
Use airport maintenance management system to calculate average monthly availability of Passenger Boarding Bridge Air Conditioning Units each month.		
KPI Targets	**Criteria**	**Unit**
Terminal 1: TBD	≤ target %	%
Terminal 2: TBD	≤ target %	%
Remarks		

#6   Fixed Electrical Ground Power (FEGP)

Fixed Electrical Ground Power (FEGP)		
Description		
Percentage of service availability (remote and contact). KPI is the overall percentage of time that FEGP units are serviceable and available for use each month.		
Measurement method		
SEA will use its maintenance management system to calculate average monthly availability of FEGP.		
KPI Targets	**Criteria**	**Unit**
Terminal 1: TBD	≤ target %	%
Terminal 2: TBD	≤ target %	%
Remarks		

#7 Passengers with Reduced Mobility (PRM)

Passengers with Reduced Mobility (PRM)		
Description		
Arrivals: Be at the gate with required equipment within 'x' minutes of blocks-on. Departures: Assistance provided within 'x' minutes of notification from check-in desk. KPI is percentage of passengers who wait no longer than target time.		
Measurement method		
SEA to use existing data for departures. Arrivals will be calculated by comparing the time when PRM gets picked up to when last passenger leaves aircraft as reported by ground handler.		
KPI Targets	**Criteria**	**Unit**
Terminal 1: TBD	≤ target %	%
Terminal 2: TBD	≤ target %	%
Remarks		
Different standards for pre-notification and no pre-notification.		

Airport Service Level Agreement - Summary of Performance Areas and Measures

Jan-19

#	Performance Area	Airline Community Performance Indicators		KPI Target
		Description	Method	
1	Passenger Security Search	Waiting time in minutes, measured from the start of the queue to the security search tray load point. The KPI is the percentage of median times that are within the target.	Automated measurement of queue time measured every 15 minutes. The median recorded queue time in each 15 minute interval will be used. A tracking system of wireless (Bluetooth), lasers, or optical sensors will be used.	
2	Departure Baggage Handling System	Bags that are left behind or delayed as a result of the Airport BHS. The KPI is the number of mishandled bags per 1,000.	Will use World Tracer #64 data to produce monthly statistics.	
3	IT infrastructure	Availability of critical IT systems: CUTE, Gate Readers, Doors, FIDS. The KPI is the percentage of average availability for each system each month.	Use airport maintenance management system to calculate average monthly availability for each of the major IT systems.	
4	Passenger Boarding Bridge	Availability of mechanically functional passenger boarding bridges. KPI is the average percentage of time that PBBs are serviceable and available for use each month.	Use airport maintenance management system to calculate average monthly availability of Passenger Boarding Bridges.	
5	Passenger Boarding Bridge Air Conditioning (ACU)	Percentage of service availability of fully functional PBB Air Conditioning Units. KPI is average percentage of time that ACU are serviceable and ready for use on a monthly basis.	Use airport maintenance management system to calculate average monthly availability of Passenger Boarding Bridge Air Conditioning Units.	
6	Fixed Electrical Ground Power (FEGP)	Percentage of service availability (remote and contact). KPI is the overall percentage of time that FEGP units are serviceable and available for use each month.	Airport to use maintenance management system to calculate average monthly availability of FEGP.	
7	Passengers with Reduced Mobility (PRM)	Arrivals: Be at the gate with required equipment within 'x' minutes of blocks-on. Departures: Assistance provided within 'x' minutes of notification from check-in desk. KPI is percentage of passengers who wait no longer than target time.	Airport to use existing data for departures. Arrivals will be calculated by comparing the time when PRM gets picked up to when last passenger leaves aircraft as reported by ground handler.	

