Airport quality indicators –

recommendations to government

May 2023

Contents

1. Summary

1.1. This document contains recommendations from the Australian Competition and Consumer Commission (ACCC) to the Australian Government for amending the list of records that Brisbane, Melbourne, Perth and Sydney airports must give to the ACCC on the quality of their services and facilities.

1.2. Since 2002, the Australian Government has adopted a light-handed regulatory regime for Australian airports. As part of this regime, the ACCC monitors revenues, costs and profits of, and the quality of, aeronautical, carparking and landside access services at the airports listed above (the monitored airports). Our monitoring promotes transparency of these services for which there is little or no competition.

1.3. In 2019, the Productivity Commission (the PC) completed its fourth review of the Economic Regulation of Airports and published its finding in an inquiry report (the PC inquiry report). The PC found that the current light-handed approach to airport regulation remains fit for purpose.

1.4. However, the PC recommended (Recommendation 9.5) that the ACCC should provide advice to the Australian Government on an updated set of quality of service indicators, in consultation with airports, airlines, other airport users and the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department). The PC further recommended that the Australian Government should amend schedule 2 of the Airports Regulations to codify the updated set of indicators.[i]

1.5. The PC separately recommended that the current monitoring regime should be strengthened to enhance the transparency of airports' operations and to more readily detect the exercise of market power (Recommendation 9.4).

1.6. The Australian Government supported these recommendations in principle.

1.7. With regard to recommendation 9.5, it agreed that a review of quality indicators is warranted to identify a contemporary set of indicators reflecting the outcomes valued by airport users.[ii]

1.8. In June 2022, the Department formally asked the ACCC to review the airport-quality indicators. The Department asked us to review the current record-keeping and reporting requirements, as found in Part 8 and Schedule 2 of the Airports Regulations 1997 (the Airports Regulations), to identify and propose amendments to improve their 'fit for purpose'.

1.9. The ACCC has taken steps to identify and recommend amendments to the airport-quality indicators in Part 8 and Schedule 2 of the Airports Regulations to better reflect the outcomes valued by contemporary airport users. During consultation from June 2022 to March 2023, we: considered written submissions from airport and airline operators, their representative bodies and a trade union with members working at airports; researched local and overseas practices, including those of airport regulators overseas; and talked to industry and government entities in Australia and the overseas regulators.[iii]

1.10. This paper sets out the ACCC's final advice to the government on the PC's recommendation 9.5.

1.11. We have provided advice on recommendation 9.4 in a separate document.

1.12. The PC recommended aligning the measures of airport quality in the regulations more closely to the expectations of passengers, airlines and other airport users; and ensuring they have a greater focus on outcomes.

1.13. The ACCC considers that:

- passengers principally expect the outcome of a predictable, reliable and convenient journey – one that is without interruption and meets passenger's needs
- airlines expect utility from the airport – access to the services and facilities needed for operating efficiently at the airport.

1.14. The ACCC considers that obtaining the data outlined in this advice from the airport operators would enhance the monitoring of services and facilities that are significant to whether airport users obtain these outcomes.

1.15. We consider that the *aspects* of services and facilities currently monitored, such as security screening and runways, largely remain fit for purpose and significant to whether airport users obtain the outcomes they expect. However, we recommend ceasing to monitor:

- baggage trolleys, as we can monitor other measures that offer more insight into whether airport operators are meeting the most important expectations of most users (see from paragraph 4.60 below)
- customs, immigration and quarantine facilities, as the services provided in these facilities are operated by the Australian Government and we consider it is more appropriate to narrow our focus towards areas that are more directly and clearly within an airport operator's control, responsibility and oversight (see from paragraph 4.108 below).

1.16. We recommend that the Australian Government amend Schedule 2 of the Airports Regulations to provide for, as explained in this advice, certain new and amended *matters,* such as time waiting in security queues and the operability and reliability of the runways.

1.17. Schedule 2 of the Airports Regulations currently contains 53 *matter*s. During consultation, the ACCC engaged with stakeholders regarding 132 potential *matter*s (current and proposed). We now recommend that the regulations provide for 53 *matter*s – existing / amended and new. In section 4 Recommended *aspects* and *matters,* further below, we summarise proposed augmentations to the *matters*.

1.18. If the Australian Government decides to adopt the ACCC's recommendations, the Department will draft amendments to the Airports Regulations in collaboration with the Office of Parliamentary Counsel (OPC). **Appendix B** to this paper represents indicative suggestions by us of how the government might redraft the regulations.

1.19. Separately to this review process and advice, the ACCC intends to review other elements of how it monitors and evaluates airport quality. This could include, for example, assessing the merits of reducing the number of 'subjective indicators' (survey questions and responses) we monitor; and so re-balancing the broader regime towards the 'objective indicators', being the *matters* discussed in this advice.

2. Background

2.1. The ACCC monitors and evaluates the quality of certain prescribed airport services and facilities (airport quality) at Brisbane, Melbourne, Perth and Sydney airports.[iv]

2.2. The ACCC carries out this role in accordance with the objects of the *Airports Act 1996* (the Airports Act), which include:

- to establish a system for the regulation of airports that has due regard to the interests of airport users and the general community
- to promote the efficient and economic development and operation of airports
- to facilitate the comparison of airport performance in a transparent manner.

2.3. This quality of service monitoring role is a complement to the ACCC's monitoring of prices, costs and profits. The ACCC reports on airport quality, alongside its reporting on financial indicators, in our annual airport monitoring report.

Monitoring improves transparency

Monitoring and evaluating data on airport quality helps achieve the objects of the Airports Act in the following ways.

Quality of service monitoring improves the transparency of airport operator performance. It provides information about the performance of the airport operators to stakeholders (such as the Australian Government and users of airport services), which can be viewed alongside changes in prices, revenues, costs and profits. Such monitoring can be used to compare relative changes in an airport operator's performance over time.

Airports provide a range of facilities and services, including aeronautical, carparking and landside-access facilities and services (for example, access to and for taxis). It is generally accepted the major airports in Australia are regional natural monopolies and therefore face very little competition in the supply of their services.[v] The degree of market power they hold in the supply of those services can vary. As set out in its report, the PC considers these airports have significant market power in the provision of aeronautical services.[vi] As the ACCC identified in its most recent airport monitoring report, monitored airports may have an incentive to exercise their market power by:

- underinvesting or deferring investment in their facilities' capacity or quality, which can lead to an airport allowing service quality to fall below airport users' reasonable expectations at a given price
- overinvesting in their facilities in ways the airport users do not need – referred to as 'gold plating' – or by investing too far ahead of expected demand and seeking to recover the (premature) costs from airport users.[vii]

The airports could also misuse their market power by reducing quality of services without lowering prices; or maintaining the same level of service and inflating costs and prices.

The ACCC monitors airports to promote transparency of the availability and standard of airport facilities and services for which there is little or no competition. The quality-monitoring program does not seek to set minimum standards. There are no provisions in the Airports Act or the Airports Regulations for us to do this.[viii] Further, it is not automatic that the efficient level of quality, for a given price, is high quality; nor that certain results viewed in isolation – such as more seats in gate lounges – automatically equal better quality or an efficient level of investment. There is a trade-off between price and quality. Economists often express this as: 'the efficient level of quality is where airport users' willingness to pay for improved quality equals the incremental costs of making such improvements'.

The ACCC primarily uses airport-quality data to monitor and evaluate changes at an individual airport, against itself, over time.

Aspects and *matters*

2.4. The Airports Regulations require the monitored airports to provide the ACCC with certain records.

2.5. Specifically, 'Part 8 Quality of service monitoring' lists the *aspects* of airport services and facilities – broad categories of services and facilities provided by the monitored airports to airlines and passengers – that the ACCC has the function of monitoring and evaluating. An example is 'security inspection'. Regulation 8.01A of the Airports Regulations presently sets out 16 such *aspects*.

2.6. Schedule 2 lists the corresponding *matters* about which airport-operator companies must keep records each financial year to give to the ACCC – for example, the number of security clearance systems in use. Schedule 2 presently includes 53 such *matters*.

2.7. The Airports Act requires the ACCC to monitor and evaluate each *aspect* against *criteria* we have determined in writing. The current *criteria* are set out in our *Guideline for quality of service monitoring at airports* – June 2014 (ACCC 2014 guidelines),[ix] and include both objective criteria (the data provided in respect of each of the Schedule 2 *matters*) and subjective criteria.

2.8. The subjective criteria include, across the various *aspects*, surveys of airlines, which the ACCC administers; and passenger surveys, which the airport operators administer.[x]

2.9. To evaluate quality, the ACCC uses the objective and subjective data to produce a single rating of quality for each airport. This generates a 'time series' for each airport that can be used to consider whether quality at that airport is changing over time. For more information on this calculation, see **Appendix A**: 'Calculating overall quality of aeronautical service ratings for each airport'.

2.10. This evaluation is a rating between one and 5 for each airport, as shown in Table 1 below.

Table 1: Ratings of satisfaction for airports services and facilities

1-1.49	1.5-2.49	2.5-3.49	3.5-4.49	4.5-5
Very poor	Poor	Satisfactory	Good	Excellent

Source: ACCC 2014 guidelines, p6

2.11. As a result of the COVID-19 pandemic, from 2019 the ACCC paused collecting survey responses on quality. We last calculated ratings for the quality of aeronautical services at the monitored airports for the 2018-19 year.

2.12. The ACCC intends to resume monitoring and evaluating quality data from the 2022-23 period, given the recent solid rebound in travel and current positive expectations about recovery from the COVID-19 pandemic.

Review process

2.13. The ACCC began consultation for this review in June last year, issuing a consultation paper to about 50 potentially interested parties and advertising the review on our website. In this first phase of consultation, we:

- received and considered 8 written submissions, from:
  - the 4 monitored airports; and Western Sydney Airport[xi]

    - the Australian Airports Association (AAA), which represents the interests of airports and aerodromes across Australia
    - the International Air Transport Association (IATA), which represents airlines
    - Qantas.
- reviewed academic literature and the practices of regulators and industry participants and
- held discussions with industry participants and with the following regulators overseas:
    - the Canadian Transportation Agency and Transport Canada
    - the New Zealand Commerce Commission (NZCC)
    - the Civil Aviation Authority of Singapore
    - the United Kingdom Civil Aviation Authority (UK CAA).

2.14. In our second round of consultation, from October 2022, the ACCC:

- published a consultation paper with our preliminary views, draft recommendations to amend the Airports Regulations and reasons underlying the draft recommendations (second consultation paper)
- directly invited submissions on these recommendations from about 60 potentially interested parties, including Airservices Australia, Australian Government Civil Aviation Safety Authority (CASA) and sections of Australian Government departments that deal with, for example, aviation security, biosecurity and disability / accessibility standards
- received and considered 9 submissions in response, from:
    - the 4 monitored airports
    - the AAA
    - Board of Airline Representatives of Australia (BARA), which represents many overseas-based airlines flying into Australia
    - IATA
    - Qantas
    - Transport Workers' Union of Australia (TWU), which represents workers in the aviation industry including ground handlers and security screeners.

2.15. On 10 February 2023, the ACCC held a consultation session with all monitored airports and the AAA. The purpose of this was to have an open discussion about the issues raised in the airport operators' written submissions, present our position as detailed in the second consultation paper and engage directly on areas of difference. Representatives from the Department attended the session as observers.

2.16. The parties that have engaged with the ACCC have largely submitted that many elements of the airport-quality monitoring and evaluation regime should be amended or abandoned.[xii] We reference much of the particular feedback in later sections.

2.17. The ACCC received submissions that the matters should be aligned with the airport operators' service-level agreements (SLAs) with airline operators.

2.18. We have not used individual SLAs to determine this final advice. The parties to these agreements routinely consider the details of their SLAs, such as agreed numerical targets or benchmarks, to be confidential and commercially sensitive. We have benefitted from

the explanations stakeholders have made in their submissions to this review about some of the mechanisms in their SLAs, without them publicly disclosing detailed figures.

2.19. The ACCC's recommendation to focus on 'operability and reliability', explained from paragraph 3.82 below, is an example of where we have sought to further align the *matters* with the sorts of mechanisms used in the airport operators' SLAs, as stakeholders have sought. As discussed from paragraph 4.14 below, Sydney Airport Corporation Ltd (Sydney Airport) submitted a table comparing the current regulations and our draft proposals in our second consultation paper with the framework it said it had adopted for key performance indicators contained in its current SLAs with airlines. We consider that the *matters* we recommend in this final advice account for, or approximate, about three-quarters of the parameters referred to by Sydney Airport.

The ACCC intends to review other elements of quality monitoring

2.20. This advice focuses on the implementation of recommendation 9.5 of the PC, which was focused on the ACCC identifying, in consultation with airports, airlines and other airport users, an updated set of quality service indicators which could be codified through amendments to Schedule 2 of the Airports Regulations.