Sample Peformance Report
Service Quality Rebate and Bonus - February 2021

Passenger Experience and Service Level Performance

	T2	T3	T4	T5
Departure lounge seat availability* — Ease of finding a seat	4.54	4.43	4.18	4.37
Cleanliness* — Overall cleanliness of the terminal	4.46	4.21	4.22	4.42
Wayfinding* — Ease of finding your way around the airport	4.38	4.32	4.28	4.34
Flight information* — Accuracy and ease of finding flight information	4.54	4.51	4.23	4.50
Wi-Fi* — Ease of using WiFi	4.16	4.25	4.26	4.17
Security* — Passenger satisfaction	4.38	4.38	4.20	4.31
CSA queues - Times queue <5 minutes — Based on 15min time periods measured	98.67%	Non - Operational		98.34%
CSA queues - Times queue <10 minutes — Based on 15min time periods measured	99.94%			99.56%
Staff search ** — Based on 15min time periods measured	99.84%	99.38%	100%	100%
Transfer Search — Based on 15min time periods measured	100%	Non - Operational		99.64%

	CTA	Cargo	EastSide	T5	SouthSide
Control Post Security Search	99.06%	98.79%	100%	99.63%	99.80%

Service Level Performance

	T2	T3	T4	T5
PSE (General) — Availability of Passenger Sensitive Equipment (General)	99.76%	100%	100%	99.78%
PSE (Priority) — Availability of Passenger Sensitive Equipment (Priority)	99.61%	100%	100%	99.84%
Stands — Availability of stands	99.79%	100%	97.81%	99.69%
FEGP — Availability of Fixed Electrical Ground Power	99.99%	100%	100%	99.99%
Jetties — Availability of Air-Bridges	99.98%	100%	100%	99.98%
PCA — Availability of Pre-conditioned Air	100%	100%	Non - Operational	100%
SEGs	99.99%	100%		99.97%
Pier Service — % Pier served passengers	99.90%			
Arrivals Reclaims — Bag reclaim belts availability	99.80%	100%	100%	99.90%
Aerodrome congestion				
TTS - One car — Track Transit System - one car availability				100%
TTS - Two cars — Track Transit System - % time two cars available				99.71%

Financial Report- Bonus and Rebates

Rebates:

	Feb - 2021					Estimated Rebate	YTD	
	T2	T3	T4	T5	Campus		Estimated Rebate	Total Failures
Departure lounge seat availability							-	0
Cleanliness							-	0
Wayfinding							-	0
Flight information							-	0
CSA Queues - Both	✔			✔			-	0
Staff Search							-	0
Transfer search	✔	✔	✔				-	0
Passenger Sensitive Equipment (General)	✔	✔	✔	✔			-	0
Passenger Sensitive Equipment (Priority)	✔	✔	✔	✔			-	0
Stands	✔	✔	✔	✔			-	0
FEGP	✔	✔	✔	✔			-	0
Jetties	✔	✔	✔	✔			-	0
Pre-conditioned air	✔	✔	✔	✔			-	0
Stand entry guidance	✔	✔	✔	✔			-	0
Pier Service	✔	✔	✔				-	0
Arrivals reclaims	✔	✔	✔	✔			-	0
Control Posts Search					✔		-	0
Aerodrome Congestion					✔		-	0
TTS - % Both					✔		-	0
					Total		-	0

Redacted

Bonuses:

	Lower Threshold	Upper Threshold	Feb - 2021				Estimated Bonus	YTD	
			T2	T3	T4	T5		Estimated Bonus	Total Pass
Departure lounge seat availability	4.10	4.50	4.54	4.43	4.18	4.37			2
Cleanliness	4.20	4.50	4.46	4.21	4.22	4.42			2
Wayfinding	4.20	4.50	4.38	Non - Operational		4.34			2
Flight information	4.40	4.70	4.54	4.51	4.23	4.50			2
					Total				8

Redacted

Terminal 2

Passenger Experience and Service Level Performance

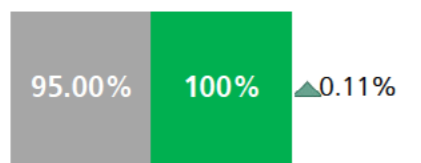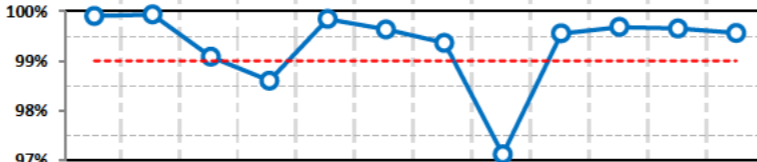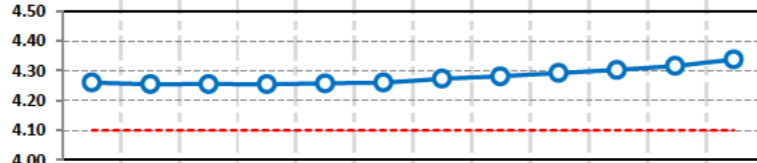|	Target	Feb-21	vs. Jan-21	Mar–Feb trend
Departure lounge seat availability* — Ease of finding a seat	3.80	4.54	▲ 0.04	
Cleanliness* — Overall cleanliness of the terminal	4.00	4.46	▲ 0.02	
Wayfinding* — Ease of finding your way around the airport	4.10	4.38	▲ 0.03	
Flight information* — Accuracy and ease of finding flight information	4.30	4.54	▲ 0.04	
Wi-Fi* — Ease of using WiFi		4.16	▲ 0.00	
Security* — Passenger satisfaction		4.38	▲ 0.03	
CSA queues - Times queue <5 minutes — Based on 15min time periods measured	95.00%	98.67%	▼ -0.40%	
CSA queues - Times queue <10 minutes — Based on 15min time periods measured	99.00%	99.94%	▼ -0.06%	
Staff search — Based on 15min time periods measured	95.00%	99.84%	▲ 1.00%	
Transfer Search — Based on 15min time periods measured	95.00%	100%	0.00%	

Service Level Performance

	Target	Feb-21	vs. Jan-21	Mar–Feb trend
PSE (General) — Availability of Passenger Sensitive Equipment (General)	99.00%	99.76%	▲ 0.04%	
PSE (Priority) — Availability of Passenger Sensitive Equipment (Priority)	99.00%	99.61%	▼ -0.01%	
Stands — Availability of stands	99.00%	99.79%	▲ 0.15%	
FEGP — Availability Fixed Electrical Ground Power	99.00%	99.99%	▲ 0.01%	
Jetties — Availability of Air-Bridges	99.00%	99.98%	▲ 0.27%	
PCA — Availability of Pre-Conditioned Air	98.00%	100%	0.00%	
SEGs — Availability of Stand entry guidance	99.00%	99.99%	▲ 0.01%	
Pier Service — % Pier served passengers	95.00%	99.90%	▲ 0.90%	
Arrivals reclaims — Bag reclaim belts availability	99.00%	99.80%	▼ -0.04%	

Terminal 2
Financial Report - Bonus and Rebates

Rebates:

	Target Achieved	Feb - 2021 Estimated Rebate	Year-to-Date Estimated Rebate	Number of failures
Departure lounge seat availability		-	-	0
Cleanliness		-	-	0
Wayfinding		-	-	0
Flight information		-	-	0
CSA queues - Both	✓	-	-	0
Staff search	✓	-	-	0
Transfer search	✓	-	-	0
PSE (General)	✓	-	-	0
PSE (Priority)	✓	-	-	0
Stands	✓	-	-	0
FEGP	✓	-	-	0
Jetties	✓	-	-	0
PCA	✓	-	-	0
SEGS	✓	-	-	0
Pier Service	✓	-	-	0
Arrivals reclaims	✓	-	-	0
		-	-	0

Bonuses:

	Measure	Lower Threshold	Upper Threshold	Actual	Feb - 2021 Estimated Bonus (All Terminals)	Year-to-Date Estimated Bonus (All Terminals)	Number of Bonus
Departure lounge seat availability	**MAA**	**4.10**	**4.50**	4.54			2
Cleanliness	MAA	4.20	4.50	4.46			2
Wayfinding	**MAA**	**4.20**	**4.50**	4.38	Redacted		2
Flight information	MAA	4.40	4.70	4.54			2
							8

Terminal 5

Passenger Experience and Service Level Performance

	Target	Feb-21	vs. Jan-21
Departure lounge seat availability* — Ease of finding a seat	3.80	4.37	▲ 0.10
Cleanliness* — Overall cleanliness of the terminal	4.00	4.42	▲ 0.04
Wayfinding* — Ease of finding your way around the airport	4.10	4.34	▲ 0.02
Flight information* — Accuracy and ease of finding flight information	4.30	4.50	▲ 0.06
Wi-Fi* — Ease of using WiFi		4.17	▼ -0.02
Security* — Passenger satisfaction		4.31	▲ 0.04
CSA queues - Times queue <5 minutes — Based on 15min time periods measured	95.00%	98.34%	▲ 0.14
CSA queues - Times queue <10 minutes — Based on 15min time periods measured	99.00%	99.56%	▼ -0.09
Staff search — Based on 15min time periods measured	95.00%	100%	▲ 0.11
Transfer Search — Based on 15min time periods measured	95.00%	99.64%	▲ 0.20