2.21. Responses received during our consultation indicate concern with elements of the monitoring regime other than the *aspects* and *matters* – such as the use of, or weight given to, subjective criteria (surveys) and the inputs to and outputs from the rating assessment.

2.22. Separately to this current process and advice, the ACCC intends to review other elements of how it monitors and evaluates airport quality, including our use of surveys, production of ratings, the 'criteria' we apply and the guidelines we offer.[xiii] In this process, we will consider, for example:

- how we can better use objective indicators for assessments of airport quality, both in themselves and in conjunction with the subjective indicators (which the ACCC considers still have merit when applied with correct proportionality) and
- the need or timing for any refreshed guidelines to precede or accompany any new *matters.*

2.23. The current monitoring regime relies heavily on subjective indicators, measured through surveys. To illustrate, when the ACCC most recently published ratings (for the 2018-19 year) for Sydney Airport, about a third of the measures were obtained from airline surveys, a third from passenger surveys and the remaining third were objective indicators. We rated all indicators equally.

2.24. The ACCC will consider the merits of 're-balancing' or re-weighting the regime towards the objective indicators discussed in this advice, including whether to:

- ensure the survey questions cover the most significant outcomes airport users require
- reduce the number of subjective indicators (in essence, the number of questions asked in surveys), including relative to that of objective indicators and
- reassign the weighting given to each indicator in calculating a rating.

3. Key considerations

Key changes between draft and final position

3.1. Since issuing our second consultation paper in October 2022, the ACCC has refined and rationalised the amendments it recommends. This follows consideration of further stakeholder submissions, including points airport representatives raised in the forum of 10 February.

3.2. As stated earlier, the ACCC considers that the *aspects* of services and facilities currently monitored, such as security screening and runways, remain largely fit for purpose and significant to whether airport users obtain the outcomes they expect. However, we recommend ceasing to monitor:

- baggage trolleys, as we can monitor other measures that offer more insight into whether airport operators are meeting the most important expectations of most users (see from paragraph 4.60 below)
- customs, immigration and quarantine facilities, as the services provided in these facilities are operated by the Australian Government and we consider it is more appropriate to narrow our focus towards areas that are more directly and clearly within an airport operator's control, responsibility and oversight (see from paragraph 4.108 below).

3.3. The ACCC received consistent feedback, in essence, that there are too many *matters.*

3.4. The ACCC is recommending in some cases deleting certain *matters* currently in the regulations, or not proceeding with potential *matters* we proposed in our second consultation paper, effectively to prioritise and rationalise the elements of the monitoring. That is, we are not advocating certain elements because airports can provide other information to us that indicates better and more directly whether airport users obtain the most significant outcomes that they expect.

3.5. Schedule 2 of the Airports Regulations currently contains 53 *matter*s. During consultation, the ACCC engaged with stakeholders regarding 132 potential *matter*s. We now recommend that the regulations provide for 53 *matter*s, which include updates to existing *matters* and some new *matters*.

3.6. The ACCC has increased the focus on reporting of *matters* relating to 'operability and reliability', essentially being the length and proportion of time that services and facilities are not available, for reasons within the airport operator's control and responsibility to remedy.

3.7. As proposed in our second consultation paper, the ACCC continues to advise that the regulations should provide for:

- separate monitoring of domestic and international operations in most *matters*, including because different airport users, including different airlines, might seek or receive different levels of quality from the airports related to whether they are flying domestically or internationally (see from paragraph 4.16 below)
- some reporting on
    - 'notional capacity' – such as the design or nameplate capacity of the runways, which an airline-sector representative described in a submission as 'the primary airport asset' (see discussions from paragraphs 3.67 and 4.160 below), and

- ‘performance’ – such as time spent in screening queues (see from paragraph 3.58 below).

3.8. The ACCC also recommends rationalising the use of peak or ‘busy’ hours in the monitoring regime, for targeted monitoring of certain busy-hour outcomes for particular components of airport operations: access to terminals by vehicle, access to carparking spaces and queue time at passenger security screening (see from paragraph 3.107).

Expectations of airport users

3.9. Following on from the ACCC’s consultation and research, our determination is that, in summary:

- passengers principally expect the outcome of a predictable, reliable and convenient journey – one that is without interruption and meets passenger’s needs
- airlines expect utility from the airport – access to the services and facilities needed for operating efficiently at the airport.

3.10. As part of this, both user groups expect that an airport operator will provide the facilities required; and that these will work or otherwise be available when needed. For the services that the airport operator or its contractor performs, they also expect that these will perform well – for example, that airport operators ensure that queues for passengers waiting for security screening advance in a timely and orderly manner.

3.11. The ACCC has recommended *matters* it considers will help us measure the extent to which an airport is meeting these expected outcomes for passengers and airline operators.

3.12. As background, the ACCC considered various expressions of passenger expectations and outcomes. We concluded that, for our purposes in this case, the ‘Outcome-based regulation’ regime developed by the UK CAA is a succinct and helpful list of these.

3.13. The UK CAA is, among other things, an economic regulator specialising in aviation. It has agreed with Heathrow Airport in the UK the following target outcomes for passengers:

- I want to travel from an airport that offers me a good value choice of flights
- I am confident I can get to and from the airport
- I have a predictable and reliable journey
- I feel comfortable and secure at the airport
- I have an enjoyable experience at the airport
- I feel cared for and supported.[xiv]

3.14. The ACCC considers that these principles provide a good summary of the core needs and wishes of passengers – who are the final consumers or end users and our greatest focus and concern (we also consider that passengers have the least bargaining power in the airport-airline-passenger relationship).

3.15. For the purposes of monitoring airport quality under the Airports Act, the ACCC considers that, to narrow our focus, the most relevant target outcome on the UK CAA-Heathrow list is ‘I have a predictable and reliable journey’.

3.16. Brisbane Airport Corporation (Brisbane Airport) submitted that passengers expect a ‘seamless’ journey.[xv] The ACCC acknowledges that passengers also expect interruption-

free travel – as a subset of, 'a predictable and reliable journey'. We have accordingly augmented the expression of the expectation of passengers to include a journey 'that is without interruption'. Lastly, the ACCC has also augmented the outcome to state the journey should be 'convenient' and meet 'the passenger's needs'. We have taken into account that the journey through the airport of the passenger, the ACCC's greatest focus and concern, could be predictable and reliable but still not be convenient and meet their needs.

3.17. The ACCC considers that the target outcome of 'I am confident I can get to and from the airport' is a subset of the overall target outcome of a predictable, reliable and convenient journey. The *matters* we are recommending in respect of the *aspects* of airport access and carparking are consistent with this broader understanding of a passenger's journey experience. The airport user of most concern here is the individual travelling to and from the airport; but we also take into account that transport operators, such as off-airport parking businesses, are airport users.[xvi]

3.18. As touched on earlier, the ACCC received submissions that the *matters* should be aligned with the airport operators' SLAs with airline operators – effectively, that these were good leads to what airline operators most valued and expected in their relationships with airport operators. In the PC inquiry report, the PC had stated that, 'among other improvements, quality of service monitoring should be updated to emphasise indicators that reflect outcomes that are valued by airport users (airlines and passengers), drawing on the indicators that airports and airlines use in service level agreements'.[xvii]

3.19. The ACCC has sought to further align the *matters* with the sorts of mechanisms used in the airport operators' SLAs, as requested by stakeholders. For example, the ACCC recommends a focus on 'operability and reliability', as explained from paragraph 3.82.

3.20. The ACCC understands that the airlines broadly have an incentive to negotiate SLAs in their aeronautical service agreements with airport operators that meet passengers' expectations. However, we consider that SLAs may not adequately capture all expectations of all passengers. The reasons for this include the potentially unequal bargaining power between the airport and airline operators in negotiations and the fact that airlines have their own incentives (for example, to minimise the contract price) that may lead to them making compromises in a way that does not align with all the interests of all passengers.

3.21. For completeness, the ACCC notes that SLAs do not cover aspects of the passenger journey such as access to the airport and carparking.

Interaction between ACCC monitoring and other quality-control mechanisms

3.22. Some airport-operator representatives submitted that there is no need for the ACCC to monitor some of the *matters* we proposed in consultation, including because:

- The airport operators must already comply with requirements mandated by state or Federal legislation. That is, other agencies are already holding the airport operators accountable for meeting a minimum level of quality or meeting legal requirements (Some representatives cited the example of accessibility / disability issues. Representatives emphasised the importance of accessibility but gave mixed feedback on the need for, or value of, the *matters* we proposed).

- Many areas of airport quality are adequately captured in commercial agreements between the airport and airline operators, which place contractual requirements on airports to meet agreed standards.

- There are other reliable publicly available sources for some of the information we propose to collect – for example, the Australian Government Bureau of Infrastructure and Transport Research Economics (BITRE).

3.23. The ACCC considers that the quality-monitoring regime should be self-contained and stand-alone.

3.24. The ACCC considers that it has clear and distinct reasons for seeking to monitor key parameters of an airport's quality, even if they are already subject to oversight from, or reporting arrangements involving, other agencies.

3.25. The key object of the ACCC's quality of service monitoring is to improve transparency as to the levels of service being provided to airport users by airports. This improved transparency assists users' ability to compare airport performance and allows evaluation of how each airport operator's quality is changing over time.

3.26. With regard to whether there is no need for the ACCC to monitor certain aspects of airport quality because these are covered in commercial agreements: as discussed above from paragraph 3.20, the interests of airline operators and passengers in respect of the airport quality they expect are not identical and SLAs may not adequately capture all aspects of quality of service which are key to outcomes for some passengers. For example, an airline operator may not wish to pay for moving walkways at an airport when these might be expected by passengers.

3.27. The airport operators have raised concerns about regulatory burden associated with reporting information on a particular subject to more than one agency. We consider that there should be direct reporting from the airport operators to the ACCC, of the exact types of data needed for the regime to work. We should not, for instance, need to rely on the information programs of other entities, which are pursuing their own functions and which also may change their requirements or cease collection. The ACCC considers that it is more efficient for the reporting entities to provide well-defined information directly to us, rather than us having to, effectively, find and research more-generic material on the internet, such as the airports' master plans, or request data from other government entities (including when this data is not specifically calibrated to our monitoring task).

3.28. Equally, as touched on in paragraph 3.31 below, in formulating our recommendations the ACCC has sought to have regard to indications of where the monitored airports already do undertake the recording of relevant information.

3.29. One area that the ACCC has had to consider particularly carefully is disability, mobility issues and accessibility. The ACCC concluded on balance not to recommend any *matters* specifically and solely related to these issues.

3.30. The ACCC did consider that, while an airport operator may be meeting all its legal obligations in areas such as, for example, disability, its level of quality could still be below the level airport users expect for the price they pay (resulting in, for instance, challenging experiences for people with mobility or disability issues).

3.31. The ACCC considered recommending that the monitored airports report on issues including:

- the total number of complaints they receive in the financial year about disability discrimination or from people with disability, related to passenger-related services and facilities (including, for example, the number of complaints made, resolved and

unresolved; and about passenger security screening in particular). This could be a way to monitor an airport's interaction with people with all types of disability.

- the proportion of public areas in terminals covered by hearing augmentation (hearing loops or equivalent).

3.32. We also proposed, in the ACCC's second consultation paper, that the monitored airports report on the number of, and unplanned interruptions to, lifts and, separately, moving walkways. These are particularly relevant to people with mobility / disability issues but can benefit a wide range of passengers, such as people with young children, and can help passengers get to gates more quickly and make their flights in good time.

3.33. Qantas' feedback was that there are numerous opportunities for airports to address and improve disability access. Requiring airports to publish a Disability Inclusion Action Plan would be more helpful than reporting on the number of disability complaints, which is not meaningful if there is no additional commentary regarding the prioritisation and resolution of complaints.[xviii]

3.34. As discussed from paragraph 3.22 above, some airport representatives cited accessibility / disability issues as an example of where they must comply with laws on these topics and so, to paraphrase, there is accordingly no need for the ACCC to monitor this area. As specific examples:

- The AAA stated that the Department was reviewing the issues of hearing augmentation and accessible seating in gate lounges; and the ACCC's recommendation on these issues should not be considered at this time.

- Brisbane Airport submitted that it was difficult to ascertain the benefit of obtaining information on disability issues when the monitored airports are subject to legal requirements regarding accessibility to commercial buildings (but Brisbane Airport could provide, for instance, the number of designated bays for disabled [accessible] parking at terminals or the number of designated 'priority seats' in terminals). And proposing to report the number of complaints to the airport about disability discrimination or from people with disability raised concerns that, without context, arbitrary interpretations of the data are likely to be made.