Service Level Performance

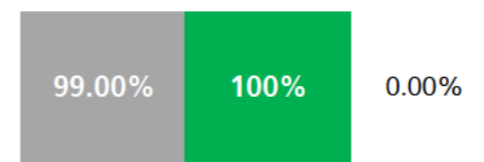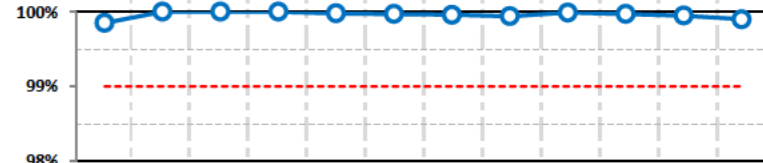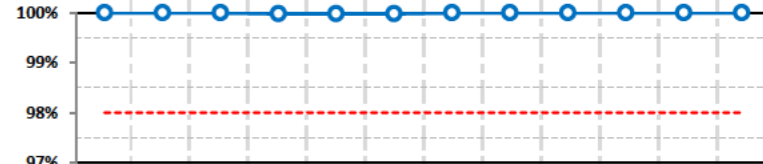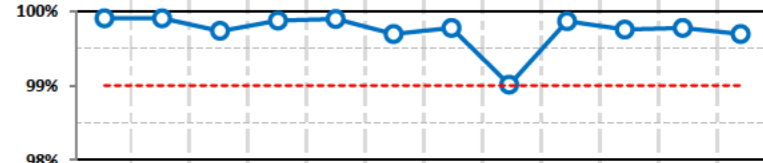|	Target	Feb-21	vs. Jan-21
PSE (General) — Availability of Passenger Sensitive Equipment (General)	99.00%	99.78%	▲ 0.06%
PSE (Priority) — Availability of Passenger Sensitive Equipment (Priority)	99.00%	99.84%	▲ 0.05%
Stands — Availability of stands	99.00%	99.69%	▼ -0.08%
FEGP — Availability Fixed Electrical Ground Power	99.00%	99.99%	0.00%
Jetties — Availability of Air-Bridges	99.00%	99.98%	▲ 0.02%
PCA — Availability of Pre-Conditioned Air	98.00%	100%	0.00%
SEGs — Availability of Stand entry guidance	99.00%	99.97%	0.00%
Arrivals reclaims — Bag reclaim belts availability	99.00%	99.90%	▲ 0.46%
TTS - One car — Track Transit System - one car availability	99.00%	100%	0.00%
TTS - Two cars — Track Transit System - % time two cars available	97.00%	99.71%	▲ 0.01%

Terminal 5
Financial Report - Bonus and Rebates

Rebates:

	Feb - 2021		Year-to-Date	
	Target Achieved	Estimated Rebate	Estimated Rebate	Number of failures
Departure lounge seat availability		-	-	0
Cleanliness		-	-	0
Wayfinding		-	-	0
Flight information		-	-	0
CSA queues - Both	✓	-	-	0
Staff search	✓	-	-	0
Transfer search	✓	-	-	0
PSE (General)	✓	-	-	0
PSE (Priority)	✓	-	-	0
Stands	✓	-	-	0
FEGP	✓	-	-	0
Jetties	✓	-	-	0
PCA	✓	-	-	0
SEGs	✓	-	-	0
Pier Service				
Arrivals reclaims	✓	-	-	0
TTS - % Both	✓	-	-	0
		-	-	0

Bonuses:

	Measure	Lower Threshold	Upper Threshold	Actual	Feb - 2021	Year-to-Date	
					Estimated Bonus (All Terminals)	Estimated Bonus (All Terminals)	Number of Bonus
Departure lounge seat availability	**MAA**	**4.10**	**4.50**	4.37			2
Cleanliness	MAA	4.20	4.50	4.42			2
Wayfinding	**MAA**	**4.20**	**4.50**	4.34	Redacted		2
Flight information	MAA	4.40	4.70	4.50			2
							8