3.35. For completeness, we note that Melbourne Airport supported reporting on, for example, the number of disabled (accessible) carparking spaces; and noted it could report on *matters* proposed by the ACCC: for example, the number of toilets with disability access, the number of complaints received about disability discrimination or from people with disability and the number of disability access seats (although, to paraphrase, it already adhered to the National Construction Code [NCC] on this issue).

3.36. After considering this mixed feedback, the ACCC concluded on balance not to recommend any *matters* specifically and solely related to disability, mobility issues and accessibility.

3.37. Another area the ACCC has had to consider particularly carefully is safety. The ACCC concluded on balance not to recommend any *matters* specifically and solely related to safety.

3.38. The ACCC considered recommending one specific *matter* on safety: 'passenger-related safety incidents per 100,000 passengers in the financial year', aligned with a measure that Sydney Airport suggested.

3.39. The ACCC reflected that passengers and airlines place a high priority on safety as part of their expectation of predictable, reliable and convenient travel; and utility from the airport.

3.40. Some stakeholders have suggested that the ACCC should not intervene in areas overseen by other entities, such as CASA, Airservices Australia, or the Australian Transport Safety Bureau. Equally, we note that Sydney Airport advises us that it includes safety incidents / passenger incidents per 100,000 passengers as a key performance indicator in its service level agreements with airlines; and suggested that the ACCC collect such information from the monitored airports.

3.41. The ACCC reflected on our designated role to monitor parameters that are significant to the outcomes airport users expect; and whether this should encompass a role to monitor passenger-related safety in areas such as public areas of terminals / gate lounges and carparks. We considered recommending that passenger-related safety incidents per 100,000 passengers be included as a measurement of airport quality that we monitor. This would have been a dimension of the ACCC monitoring services, facilities and outcomes significant to whether airport operators are meeting, particularly, passengers' expectations for predictable, reliable and convenient journeys.

3.42. The ACCC considered confining the *matter* on safety to 'passenger-related' incidents to be consistent with our general recommendation that *matters* focus on monitoring the airport services and facilities that are most closely within an airport operator's responsibility and oversight, as discussed from paragraph 3.58 below. As stated in that section, an airport operator principally provides the facility but not the service in areas such as runways, with Airservices Australia directing flight movements. Confining monitoring to 'passenger-related' incidents could exclude those incidents occurring, for instance, on runways, taxiways and aprons.

3.43. Specifically, 'passenger-related' could be defined to mean relating to, and occurring in the areas of, the services and facilities specified in regulation 8.01A Aspects of airport services and facilities to be monitored and evaluated of the Airports Regulations, Part 1-Passenger-related services and facilities (as amended by the recommendations in the advice).[xix]

3.44. Therefore 'passenger-related' would not include incidents relating to, and occurring in the areas of, the services and facilities specified in regulation 8.01A Part 2-Aircraft-related services and facilities (as amended by the recommendations in this advice), namely: ground handling services and facilities; aerobridges and other means of embarking and disembarking; runways, taxiways and aprons, aircraft parking facilities and bays and airside freight handling, storage areas and cargo facilities.[xx]

3.45. After considering arguments for and against, the ACCC concluded on balance not to recommend any *matters* specifically and solely related to safety.

The ability of airports to report the data proposed by the ACCC

3.46. Some airport representatives submitted that it is impossible for the airports to report on various proposed *matter*s – such as average time in minutes vehicles take to travel on terminal access roads to terminals.

3.47. The ACCC considers that it is recommending the collection of information that can be gathered, in a practical manner. For instance, information from the airport operators' published master and transport plans indicates to the ACCC that the airports can gather the data the ACCC recommends obtaining.

3.48. Further, the *matters* we are recommending are significant to the airport user's service expectations, such that the benefits of requiring airports to collect the information outweigh the additional costs to obtain them.

3.49. On the road example cited, we are recommending *matters* that, for instance, are aligned with the work the airports undertake on traffic flows for the ground-transport plans they must include in their master plans; or with what our research indicates can be gathered using products and systems from third-party providers.[xxi]

3.50. As background, the Airports Act requires airport operators to specify a plan for a ground transport system on the landside of the airport, that must detail, among other things (to paraphrase): a road network plan; the capacity of the ground transport system at the airport to support operations and other activities at the airport; and the likely effect of proposed developments on the ground transport system and traffic flows at, and surrounding, the airport. Each of the monitored airports has published a current ground transport plan.

3.51. Brisbane Airport's ground transport plan, for example, explains that Brisbane Airport is responsible for developing, operating and maintaining on-airport roads; and that analysis of traffic on the airport site, detailed in the plan, shows that the airport benefits from free flowing traffic connections even during peak periods. The plan notes initiatives Brisbane Airport is considering for upgrading ground transport on the airport site, which it states would improve network capacity.[xxii]

3.52. Perth Airport stated in its Master Plan 2020, under the heading Smart Traffic Management':[xxiii]

> In the short-term, additional smart traffic management measures are proposed to optimise the existing ground transport network. Harnessing the power of technology dramatically changes how Perth Airport operates and optimises transport networks. Rapid changes in how data can be collected and analysed in real time will enable network operators to make informed operational decisions to improve network efficiency, safety and customer experience. Implementation of smart traffic management technology assists in managing transport networks under normal conditions, during periods of heavy congestion and when managing planned or unplanned incidents.
>
> There are opportunities for Perth Airport to implement smart traffic management to further optimise the use of the road network and parking infrastructure, improving travel time for commuters and delaying the requirement for significant capital expenditure. The project opportunities for particular interest are:
>
> - Foundation infrastructure – vehicle detector stations on each lane of the main access roads and key locations, which provide real-time information of traffic volumes and issues on the network. The fibre optic backbone would link back to Perth Airport operations centre, with associated control systems to monitor and display the information…Additional CCTV coverage would also be considered to allow visual validation of congestion or other issues on the network.
>
> …
>
> Standards and guidelines for smart traffic management have already been developed by Mains Roads for the external road network. Smart traffic management at Perth Airport will be aligned with these standards to ensure a seamless journey for those travelling to and from the airport.

3.53. While the technology and capabilities exist to measure, to use statistical terms, 'the population' (for example, all traffic flows all day), it may be statistically rigorous enough to measure a representative 'sample' to achieve the aim of monitoring the particular measure – such as, in the case of traffic, a randomly chosen vehicle every 15 minutes. From

paragraph 3.108 below, we discuss specifically monitoring some 'busy hours' for particular items including traffic.

Whether the proposed monitoring will lead to inefficient investment

3.54. The ACCC received submissions from Qantas that the challenge is getting the balance right between improving transparency and delivering better service for airport users, while ensuring increased reporting and quality metrics do not drive unnecessary investment and increased airport charges. Qantas submitted that, to get this balance right, quality metrics needed to be coupled with pricing and efficiency metrics. It submitted that, for instance, the quality indicators are unnecessarily focused on peak-hour reporting – and that overemphasising the importance of peak-times operating leads to 'gold-plated' facilities [inefficient overinvestment].

3.55. As touched on earlier, the ACCC plans to report on quality with guidance to the audience that there is a trade-off between price and quality – that the efficient level of quality, for a given price, is not necessarily high quality; that, for instance, installing more seats in gate lounges does not automatically equal better quality or an efficient level of investment. As stated earlier, the efficient level of quality is where the airport users' willingness to pay for improved quality equals the incremental costs of making such improvements.

3.56. Similarly, the ACCC does not consider that our quality-monitoring program creates benchmarks or justifications for particular standards of service.

3.57. The ACCC does not consider that the reporting recommended in this advice is likely to drive unnecessary investment. And airports could not legitimately seek to justify any inefficient investment by citing figures we publish on quality (including by seeking to compare its figures with other airports). The ACCC also notes that there are other ways to deal with problems such as congestion than capital works or other large expenditures – such as peak and off-peak pricing to influence users.

Ensuring monitoring captures parameters for which airports are responsible

3.58. The ACCC's recommended *matters* are focused on monitoring airport services and facilities that are within an airport operator's responsibility and oversight.

3.59. As context for this discussion, the ACCC considers that it remains helpful to differentiate between 'services' and 'facilities'.

3.60. The ACCC considers that the quality indicators should reflect whether the airport operator principally provides the facility but not the service; or, in contrast, provides the facility and is also primarily or substantially responsible for the performance of the service.

3.61. Airport users can reasonably hold airport operators more accountable for the performance of a service, such as processing times at passenger security screening, where the airport operator or its contractor – and not, say, the airline – is operating and managing it.

3.62. This approach is consistent with submissions from airport operators emphasising that the ACCC should only monitor parameters that are principally the responsibility of the airport operators, rather than airlines or other parties.

3.63. Airport operators typically provide the overwhelming bulk of the *facilities* on an airport site, ranging from the runways, through the refuelling facilities (operated by third parties such as fuel retailers) to the 'common-user' check-in desks that various airline operators can use from time to time as arranged with the airport operator. Exceptions might include, for

instance, equipment installed by an airline operator, such as automated check-in kiosks for the exclusive use of its domestic passengers.

3.64. The ACCC acknowledges that airport operators have more direct responsibility for, and control over, some *services* provided on the airport site than others.

3.65. In our second consultation paper, the ACCC noted that:

- an airport operator principally provides the facility but not the service in areas such as:
  - check-in – which is staffed by airline operators or their contractor
  - immigration processing areas – which are staffed by the Australian Border Force
  - runways – with flight movements directed by Airservices Australia.
- the airport operator provides the facility and is also principally responsible for the performance of the service (including by engaging and presumably monitoring its contractor in cases where it has outsourced day-to-day operation) in cases such as:
  - passenger security screening – staffed by the airport operator's contractor
  - toilets – cleaned by the airport operator's contractor.

3.66. The feedback from airport operators on our second consultation paper included that the ACCC must give due regard to how each of the airports individually operates, from issues of physical layout to how the providers at the airport interact as a network (including the airport and airline operators, the contractors they each engage and other entities such as Airservices Australia, which manages air traffic). Among other points made, airport operators commented that:

- The physical layout of an airport and, for instance, infrastructure ownership arrangements, often do not involve discrete services for different user groups or match the boundaries of airport operator responsibility that the ACCC has assumed.
- The proposed indicators could be improved by recognising the practical challenges of an operating environment where a broad network of third parties influences the passenger experience.

3.67. As background to this discussion, we consider that the *matters* in the regulations can be broadly characterised as measuring: i. performance of services; ii. notional capacity of facilities; and iii. operability and reliability of facilities (see Table 2 below).[xxiv]

3.68. 'Notional capacity' for the purposes of this monitoring means designated, intended or 'nameplate' capacity. It does not measure or mean actual performance achieved or capacity provided or realised.

Table 2: categories of *matters*

Airport operator provides the facility		**Airport operator or its contractor also operates the facility / service**
'notional capacity' – such as size, number or designated nameplate capacity	'operability and reliability' – such as the percentage of time a system is required but not available, for reasons within the airport operator's responsibility to remedy	'performance' – such as processing time or intensity of effort
For example: design capacity of the runway network, in flight movements per hour	For example: duration of outages to common-user check-in equipment	For example: queue time at passenger-security screening

Source: ACCC

3.69. There is also a fourth, subsidiary category of *matters*, measuring use and throughput, such as passenger numbers.[xxv]

3.70. The categories noted above calibrate with respective responsibility.

3.71. *Matters* that are based on i. 'performance' should apply principally to those aspects where the airport operator or its contractor is primarily responsible for the service's performance. The ACCC is not, for example, recommending any 'performance' *matters* for the items listed in table 3 below, as those services are not principally operated by the airport's staff or contractors.

3.72. *Matters* measuring 'notional capacity' and 'operability and reliability' can be applied to measure the quality of the facilities provided in respect of many *aspects*, even where the airport operator may or may not be primarily responsible for the provision of the services provided through those facilities.

3.73. The ACCC recommends reducing the number of *matters* in areas where the airport operator provides just facilities and not services, as set out in the table below. As part of this, we recommend ceasing monitoring of facilities to enable the processing of passengers through customs, immigration and quarantine (see from paragraph 4.108 below). These services are conducted in space that the airport operator provides but the services are managed by the Australian Government.

Table 3: Reduction in number of *matters* – areas where others provide the service

Number of *matters* in current regulations compared with ACCC's final recommendation

Item	Responsibility	Reduction in number of *matters*
check-in services	• at times delivered using, for instance, common-user equipment that the airport operator provides • staffed by the airline	from 3 to 2
outbound baggage systems	• equipment supplied by the airport operator • staffed by baggage handlers engaged by the airlines	from 4 to 2
baggage make-up	• equipment supplied by the airport operator • staffed by baggage handlers engaged by the airlines[xxvi]	from 10 to 3
customs, immigration and quarantine	• conducted in space that the airport operator provides • operated by the Australian Government	from 4 to 0

Source: ACCC

3.74. A common theme in some submissions from both airline representatives and airport-operator representatives was that, in many cases, it is more important to measure a system's operability and reliability, rather than the number of units of capital input (notional capacity). For instance:

- BARA submitted that, for airlines, the more important metric than number of units is reliability / availability (for example, 98% 'up time'). That is to say, for many indicators, percentage availability when required would be a better measurement.
- IATA submitted that the focus on assessing capacity and ratios [for example, number of passengers compared with the capacity of facilities provided] seemed misguided, including because the definitions used did not follow industry methodologies or best practices.
- Melbourne Airport advised that it reports 'on system availability and uptime through both self-service and conventional counters and supporting systems / applications'.[xxvii]
- Perth Airport submitted that measures in such categories as baggage should be the hours that the baggage system is available for use. This would provide the measure of the reliability of the system.
- Sydney Airport submitted that rather than move to a system of rigorous measurement of actual outcomes, the ACCC had largely proposed in our second consultation paper a complex, extended list of largely input-driven metrics.

3.75. The ACCC discusses from paragraph 3.81 below our recommendation to increase the use of 'operability and reliability' measures among the *matters.*

3.76. The ACCC continues to consider that it is helpful to monitor the nature and trajectory of an airport operator's investments in notional capacity of facilities, compared with demand. Airport operators can invest in notional capacity in time for projected demand, avoiding congestion. They may also have incentives to defer investment, to constrain supply (which

can allow them to increase price); or, conversely, invest prematurely while still seeking to recover the costs prematurely from users.

3.77. Related to this, the ACCC will continue to collect information on use and throughput, such as passenger numbers, to help us derive ratios of basic supply (notional capacity) to basic demand.

3.78. With regard to one specific issue (and as first touched on from paragraph 3.46 above), the ACCC received submissions that it would not be appropriate to monitor traffic measures (such as average time in minutes vehicles take to travel on terminal access roads to terminals) because these issues are not properly within the airports' control – for example, that access roads in and around the airport host traffic that is not related to travel to and from the airport.

3.79. The ACCC considers that airport users can reasonably expect that, towards helping passengers have a predictable, reliable and convenient journey, airport operators hold significant responsibility for developing, operating and maintaining the road network at the airport.

3.80. The ACCC notes that the monitored airports are tasked with, and often publicly assert, a key role in dealing with traffic flows on the airport site. For example:

- As noted above from paragraph 3.50 above, the Airports Act requires airport operators to specify a plan for a ground transport system on the landside of the airport, that must detail, among other things (to paraphrase): a road network plan; the capacity of the ground transport system at the airport to support operations and other activities at the airport; and the likely effect of proposed developments on the ground transport system and traffic flows at, and surrounding, the airport. Each of the monitored airports has published a current ground transport plan.
- Melbourne Airport is constructing elevated roads on its site that it said are part of its plan to de-congest the airport precinct and ensure everyone can access terminals easily and efficiently.[xxviii]

Focus on 'operability and reliability'

3.81. To make the ACCC's monitoring of airport quality more 'fit for purpose' and more closely aligned with the outcomes expected by airport users, we recommend increasing the use of 'operability and reliability' measures among the *matters.* This is consistent with many of the submissions to us.

3.82. As detailed at paragraph 3.74 above, a common theme in some submissions from both airline representatives and airport-operator representatives was that, in many cases, it is more important to measure a system's operability and reliability, rather than the number of units of capital input (notional capacity).

3.83. The ACCC agrees it is important to measure operability and reliability. For instance, levels of operability and reliability of various facilities can directly impact minute-to-minute performance and available or realisable capacity and use and throughput. For example, an airport's ability to accommodate flights is likely to be affected negatively if its runways are closed for long durations in normal operating hours due to malfunctions related to underinvestment in maintenance or lack of prompt maintenance action. This problem can cascade and lead to flight delays and cancellations, inconsistent with passengers' principal expectation of a predictable, reliable and convenient journey – one that is without interruption and meets passenger's needs.

3.84. Operability and reliability measurements may provide insights for knowledgeable stakeholders on, for example, the effectiveness of an airport operator's maintenance and operational practices; and its levels of investment in various facilities. The data on these metrics can also support stakeholders' inquiries into issues ranging from whether equipment is outdated to whether working procedures are optimal.

3.85. The existing regulations currently feature just 4 *matters*, all relating to the *aspect* of baggage make-up, that could be characterised as measures of operability and reliability:

> 6.6 Total number of planned interruptions to inbound baggage system in the financial year
>
> 6.7 Total number of hours of planned interruptions to inbound baggage system in the financial year
>
> 6.8 Total number of unplanned interruptions to inbound baggage system in the financial year
>
> 6.9 Total number of hours of unplanned interruptions to inbound baggage system in the financial year.

3.86. The ACCC recommends the use of 13 *matters* related to operability and reliability, out of the recommended total of 53. As explained in more detail below, we recommend their use in:

- check-in services and facilities
- security inspection
- outbound baggage system
- baggage make-up
- flight information
- public amenities
- aerobridges and other facilities used for passenger embarkation and disembarkation
- runways, taxiways and aprons.

3.87. A mechanism for monitoring operability and reliability needs to have a clear purpose and a clear scope. In considering how this intent should be executed, the ACCC has drawn from mechanisms currently applied by, in particular, the NZCC and the UK CAA, as discussed in the paragraphs below.

3.88. The ACCC considers that monitoring operability and reliability should principally encompass monitoring faults, outages or similar that are within the airport operator's control and responsibility to remedy. The concept is most applicable when, for instance, a unit has failed unexpectedly. It is also somewhat applicable when the airport operator has, say, more broadly miscalculated, or failed to procure or otherwise provide enough units of, supply versus demand – and must then ration supply to less than it had agreed to provide.[xxix]

3.89. The mechanism must also be readily calculable and without ambiguity as to the nature, units or similar of the inputs and outputs. For example, the monitoring may track raw times in minutes or hours that a unit is out of commission, and without any reference to a baseline. Or it may be a percentage of some agreed period of time. The definition may be expressed or accompanied by a mathematical formula, as is the case in the licence granted to Heathrow Airport in the UK.[xxx]

3.90. Both the NZCC and the UK CAA currently measure what might be broadly described as interruptions. The NZCC in essence measures the number and total duration of interruptions, akin to the existing *matters* in the Airports Regulations noted at paragraph 3.83 above. The UK CAA measures total duration of interruptions as a percentage of an airport's operating hours or another period (as noted in more detail in paragraph 3.96 below). This is akin to BARA's example of 98% 'up time' noted in paragraph 3.74 above. In both cases, the regulator makes provision for exclusions.

'Interruptions' and 'exclusions' in the NZCC and UK CAA regimes

The NZCC states that interruption means (italics added) 'the withdrawal by the airport of [a specified service] *for 15 minutes or longer*, at a time when the service was required by a scheduled aircraft (or to process the passengers on a scheduled aircraft)…' [xxxi]

In the NZCC regime, an interruption does not include:

- planned withdrawals
- the withdrawal of runway services necessitated by weather conditions or
- withdrawals of any services operated and managed by a third party and that are not being provided on behalf of, or under contract with, the airport.

In the UK, the licence granted to Heathrow Airport includes a definition of 'availability': 'serviceable and available for use…'. The UK CAA accordingly reports on availability as a percentage of time serviceable and available for use.[xxxii]

The time unavailable is measured against airport operating hours or hours agreed with airlines, depending on whether the service or facility is classified as a passenger-related operational element or an airline-related operational element. Services and facilities are accordingly classified, in tables, as passenger elements or airline elements.

Availability is represented by an algebraic formula that features, among other things, the number of individual assets of focus in a terminal and the elapsed time during which each asset was unavailable.[xxxiii]

The licence provides that the 'time elapsed during which an asset is unavailable shall be measured from when a fault is reported by automatic back indication or by inspection or by a third party report', subject to 15 exclusions.

Exclusions are described as the limited circumstances when time will not be required to be counted towards the time when equipment is unavailable or when other standards are not met. In essence, the exclusions cover circumstances where, for instance, airports are not responsible for a service or facility not being available; where downtime is planned or agreed with airline representatives; or for reasons such as health and safety risks.

To extract and summarise some examples, there can be exclusions for:

- annual inspections of, for instance, stands and fixed electrical ground power, lasting no more than a specified period
- planned maintenance of arrivals baggage carousels
- suspension of security queues after evacuations of terminals
- downtime where equipment is automatically shut down by the activation of a fire alarm.

Amending the Regulations to incorporate operability-and-reliability measures

3.91. The ACCC considers that operators should report on both i. the total duration of unavailability (as they already do for baggage make-up) and ii. the percentage operability and reliability – as some stakeholders have sought.

3.92. The ACCC considers that requiring that airport operators to report on both the total duration of unavailability and the percentage operability and reliability takes into consideration certain complications and nuances.

3.93. Duration is a measure that is not relative to a base. We consider that, in contrast, measuring operability and reliability as a percentage of required time that the asset was unavailable may not provide in all instances an effective measure of quality. The ACCC acknowledges that the agreed starting point – the 100% - represents where supply has met demand, as negotiated between the parties, and may be an efficient outcome. And commercial parties routinely agree that a performance target need not be 100% – for example, that there are no penalties or similar repercussions if the supplier succeeds in making the facility available, for instance, 98% of the time. The marginal benefit of ensuring 100% availability may exceed its marginal cost.

3.94. Nuances may include that:

- Particular airlines or types of airlines, under different and changing circumstances, may have different levels of bargaining power when negotiating with airport operators (see the discussion from paragraph 4.21 below about international and domestic airlines as an example).

- If the airport is exercising market power, the negotiated outcome may not represent an efficient starting point. For example, even if the airport provided 100% of the agreed operability and reliability, this agreed base might have been sub-optimal. And if an airport is increasing how strongly it is exercising market power, each new negotiated outcome may be moving further from a base of an efficient outcome.

3.95. If the Australian Government decides to adopt the ACCC's recommendations for changes to the Airports Regulations, we understand the Department will draft the amendments in collaboration with the OPC.

3.96. The ACCC recommends that the following principles should inform any implementation of an expansion of the use of operability-and-reliability measures in the regulations:

- Operability and reliability should be measured for each relevant *matter* by seeking both:

  a. the total time (minutes or hours) during the financial year that the facility was unavailable (duration) and

  b. the proportion of a particular time period that the facility was required but unavailable (percentage).

- As referenced in table 4 below, the time periods for b. (percentage) should be calculated:
  - in the case of services or facilities the airport operator provides most directly to airline operators or their contractors (for example, stands), against the times the airport operator has agreed in advance with the airline operator that the airport operator would make them available (such as under a schedule or within an agreed period after a request)
  - in the case of services or facilities the airport operator provides more directly to other airport users, including passengers (for example, moving walkways), against the operating hours of the airport or terminal group (domestic or international), as relevant.

- A service or facility should be deemed unavailable when it is not available for reasons within the airport operator's control and responsibility to remedy – that means

excluding, for example, planned withdrawals, such as for prudent and efficiently conducted scheduled maintenance; and extreme weather (see paragraph 3.99 below for more detail).

- Where the airport operator provides the service or facility through more than one unit (item of equipment, individual system, point, location, terminal or other individual operating unit), measures can be calculated against a total time period derived by multiplying the number of units by, for example:
  - the time period or number of times each unit is required or
  - the airport's total operating hours.

3.97. An example of how a *matter* on operability and reliability could be drafted in Schedule 2 is:

> 3.2 Operability and reliability of common-user check-in desks and associated common-user IT systems during the financial year in international terminals, expressed in:
>
> - total duration (in minutes) of time the relevant facilities were unavailable
> - proportion of time the relevant facilities were unavailable, expressed as a percentage of the time they were required to be available

3.98. The Airports Regulations could then be amended to include appropriate definitions of 'unavailable' and 'required to be available' for the purposes of the operability and reliability measures.

3.99. In defining when a service or facility is 'unavailable', the ACCC recommends that a service or facility should not be deemed unavailable during periods of planned withdrawal from operation or where withdrawal of relevant services is necessitated by weather conditions. This approach adopts two of three exclusions from deemed unavailability used by the NZCC. The third exclusion category used by the NZCC is the withdrawal of any service operated or managed by a third party (other than under contract with the airport). This is not considered relevant in circumstances where the ACCC only suggests measures of unavailability where the airport operator or its contractor bears the primary responsibility for the issue.

3.100. The ACCC also recommends that a service should not be deemed unavailable due to, for example:

- the faulty operations of an airline operator. An example may be where an aircraft operator has failed to vacate a stand as scheduled, preventing another aircraft operator's aircraft from coming on to it as scheduled (and the problem is not caused, for instance, by the airport operator's failure to make a stand available as scheduled when the first aircraft arrived)
- the misconduct of a passenger, such as through disrupting a security inspection lane.

3.101. The ACCC notes that the airport operator may have some incentive and some ability to limit such occasions, such as deterring overstays on stands with penalties or to offer enough assets to deal with a reasonably foreseeable rate of overstays; or policing orderly behaviour by passengers.

3.102. The ACCC notes that, as referenced above in the breakout box on Interruptions and exclusions, the NZCC regime provides for what might be called a buffer or tolerance for some slippage. It states that interruption means the withdrawal by the airport of a specified service for *15 minutes or longer.* This coincides with an aviation industry standard that an aircraft departure is on time if it, for instance, departs a gate within 15 minutes of its scheduled departure time.[xxxiv]

3.103. The ACCC considers on balance that, for simplicity, the airport-quality monitoring mechanisms should not feature such a buffer.

3.104. As noted in paragraph 3.96 above, the 'time required to be available' for a particular service or facility should be defined by categorising facilities and services as to whether: i. the facility or service would ordinarily be available throughout the operating hours of the airport or relevant terminal to, for instance, all passengers; or ii. the airport operator has agreed in advance with the airline operator the time that the airport operator would make the facility or service available to the airline operator. Table 4 below illustrates how the ACCC considers the relevant *matters* might be categorised:

Table 4: Percentage operability and reliability – reference times[xxxv]

Ordinary operating hours of airport or terminal group (international or domestic terminals)	**Time or instances agreed with airline operators**
	Check-in services and facilities
Security inspection	
	Outbound baggage system
	Baggage make-up
Flight information	
Public areas in terminals and public amenities	
	Aerobridges and other facilities used for passenger embarkation and disembarkation
	Runways, taxiways and aprons

3.105. It may be necessary to consider whether there are any complications arising from seeking to define a single aggregated 'time required to be available', given there may be different arrangements as to the times a particular facility will be available negotiated between individual airline operators and the airport operator.

3.106. Lastly, the ACCC suggests that, if there is a need for more detail or clarity on any parameters of a *matter* measuring operability and reliability, that it would be efficient for the Department and stakeholders to look to take definitions or mechanisms 'off the shelf' from the NZCC and UK CAA regimes. We consider that looking to these operating precedents, as we have done in this advice, can remove or lessen the need to formulate working mechanisms 'from scratch'.

Peak hour / 'busy' hour

3.107. The ACCC recommends rationalising the use of peak hours in the monitoring regime, to focus it on targeted monitoring of certain 'busy-hour' outcomes for 3 components of airport operations: access to terminals by vehicles, access to carparking spaces and queue time at passenger security screening.

3.108. The Airports Regulations currently refer to 3 different peak hours depending on the type of *matter* being measured, as follows:

> (a) for a matter relating exclusively to arriving passengers or inbound baggage—the hour that, on average for each day in the financial year, has the highest number of arriving passengers; and

(b) for a matter relating exclusively to departing passengers or outbound baggage—the hour that, on average for each day in the financial year, has the highest number of departing passengers; and

(c) in any other case—the hour that, on average for each day in the financial year, has the highest total number of passenger movements (including both arriving and departing passengers).

3.109. There are currently 7 *aspects* for which the Airports Regulations prescribe a *matter* which involves a measurement during peak hour: baggage trolleys; security inspection; outbound baggage systems; baggage make-up, handling and reclaiming services and facilities; facilities for the processing of passengers through customs, immigration and quarantine; flight information systems; and gate lounges. For example (*italics* added):

5.1 Average number of bags handled by the outbound baggage system *during peak hour* in the financial year

3.110. These *matters* typically seek data on average passenger or baggage numbers during peak hour, which allows the calculation of ratios of passenger or bag numbers, at the peak times, to units of equipment or capacity of facilities.

3.111. As stated earlier from paragraph 3.54, the ACCC received submissions from Qantas that the quality indicators are unnecessarily focused on peak-hour reporting – and that overemphasising the importance of peak-times operating leads to inefficient overinvestment.

3.112. As discussed earlier, the ACCC does not consider that our quality-monitoring program creates justifications for particular standards of service or that the reporting is likely to drive unnecessary investment.

3.113. The ACCC reports on its quality of service monitoring with due regard to the key objects of the regime. We consider the interests of airport users and the general community, the promotion of the efficient and economic operation of airports and the facilitation of the comparison of airport performance in a transparent manner.[xxxvi]

3.114. As stated earlier, this includes consideration of the fact that there is a trade-off between price and quality – that, for instance, installing more notional capacity does not automatically equal better quality or an efficient level of investment. The ACCC acknowledges that it may not be efficient to 'build to the peak', to have no congestion at outlier peak hours but then have near-idle assets in times of typical demand. The ACCC also notes that there are other ways to deal with congestion than capital works or other large expenditures. For example, airport operators can institute peak and off-peak pricing, to influence the shape of demand.

3.115. Nonetheless, the ACCC considers that it is still important to retain some thoughtfully targeted monitoring of certain 'busy-hour' outcomes for particular components of airport operations. This is to monitor the passenger experience during periods when higher numbers of passengers are seeking to access the airport and catch their flights. This might be, for instance, the morning 'rush hours' for departing business travellers in the so-called golden triangle of Brisbane-Melbourne-Sydney; or fly-in, fly-out traffic in Perth.

3.116. As stated earlier, the ACCC considers that passengers principally expect the outcome of a predictable, reliable and convenient journey – one that is without interruption and meets the customer's needs. Significant in this is that passengers do not expect to miss their flight, or feel distressed that they might miss their flight, because of unpredictable, unreliable and inconvenient:

- access to kerbside drop offs at terminals
- access to carparking spaces
- waiting times in queues leading to passenger security screening.

3.117. The ACCC notes that airline representatives submitted that, in particular, how long passengers need to queue at security inspection is a crucial factor in 'on-time performance' (meaning in this case, essentially, whether a flight departs on or near schedule).

3.118. The ACCC acknowledges that the monitored airports take steps to encourage passengers to avoid problems at these points by, for example, booking ahead online for parking or arranging for taxis and rideshare services to pick them up well in advance. We note that this might be considered a case of the airport operator, as a supplier of a service, shifting some of the risk and time burden further towards the customer.

3.119. The ACCC recommends monitoring the following 3 *aspects* with a focus on 'busy hours', where the risk to passengers of missing, or experiencing delay to, their flights if access or processing is not timely appears most high:

- airport access facilities
- carparking service facilities
- security inspection.

3.120. The ACCC notes that 2 other key potential 'chokepoints' at departure – check-in services and, for international passengers, processing through outbound immigration – are services managed by airline operators and the Australian Government respectively (albeit, the airport operator may provide relevant facilities). As discussed from paragraph 3.58 above, we consider that quality-of-service monitoring should focus on the services for which airport operators are most responsible; and so we do not recommend any monitoring of performance in busy hours at check-in or immigration. This is consistent with our recommendation for not applying 'performance' *matters* to those services that are not principally operated by the airport's staff or contractors.

3.121. To seek data in respect of busy times of airport operation, the ACCC considered but does not recommend updating the basic methodology for selecting the time period to sample. That is, the ACCC recommends maintaining the formula of 'the hour that, on average for each day in the financial year, has the highest number of [x]'.

Other 'busy-hour' methodologies

As background, there are other 'busy-hour' methodologies in use than the current peak hour definition in the Airports Regulations. Such methodologies often isolate and sample an exact busy hour, day or similar, compared with the methodology now in the Airports Regulations, which creates an average busiest hour of day based on, effectively, 365 days of the year.

IATA advocates for example that a Design Hour Rate (DHR) be devised, to nominate a 'development-trigger' point of passenger flow, to ensure that airports enhance capacity in line with changing demand and not just at a point in time in the future not as closely tied to estimated likely demand at that juncture. The DHR uses a particular formula to identify an hour when passenger flow is higher than the traffic flow during hours adding up to 97% to 99% of total annual passengers, ranked from the lowest to the highest hourly throughput in the year.[xxxvii]

As stated above, the ACCC's quality-monitoring program does not create benchmarks for particular standards of service or seek to drive particular investment outcomes. However, IATA's DHR could be an alternative option in identifying an appropriate busy period to assess the quality of a particular service during busy periods.

IATA has also advised the ACCC of some other definitions of peak periods that have been used (see table below). All effectively seek to identify a period that can be called 'busy' but not necessarily an extreme outlier or an isolated actual peak.

Table 5: Peak-period definitions

Term	*Source*	*Summary of method*
Busy day	IATA's former recommendation	second busiest day in an average week during the peak month
Busy hour rate	Heathrow Airport Ltd	Designed to ensure that projected throughput is lower at least 95% of the time
Peak month average day	United States Federal Aviation Administration	Average day of the peak month (divide peak month by the number of days in the month)
Standard busy rate	Former British Airports Authority	The 30th highest hour of annual passenger flow

Source: IATA, Airport Development Reference Manual

The NZCC's Airports Services Information Disclosure Determination 2010 uses a form of the 'standard busy rate' noted in the table above, being a 'passenger busy hour' of 'the clock hour with the 30th highest ranked number of passengers in the disclosure year for that airport in the passenger category [such as outbound international] that best reflects the passenger usage of the functional component and whose terminal arrival time or terminal departure time fell within the clock hour'.[xxxviii]

3.122. Reviewing the various alternatives noted above, the ACCC's view is that the current basic mechanism in the Airports Regulations of defining peak or busy hours remains fit for purpose and can be appropriately adjusted for use in monitoring traffic to terminals, access to carparking spaces or passenger security screening. Principally, we consider it appropriately identifies a period that can be called 'busy' but not necessarily an extreme single outlier or actual single peak.

3.123. The issue remains to define, in the formula 'has the highest number of [x]', what that reference point is for the *aspects* of airport access, carparking and security inspection – in terms that get the right balance of rigour and practicality; or cost and benefit of gathering.

3.124. Setting the busy hour by reference to the point in time at which passengers depart on their flights – that is, effectively, when flights 'push off' or take off – may not capture precisely the busiest point of utilisation for a particular service.

3.125. For example, where passengers may be encouraged to arrive at their airports one hour or 2 hours before domestic departures and 2 or 3 hours before international departures, the busy hour for, say, access to kerbside drop off may be, for instance, more than an hour ahead of the hour with the highest number of departing passengers on their flights. The correct point for identifying the busy hour for security screening may be the actual busy hour in terms of the number of people arriving to join the queue. It could also be set as a proxy such as the hour *ending one hour before* the busy hour for passengers departing on domestic flights.

3.126. The ACCC offers some indicative suggestions further below for how the government might define the 3 busy hours for airport access, carparking and security inspection.

3.127. As similarly touched on from paragraph 3.46 above, the ACCC has considered the ability of the airport operators to report the data proposed by the ACCC. The ACCC considers that it is recommending the collection of information that can be gathered, in a practical manner – and that the information we are recommending be gathered is significant to the airport users' service expectations, such that the benefits of requiring airports to collect the information outweigh the probable and reasonable additional costs to obtain it.

3.128. The ACCC does not presume to seek to dictate the most efficient / cost-effective technological or manual processes the airport operators might each choose to apply in their individual circumstances. We consider that there are a number of indications that airports can, or already do, undertake the recording of relevant information, such as:

- in general, what our research indicates can be gathered using products and systems from third-party providers[xxxix]
- for traffic, the information the airport operators gather for their ground transport plans and planning
- for carparking, the information the monitored airports already provide to the ACCC
- for security inspection (see paragraph 4.79 below for more detail)
    - the public statements airports in Australia and overseas make about waiting times for security inspection
    - that the UK CAA has included measurement of queue times in Heathrow Airport's licence and
    - that Sydney Airport has submitted that the monitored airports should report on average maximum wait times in security.

Busy hour – traffic to terminals

3.129. Below is an indicative suggestion for how the government might define 'busy hour' for traffic to terminals for the purposes of Schedule 2:

> …the hour that, on average for each day in the financial year, has the highest vehicle density on the busiest route

3.130. Vehicle density can be calculated by counting the number of cars on the route and dividing this by the length of the route.

3.131. 'The 'busiest route' could be defined as the road or roads on the airport site that carried the most vehicles in the financial year from the road entrance at the boundary of the airport site to kerbside drop-off at the domestic terminal through which the largest number of domestic passengers departed in the financial year.

3.132. What is the busiest route may change from year to year – for example, if an airline operator with high passenger numbers moves operations between terminals. Current-day examples may be as suggested in the table below:

Table 6: Example possible 'busiest routes'

Brisbane Airport	Airport Drive and Moreton Drive to the Domestic Terminal
Melbourne Airport	Terminal Drive and Arrival Drive to Terminals 1 / 2 / 3
Perth Airport	Dunreath Drive and Brearley Avenue to Terminals 3 / 4
Sydney Airport	Sir Reginald Ansett Avenue and Keith Smith Avenue to Terminals 2 / 3

Source: ACCC

Carparking busy hour

3.133. Below is an indicative suggestion for how the government might define 'busy hour' for carparking for the purposes of Schedule 2:

> …the hour that, on average for each day in the financial year, has the highest total occupancy rate (percentage of total spaces) across all at-terminal and at-distance carparks combined

3.134. The ACCC acknowledges that, for simplicity, this definition would not weight the needs and dynamics of the users of at-terminal versus at-distance carparks differently, with weighting between at-terminal and at-distance carparks determined by the number of respective spaces in each.

3.135. The ACCC notes that the monitored airports already report to the ACCC, for the purposes of our airport monitoring reports, an average busy hour occupancy rate for carparks.[xl] As stated earlier, we do not presume to seek to dictate the most efficient / cost-effective technological or manual processes the airport operators might each choose to apply in their individual circumstances. In the case of carparking, calculating the busy hour for occupancy might involve recording the number of vehicles entering and leaving the carparks through the electronically and remotely monitored boom gates versus the number of spaces in the carparks.

Security inspection busy hour

3.136. Below is an indicative suggestion of how the government might define 'busy hour' for security inspection for the purposes of schedule 2:

> …the hour that, on average for each day in the financial year, has the highest number of people presenting for security inspection to the security area (if the queue for inspection does not extend beyond the security area) or the back of the queue for inspection (if the queue extends beyond the security area)

3.137. The ACCC has used 2 main references to devise this suggested definition:

- Sydney Airport's submission that the ACCC should monitor time from the passenger entering the security area [however defined] and

- provision in the UK CAA's licence for Heathrow Airport to be monitored from the time of the 'passenger or staff presenting to either the portal (if the queue does not extend to the portal) or the back of the queue (if the queue extends beyond the portal)'.

3.138. The ACCC notes that the definition for Heathrow Airport takes into account that queues for security screening can begin outside a designated security area, as occurred, for example, in 2022 at Sydney Airport.[xli]

4. Recommended *aspects* and *matters*

4.1. This section sets out, in summary form, recommended changes to the *aspects* and *matters.*

4.2. **Appendix B** to this paper represents more detailed indicative suggestions of how the government might amend the text of Schedule 2 of the Airports Regulations, if it decides to adopt the ACCC's recommendations.[xlii]

4.3. The ACCC suggests reading this section in conjunction with Appendix B, as a side-by-side reference.

4.4. The ACCC has not sought to define all terms, such as 'ride share'. We consider that all terms can be defined in light of common usage, industry practice and use of terms in other Australian Government legislation, such as the term 'screening' used in the *Aviation Transport Security Act 2004*.

4.5. The ACCC considers that, in drafting any amendments to regulation 8.01A and Schedule 2, there is an opportunity to simplify the numbering used. For example, regulation 8.01A refers to, for instance, airport access facilities as item 1.1, when Schedule 2 refers to this same *aspect* as item 1A. Similarly, regulation 8.01A designates the aircraft-related services and facilities as items 2.1 and so on, when in Schedule 2 they are designated as items 10, 10A and 11. The ACCC presents numbering in this advice on the existing designations.

Aspects

4.6. As stated earlier, the ACCC considers that the *aspects* of services and facilities to be monitored, such as security screening and runways, remain largely fit for purpose and significant to whether airport users obtain the outcomes they expect. However, we recommend ceasing to monitor:

- baggage trolleys, as we can monitor other measures that offer more insight into whether airport operators are meeting the most important expectations of most users (see from paragraph 4.60 below)
- customs, immigration and quarantine facilities, as the services provided in these facilities are operated by the Australian Government and we consider it is more appropriate to narrow our focus towards areas that are more directly and clearly within an airport operator's control, responsibility and oversight (see from paragraph 4.108 below).

4.7. In our second consultation paper, the ACCC proposed some new *aspects*, such as 'power to terminal' and 'stands, stairs and bussing of passengers', and then proposed corresponding *matters*. However, we consider that all the new *aspects* we proposed could also effectively be subsets of existing *aspects.* For greater simplicity, we now recommend correlating all *matters* to the most appropriate existing *aspect.* For example, we recommend that the *matter* about 'stands' be categorised under the *aspect* that includes 'aprons'.[xliii]

4.8. The government may consider taking this opportunity to consolidate some of the *aspects*, to simplify things. For example, the government could consider consolidating outbound baggage and baggage make-up into one *aspect,* such as 'baggage handling'.

Matters

4.9. The ACCC recommends that the Australian Government amend Schedule 2 of the Airports Regulations to provide for certain new and amended *matters* as summarised, item-by-item, from paragraph 4.29 below.

4.10. Similarly, where there are some duplications in the measures, such as the requirements to report on use-and-throughput data such as 'departing' passengers and 'embarking' passengers, the ACCC recommends rationalising such instances and only including such *matters* once in Schedule 2.

Prioritisation and rationalisation

4.11. As noted earlier, the ACCC received consistent feedback, in essence, that there are too many *matters.*

4.12. The ACCC is recommending in some cases deleting certain *matters* currently in the regulations, or not proceeding with potential *matters* we proposed in our second consultation paper, effectively to prioritise and rationalise the elements of the monitoring. That is, we are not advocating certain elements because airports can provide other information to us that indicates better and more directly whether airport users obtain the most significant outcomes that they expect.

4.13. The following table indicates, for each *aspect*: the number of *matters* for that item in the current regulations, the number of potential *matters* (current and new) for that item on which the ACCC sought feedback in consultation; and the number of *matters* we now recommend.

Table 7: Number of *matters*

Item	Aspects of airport services and facilities to which records are relevant	Number of *matters* in current regulations	Number of *matters* (current and potential) on which the ACCC sought feedback	Number of recommend-ed *matters*	Number recommended compared with current regulations
1A	Airport access facilities (taxi facilities, kerbside pick-up and drop-off)	2	5	5	More
1	Carparking service facilities	4	6	3	Less
2	Baggage trolleys	2	2	0	Less
3	Check-in services and facilities	3	6	2	Less
4	Security inspection	2	14	9	More

Item	Aspects of airport services and facilities to which records are relevant	Number of *matters* in current regulations	Number of *matters* (current and potential) on which the ACCC sought feedback	Number of recommend-ed *matters*	Number recommended compared with current regulations
5	Outbound baggage system	4	6	2	Less
6	Baggage make-up, handling and reclaiming services and facilities	10	9	3	Less
7	Facilities to enable the processing of passengers through customs, immigration, and quarantine	4	8	0	Less
8	Flight information, general signage, and public-address systems	3	4	2	Less
8A	Public areas in terminals and public amenities…	1	14	5	More
9	Gate lounges and seating other than in gate lounges	7	8	2	Less
10	Aerobridge usage	7	10	7	Same
10A	Runways, taxiways and aprons	2	13	12	More
11	Aircraft parking facilities and bays	2	2	1	Less

Source: ACCC

4.14. As stated earlier, the ACCC received submissions that the *matters* should be aligned with the airport operators' SLAs; and the PC has also advocated this. Sydney Airport submitted

a table comparing the framework the airport operator said it had adopted for key performance indicators (KPIs) contained in its current SLAs with airlines (see figure below). The table indicated that, of 20 parameters of its KPI framework, our current monitoring regime approximated 6 of 20; and our proposed regime in the consultation paper approximated 17 of 20.[xliv]

Figure 1: Extract from Sydney Airport's submission to the ACCC

Appendix B - comparison between Sydney Airport KPIs framework, ACCC's current quality of service monitoring criteria, and ACCC's proposed criteria

SYD KPI framework	ACCC current regime	ACCC proposed regime
Arrival peak and off-peak OTP	✗	✓
Departure peak and off-peak OTP	✗	✓
Length of delay	✗	✓
% of movements bussed	✓	✓
% of passengers bussed	✓	✓
Arrival bussing efficiency - time to terminal	✗	✓
Bags missed per 1,000 - direct and transfer	✗	✓
Arrivals baggage delivery - time to first bag	✗	✓
Arrivals baggage deliver - time to last bag	✗	✓
Average and maximum security wait times in:		
• Security	✗	✓
• Outbound immigration	✗	✓
• Inbound immigration	✗	✓
Safety incidents per 1000 passengers	✗	✗
Overall presentation and ambience of the airport	✗	✗
Cleanliness of airport terminal	✗	✗
Cleanliness of bathrooms	✓	✓
Working order of bathrooms	✗	✓
Comfort and quality of departure gate area	✓	✓
Ease of finding your way through the airport	✓	✓
Thoroughness and attention levels of security	✓	✓

Note the KPIs SYD collects consistent with the proposed regime may not exist entirely in the form as proposed by the ACCC but represents a vastly similar metric.

Source: Sydney Airport submission 22 December 2022, p 8.

4.15. The ACCC now recommends ceasing monitoring of immigration-processing areas; and concluded on balance not to recommend monitoring safety explicitly. We consider that a good way to monitor the outstanding parameters of overall presentation and ambience of the airport and cleanliness of the terminals, is to use surveys of passengers.

Separating most *matters* into domestic and international

4.16. The ACCC recommends that most *matters* be separated into domestic and international.

4.17. Feedback from airline operators and their representatives has included that:

- All airports are different in terms of their traffic mix, design, customer base and cost base; and so service quality performance must be agreed at an airport and terminal level.
- Airport operators should separately report on international and domestic usage (except access to the airport and carparking).
- The distinction between low-cost carriers (LCCs) and full-service carriers is just as important as comparing international and domestic terminals. If there is no LCC lens, then service quality reports may become a pathway to building infrastructure to the highest possible, premium specification.

4.18. The ACCC notes again that the quality monitoring program does not seek to set minimum standards across airports; and we primarily use airport-quality data to monitor and evaluate changes at an individual airport, against itself, over time.

4.19. The ACCC acknowledges that all airports are different. To avoid extra complexity in the regulations and regime, we do not recommend tailoring portions of the quality monitoring regime to individual airports.

4.20. The ACCC considered seeking but proposes not to seek information based on whether the facility or service is provided for flights by low-cost carriers versus full-service or premium carriers. However, we have kept such distinctions in mind. That is, we have taken into account that LCCs may seek different levels of quality to full-service carriers, to save costs and so create the potential for airfares to be lower than they might otherwise be. An example often cited is that LCCs may prefer to board passengers via stairs rather than aerobridges. This has informed our recommendations to, for example, add monitoring of stairs on top of aerobridges. As seen in the commentary below on Schedule item 10 Aerobridge usage, we are not recommending monitoring in a manner that would suggest that, for instance, increasing use of stairs versus aerobridges equates to a decrease or otherwise in quality.

4.21. The ACCC agrees that it should monitor outcomes at an airport's international terminals and, separately, its domestic terminals – where, for instance, physical layout and practical realities at airports permit that. This is also the case where services and/or facilities are separated into international and domestic passengers.

4.22. The ACCC has identified that:

- Domestic and international airlines as groups, and / or particular airlines, may seek different levels of quality. This may also be the case for passengers travelling internationally or domestically.
- International airlines and domestic airlines as groups, and / or particular airlines, may have different levels of bargaining power when negotiating with airport operators (this may be in general or under specific circumstances, such as different prevailing levels of demand for domestic versus international travel). Therefore, the different airport users may be offered and receive different levels of quality from the airport operators.
- Separating information this way will help us better understand and report on outcomes, effectively, at different terminal types. We note that the airport operators already provide some information to us under the quality and price monitoring regimes by terminal.

4.23. The ACCC recommends the following specific terms and metrics appear in Schedule 2, as appropriate to the *matter* involved:

- domestic and international *passengers*
- domestic and international *flights*
- domestic and international *terminals*

4.24. With regard to the last term, to take into account that a single structure may handle international and domestic passengers, the ACCC recommends defining 'domestic terminal' to mean a terminal where the majority of passengers arriving, departing and transiting through the terminal are travelling on domestic flights; with a corresponding definition for international terminal.

4.25. To take into account that the airport may have more than one terminal building handling domestic passengers, or international passengers, an airport operator can group the separate buildings into a single unit of 'domestic terminals' and a single unit of 'international terminals'.

4.26. With regard to carparking and airport access facilities, such as drop-off forecourts at terminals, the ACCC acknowledges submissions that airports can have kerbside areas that are not effectively dedicated or limited to domestic or international terminals or passengers. We therefore do not recommend having separate 'domestic' and 'international' *matter*s for airport access facilities and carparking service facilities.

4.27. Similar reasoning applies to, for example, runways.

4.28. Overall, the ACCC recommends that the monitoring of all facilities and services be separated into domestic and international, with the exceptions of:

- airport access facilities
- carparking
- runways, taxiways and aprons
- aircraft parking facilities.

Commentary on each item

Airport access facilities (item 1A)

number of *matters* in current regulations	number of *matters* (current and potential) on which the ACCC sought feedback	number of recommend-ed *matters*	number compared with current regulations
2	5	5	more

4.29. This item is currently expressed in Schedule 2 to include taxi facilities and kerbside space for pick-up and drop-off.

4.30. As the ACCC stated in our second consultation paper, this item relates to a passenger's expectation of a reliable and predictable journey, particularly that they can be confident about getting to the airport terminal buildings in an orderly manner and within predictable

time, in time for their flight. As first noted in this advice at paragraph 3.17 above, the ACCC considers that the target outcome of 'I am confident I can get to and from the airport' is a subset of the overall target outcome of a predictable, reliable and convenient journey.

4.31. This item also relates to an airline's expectation that the airport will help 'deliver' passengers in an orderly and timely manner into the airline's process for handling and embarking passengers, which involves the passenger presenting in time at the terminal.

4.32. The airport user of most concern here is the individual travelling to and from the airport; but we also take into account that transport operators, such as off-airport parking businesses, are airport users.[xlv] That is to say, the ACCC considers that this item encompasses the facilities the airport is providing to such landside transport operators. These commercial users of the airport similarly expect utility from the airport – being able to readily access the kerbside to operate efficiently. Ultimately, as stated earlier, the end user of concern here is the individual using the airport.

4.33. The *matters* we have considered recommending in respect of airport access are consistent with this broader understanding of a passenger's journey experience.

4.34. An enabler here is the level of capacity – space – that the airport has provided. In our second consultation paper, the ACCC proposed that the monitored airports report on kerbside drop-off and pick-up space, effectively versus vehicle numbers. We proposed that this be broken down into space allocated to various modes of transport, such as taxis, rideshare and various bus types. As a disability / mobility measure, the ACCC also proposed that the airports report on area set aside for disabled (accessible) parking.

4.35. Feedback included that the ACCC should not pursue seeking to separate out domestic-terminal and international-terminal operations, as some areas are common use[xlvi]; and that there a large number of zones shared by different transport modes and it is not possible to provide a split to the level of detail proposed by the ACCC.[xlvii]

4.36. Specifically:

- Brisbane Airport stated that it was only able to collect information in relation to pick up activities for the transport modes the ACCC listed, by virtue of electronic tags being triggered on pick up; and it does not collect, and is not able to collect, information in relation to drop-off activities.
- Perth Airport stated that it did not currently count the number of vehicles by ground transport provider type that used the common-use public forecourt areas or the commercial areas. It would be an expensive project, and perhaps an unattainable outcome, to create systems that identify particular ground transport providers on a real-time basis.

4.37. Brisbane Airport also responded that it was subject to legal requirements regarding accessibility and it was difficult to see why the ACCC required baseline figures on disabled (accessible) parking spaces for the purposes of its airport monitoring reports. Brisbane Airport stated that it could see the benefit in the ACCC assessing the quality of these facilities but other regulations prescribed the particular number required. Nonetheless, Brisbane Airport could provide the number of bays.

4.38. The ACCC recommends that the monitored airports continue to report on the allocations:

- at terminals for the public to drop off and pick up at no charge

- at terminals for landside access services, but separated into various modes and for pick-up only
- at designated areas for private vehicles to wait at no charge before passenger pick-up.

4.39. The ACCC proposes not to proceed with reporting on disabled (accessible) parking. This is consistent with its conclusion that, after considering the mixed feedback we have received, on balance we will not recommend any *matters* specifically and solely related to disability, mobility issues and accessibility.

4.40. In our second consultation paper, the ACCC also proposed that the monitored airports report the average time vehicles took to travel from the airport boundary to terminals in peak hours. This was intended as a measure of congestion and a proxy for the capacity of terminal access roads.

4.41. Feedback included submissions:

- from IATA that it is more important that traffic is free flowing and avoids congestion and delays, rather than necessarily time it takes to travel, given airport variables
- from Brisbane Airport that it does not have the ability to provide such data – that providing this data would require identification of each individual vehicle and measuring their travel times to the respective terminal; and Brisbane Airport could not see any methodology based on its current systems that would enable such monitoring to occur. Furthermore, reporting on this matter without full context might lead to an erroneous impression in circumstances where such a measure does not recognise the complexity of infrastructure provision where ground transport provision is a function of federal, state and local governments jointly investing in the broader network, including mass transit.
- from Perth Airport that the landside access roads at the airport serve a range of aeronautical and non-aeronautical purposes; there is no monitoring equipment installed to measure the average time vehicles spend on the access roads; and it would likely prove expensive, or perhaps not possible, with poor-quality information, trying to measure the average time vehicles spend travelling from the airport boundary to the terminals.

4.42. As the ACCC discusses from paragraph 3.46 above, we consider we are recommending the collection of information that can be gathered, in a practical manner. For instance, information from the airport operators' published master and transport plans indicates to us that the airports can gather the data we recommend obtaining.

4.43. Further, the *matters* we are recommending are significant to the airport user's service expectations, such that the benefits of requiring airports to collect the information outweigh the additional costs to obtain them.

4.44. Specifically on roads, we are recommending *matters* that, for instance, are aligned with the work the airports undertake on traffic flows for the ground-transport plans they must include in their master plans; or with what our research indicates can be gathered using products and systems from third-party providers.[xlviii]

4.45. The ACCC recommends that the monitored airports report on, for the 'busiest route' at each airport:

- ratio of traffic volume to road (route) notional capacity in 'busy hour' in the financial year, as a percentage

- average vehicle speed in ‘busy hour’ in the financial year
- average travel time in minutes in ‘busy hour’ in the financial year
- average ‘busy hour’ vehicle density (which can be calculated by counting the number of cars on the route and dividing this by the length of the route).

4.46. See the earlier discussion, from paragraph 3.129 above, of the recommended meanings of ‘busiest route’ and ‘busy hour’.

4.47. The ACCC carefully considered its initial proposal to begin monitoring area set aside for disabled (accessible) parking. As discussed from paragraph 3.28 above, we concluded on balance not to recommend any *matters* specifically and solely related to disability, mobility issues and accessibility.

Carparking service facilities (item 1)

number of *matters* in current regulations	number of *matters* (current and potential) on which the ACCC sought feedback	number of recommend-ed *matters*	number compared with current regulations
4	6	3	less

4.48. Item 1 Carparking service facilities covers the ‘at-terminal’ and ‘at-distance’ carparks owned and operated by the airports.

4.49. Similarly to Item 1A above on airport access facilities, this item about carparking principally relates to:

- a passenger’s expectation of a reliable, predictable and convenient journey – for example, that they can:
  - enjoy the convenience of being able to leave their vehicle at the airport and access it readily on return
  - be confident about getting to the terminal in an orderly manner and within predictable time, in time for their flight.
- an airline’s expectation that the airport will help ‘deliver’ passengers in an orderly and timely manner into the airline’s process for handling and embarking passengers, which involves the passenger presenting in time at the terminal.
- the expectation of a visitor to the airport that they can readily and conveniently farewell or greet a traveller.

4.50. The regulations currently provide for the monitored airports to report on: number of carparking spaces; distance ‘between the nearest public carpark and the terminal entrance nearest to that carpark’; number of days the carpark was open; and number of vehicles that used the carpark in the year.

4.51. The ACCC notes that:

- For the ACCC’s Airport monitoring report, the airports have provided information separated by ‘at-terminal’ and ‘at-distance’ carparking.

- The separate 2019 recommendation from the PC, 9.4 – supported by the Australian Government – includes a recommendation that airports should provide the ACCC with data that separately show the number of users of the airport's 'at-terminal' and 'at-distance' carparking and the utilisation rates for each type of parking.

4.52. In our second consultation paper, the ACCC proposed that the monitored airports report on the utilisation rate an airport's at-terminal and at-distance carparks reached in the year; and the number of disabled (accessible carparking spaces).

4.53. IATA suggested that the ACCC's capture of utilisation could be interesting as a measure to review how capacity balances with demand at a point in time, if it develops a credible peak hour methodology and takes into account resilience, pricing and other variables. IATA also suggested a benchmarking of parking spaces per million passengers 'per annum originating enplanements'.

4.54. Melbourne Airport did not support some of the proposed utilisation measures. It stated, among other things, that it uses pricing to manage utilisation; and that, with utilisation rates being relative to capacity, it is a giving up a significant number of parking bays to accommodate its road projects and the planned Melbourne Airport Rail link.

4.55. The ACCC recommends monitoring the:

- number of carparking spaces available to the public
- number of vehicles that used the at-airport carparks in the year
- average occupancy rate (percentage of total spaces) in 'busy hour'.

4.56. The ACCC recommends each be separated into at-terminal carparks and at-distance carparks.

4.57. The recommended reporting would allow the ACCC to monitor the capacity the airport has provided, versus the use of, or demand for, the facility – including in times of high demand.

4.58. See the earlier discussion, from paragraph 3.133 above, of the recommended meanings of 'busy hour' for carparking.

4.59. The ACCC carefully considered its initial proposal to begin monitoring the number of disabled (accessible carparking spaces). As discussed from paragraph 3.28 above, we concluded on balance not to recommend any *matters* specifically and solely related to disability, mobility issues and accessibility.

Baggage trolleys (item 2)

number of *matters* in current regulations	number of *matters* (current and potential) on which the ACCC sought feedback	number of recommend-ed *matters*	number compared with current regulations
2	2	0	less

4.60. This item relates to the trolleys to carry luggage made available for a fee or free in places such as the forecourts of the terminals and the areas where arriving passengers collect

their luggage. This item relates to a passenger's expectation that they can be confident about getting through the airport in an orderly manner and predictable time – for example, in time to check in their bags for their flight – through using the trolleys to move their luggage.

4.61. The current regulations require the monitored airports to report on the number of baggage trolleys, compared with the average number of passengers for each baggage trolley during peak hour.

4.62. The ACCC did not comment on baggage trolleys in our second consultation paper but proposed to retain the current *matters.*

4.63. Brisbane Airport commented that the prevalence of wheeled suitcases means, particularly for domestic passengers, that passengers are not as reliant on baggage trolleys as they once were. It was therefore unclear why this *aspect* and the associated *matters* had not been changed to reflect the contemporary outcomes of passengers, particularly with respect to provision of trolleys at domestic terminals.

4.64. The ACCC considered the situation of passengers with, for example, disability or mobility issues or travelling with small children; and whether we should recommend confining monitoring to international terminals (noting that trolleys in some terminal forecourts may not be assigned or limited to use in a particular terminal).

4.65. The ACCC recommends, on balance, ceasing to monitor baggage trolleys, as we can monitor other measures that offer more insight into whether airport operators are meeting the most important expectations of most users.

Check-in services and facilities (item 3)

number of *matters* in current regulations	number of *matters* (current and potential) on which the ACCC sought feedback	number of recommend-ed *matters*	number compared with current regulations
3	6	2	less

4.66. This item currently features *matters* on 'check-in desks', 'bag-drop facilities' and 'check-in kiosk facilities'.

4.67. As discussed in the section of this advice starting at paragraph 3.58 above, check-in is one of the areas where an airport operator principally provides the facility but not the service – which is staffed by airline operators or their contractor. The ACCC notes that check-in facilities can range from equipment installed by an airline operator, such as automated check-in kiosks for the exclusive use of its domestic passengers, to 'common-user' check-in desks, often in international terminals, that various airline operators can use from time to time as arranged with the airport operator.

4.68. As stated earlier, the ACCC's recommended *matters* are focused on monitoring airport services and facilities that are within an airport operator's responsibility and oversight. This approach is consistent with submissions from airport operators emphasising that the ACCC should only monitor parameters that are principally the responsibility of the airport operators, rather than airlines or other parties. The ACCC recommends reducing the

number of *matters* in areas where the airport operator provides just facilities and not services, with check-in being one of these areas.

4.69. As discussed earlier, the ACCC continues to consider that it is helpful to monitor the nature and trajectory of an airport operator's investments in notional capacity of facilities, compared with demand. Equally, the ACCC recommends an increased focus on reporting of *matters* relating to 'operability and reliability', essentially being the length and proportion of time that services and facilities are not available, for reasons within the airport operator's control and responsibility to remedy.

4.70. The ACCC recommends that the monitored airports report on the number of, and operability and reliability of, common-user check-in desks, in domestic and international terminals.

Security inspection (item 4)

number of *matters* in current regulations	number of *matters* (current and potential) on which the ACCC sought feedback	number of recommend-ed *matters*	number compared with current regulations
2	14	9	more

4.71. Item 4 relates to security systems for screening departing passengers. The airport operator provides these facilities, and the services are provided by its security contractor.

4.72. This item relates to a passenger's expectation that they can be confident about getting through the airport in an orderly manner and predictable time, in time for their flight. This item also relates to airlines' expectations of being able to operate efficiently at the airport. The ACCC understands that the rate at which passengers advance to the passenger security clearance system significantly impacts on whether an aircraft leaves on time (or whether it departs without some people that the airline operator intended to carry on that flight).

4.73. As stated earlier, the ACCC recommends that our monitoring reflects that the airport has more direct responsibility for, and control over, some services than others. That is to say, users can reasonably hold airports more accountable for the performance of a service where the airport or its contractor – and not, say, the airline – is operating and managing it. Security inspection is one such area.

4.74. As stated in our second consultation paper, the ACCC recognises that a fast screening process may not necessarily represent a thorough or high-quality security process; and that the requirements the Australian Government imposes on the process are a large factor in how the process is carried out and what equipment the airport uses. The ACCC has formed the view that the airport operator can still reasonably influence the experience of airport users, particularly through the performance of the service.

4.75. This may include, for example, how much capacity is operating and how many staff are working on the equipment.

4.76. In our second consultation paper, the ACCC proposed that the monitored airports report on measures including:

- airport staffing of the systems
- unplanned interruptions to the systems
- time spent in queues waiting to reach the security clearance points
- the amount of space provided for passenger security clearance systems.

4.77. The ACCC also proposed, as a mobility / disability measure, that the monitored airports report on the percentage of screening staff that have undergone training in the financial year on assisting people with disability.

4.78. Feedback included as follows in the table below.

Table 9: Feedback on proposed *matters* for security inspection

BARA	• Security inspection is critical to whether international airlines depart on time; and to customer satisfaction. • The key measurement is not capacity or numbers-based, such as numbers of lanes or hours of staff, but 'customer-centric' outputs of time spent in queues and processing. Average wait time, from entering the queue to processing and maximum peak wait time are output-orientated, all-encompassing measures that incorporate, more flexibly, some of the 'fixed' measures the ACCC proposed. • Monitoring should separately cover both passengers checking in at the airport and transferring passengers.
IATA	• To support a seamless passenger experience, security inspection is clearly a critical area. • Monitoring should include screening for transferring passengers and staff. • In terms of a quantitative KPI, queue monitoring is the key element. An example is to measure whether 95% of passengers proceed from accessing the security hall to the 'roller bed' within 5 minutes – or whatever metric or measurement is appropriate to that airport, derived in consultation with users funding the costs. • Ratios are interesting as a basis for comparison regarding the efficiency of capital expenditure and operating expenditure. However, they need to be agreed at an airport level. With regards to, for instance, the number of clearance systems or staffing levels (which are issues of capacity planning and inputs), it is not automatic that an efficient baseline exists in the first instance. The ACCC should benchmark the data, such as labour costs or number of personnel needed to operate a security lane efficiently, to determine a basis for comparison on efficiency.
Qantas	• Security capacity could be improved with infrastructure but consideration should also be given to better processes, including by opening existing lanes earlier and rostering on more trained staff.
AAA	• The AAA does not support changing the current reporting requirements for security inspection. It has significant concerns that the proposed measures, particularly measuring queue times, are crude measures of airport performance monitoring, given significant aspects of the screening system's performance are under the control of the manufacturer of the equipment or the security regulator, the Australian Government Department of Home Affairs.

Brisbane Airport	• Disclosing staffing levels at security inspection would compromise security. • The Australian Government is requiring airport operators to upgrade their security equipment. This will involve disruptions. Any 'dip' in quality is not attributable to the airport operators but to the government's requirements. The ACCC should not at this time include *matters* that are directly affected by the upgrades. • Efficiency gains and new technology may result in a need for less security staff and screening lanes; and a fast process may not necessarily represent a thorough or high-quality process. The ACCC may report that, for example, an increase in time taken to screen a passenger or a reduction in staff or number of systems is a reduction in quality. • Brisbane Airport does not have any automated systems to record the number of unplanned interruptions to security clearance systems. It would need to record this information manually, which is labour intensive. Costs will adversely affect airport charges. • Brisbane Airport's current systems do not allow for the accurate recording of the number of passengers at particular times. This is particularly because BAC is unable to monitor when a passenger arrives at the terminal nor the screening location they choose in the domestic terminal. Brisbane Airport would not be able to, with any degree of accuracy, provide average numbers as the ACCC proposes. • Regulation provides for prescriptive processes associated with the screening practices for persons with disabilities. All screeners undergo training in line with this. The utility in monitoring training on disability is queried.
Melbourne Airport	• The *matters* the ACCC proposes need improving for Melbourne Airport to support them. The descriptions are a set of rigid conditions that would lead to a subjective view of performance. The definitions do not recognise the nature of an airport's operating environment, nor the procedures exercised to treat and manage issues if there is an unplanned interruption. • An indicator measuring time taken for passengers to move through security indicates a lack of appreciation for the current regulatory framework determined by the Australian Government departments responsible for national security.
Perth Airport	• Choosing the lowest number of security staff on any one occasion is subject to 'extreme event' bias. The indicator may exhibit large fluctuations in a particular year, which would not reflect the overall level of service provided. Percentiles generally provide a sounder basis for monitoring, especially across years. • In providing total staffing levels, it will be possible for external parties to calculate an average cost per staff hour, using the cost data the monitored airports provide the ACCC for monitoring of financial performance. This may reveal in much greater detail to security companies the costs per hour of their competitors. • It is likely that the average time spent in security queues will be compared across airports and we would expect the ACCC to do this in its reporting. • The average values calculated may in part depend on the systems available to capture the queue times – for example, manual versus electronic.

	• Choosing the 5 longest average wait times across a year is arbitrary, with a focus on a very small section of data. With Perth Airport operating 24 hours a day, the ACCC is proposing to focus on 0.06% of these hours. This may in turn become a focus of reporting. • The percentage of queue times above an agreed set of minutes, such as 15, would be a better measure. • Perth Airport would need to consider further the logistics of data collection on this aspect. • It is important to Perth Airport that it ensures that an appropriate number of airport staff and contractors are trained to help passengers with disabilities. A more useful measure than percentage of staff undertaking training would be the number of qualified staff available.
Sydney Airport	• Average queue times for security inspection (and immigration processing), across domestic and international, in peak and off-peak hours, can be useful metrics. Sydney Airport is prepared to provide this information as captured by the KPIs existing under its frameworks agreed with airline operators in SLAs. Using the existing Sydney Airport KPI framework, the monitored airports should report on 'average maximum wait times in security', measured as 'time from passenger entering security area to reaching point of divestment'.
Transport Workers Union	• For the ACCC to recommend the supply of information such as time spent in queues will only add pressure and encourage unsafe work practices on a workforce already at breaking point.

Source: Submissions to the second consultation paper

4.79. In light of some submissions questioning the merits of the monitored airports reporting on security inspection in general and queue time in particular, the ACCC notes that:

- Airline-sector representatives have consistently submitted that efficient security inspection is critical to whether aircraft depart on time and customers are satisfied.
- Sydney Airport has submitted to this review that queue times can be useful metrics and such information is captured in the KPI frameworks it has agreed with airline operators. It has proposed a method of measurement.
- At least some of the monitored airports are already considering and publicly disclosing waiting times. For example:
    - In January this year, a Brisbane Airport spokesperson told the media that, 'Even with all security lanes operating, we expect some queuing during the busy peaks of at least 20 minutes'.[xlix]
    - In March this year, Sydney Airport CEO Geoff Culbert was quoted as saying, "We're at a point where 95 per cent of all domestic passengers are getting through security in less than 5 minutes and the remaining 5 per cent are getting through in less than 15 minutes and that has been very consistent in the last few months."[l]
- Some airports overseas publicly commit to meeting certain queue-time targets. For example, Beijing Airport has referenced security checks of less than or equal to 12 minutes for 95% of passengers for domestic flights and less than or equal to 10 minutes for international flights.
- The NZCC requires the airports it monitors to disclose metrics including:
    - the 'passenger busy hour' for security screening

- the number of screening points
- the notional capacity of security screening during the passenger busy hour
- passenger throughput at security screening (passengers / hour) during the passenger busy hour[li]

- The UK CAA provides in the licence granted to Heathrow Airport that queue times for passengers and staff shall be used to assess that airport operator's performance.[lii]
- According to an academic review of 27 papers on airport quality published from 2000 to 2020, security is the second-most widely researched dimension (behind check in, which is a service the monitored airports do not perform), featuring in close to 60 per cent of the papers.[liii]

4.80. The ACCC recommends 4 *matters* on time people spent waiting in the queue leading to the passenger security clearance systems.

4.81. We recommend, in summary, that the monitored airports report on, effectively, the proportion of people of being screened within 3 bands of time: i. up to 5 minutes; ii. more than 5 minutes and up to 15 minutes; and iii. more than 15 minutes. For people passing through domestic terminals, we recommend monitoring in both busy hours and across all hours. For the sake of greater simplicity and to reduce the number of *matters* in the regulations, we do not recommend separate monitoring of any busy hour in international terminals. We recommend using the average waiting time for international screening.

4.82. To repeat the discussion about 'busy hour' from paragraph 3.136 above, an indicative suggestion of how the government might define 'busy hour' for security inspection for the purposes of schedule 2 is:

> …the hour that, on average for each day in the financial year, has the highest number of people presenting for security inspection to the security area (if the queue for inspection does not extend beyond the security area) or the back of the queue for inspection (if the queue extends beyond the security area)

4.83. The ACCC has used 2 main references to devise this suggested definition:

- Sydney Airport's submission that the ACCC should monitor time from the passenger entering the security area [however defined] and
- provision in the UK CAA's licence for Heathrow Airport to be monitored from the time of the 'passenger or staff presenting to either the portal (if the queue does not extend to the portal) or the back of the queue (if the queue extends beyond the portal)'.

4.84. The ACCC notes that the definition for Heathrow Airport takes into account that queues for security screening can begin outside a designated security area, as occurred, for example, in 2022 at Sydney Airport.[liv]

4.85. As discussed from paragraph 3.127 above, the ACCC has considered the ability of the airport operators to report the data proposed by the ACCC. The ACCC considers that it is recommending the collection of information that can be gathered, in a practical manner – and that the information we are recommending be gathered is significant to the airport users' service expectations, such that the benefits of requiring airports to collect the information outweigh the probable and reasonable additional costs to obtain it. The ACCC does not presume to seek to dictate the most efficient / cost-effective technological or manual processes the airport operators might each choose to apply in their individual circumstances. We consider that there are a number of indications that airports can, or already do, undertake the recording of relevant information.

4.86. With regards to concerns about a 'dip' in figures while airports are upgrading equipment to meet government mandates, the ACCC understands that the government's expectation has been that the upgrades are in place by 2025. If the Australian Government decides to adopt the ACCC's recommendations on airport-quality monitoring, given the time routinely required to amend regulations, we presume that it may be a number of years before airport operators would be required to start to collect any revised information on quality in a new financial year.

4.87. The ACCC does not recommend monitoring of the screening of transfer passengers or airline-operator staff as discrete cohorts. As discussed from paragraph 4.11, we have received consistent feedback that, in essence, there are too many *matters*; and we are prioritising those we consider provide the most significant insights about the most typical airport users.

4.88. The ACCC also recommends that the monitored airports report on the total notional capacity of passenger security clearance systems, in people per hour. 'Notional capacity' for the purposes of this monitoring means designated, intended or 'nameplate' capacity of the equipment / system.

4.89. This notional capacity can be compared with, for example, the number of departing passengers through particular terminals. As discussed above from paragraph 3.75, we continue to consider that it helps with evaluating the nature and trajectory of an airport operator's investments, compared with demand, if we can derive ratios of supply to demand.[lv]

4.90. The ACCC also recommends that airports continue to report on the number of security clearance systems (individual lanes). This does not measure notional capacity as such. However, it is a measure that is easy for all audiences to understand and appreciate.

4.91. The ACCC recommends that the monitored airports report on the operability and reliability of the systems, in the manner discussed from paragraph 3.81 above. Closure of a security lane for long durations in normal operating hours, when the airport operator cannot or does not promptly open any 'spare' lanes or implement other effective measures to mitigate the problem, can affect the terminal's ability to process as many passengers in a timely and orderly manner.[lvi] Delays that might occur could cascade and lead to delays to flights or people missing flights.

4.92. The ACCC recommends that the monitored airports report on the total number of staff hours worked at passenger security clearance systems, being the number of staff that worked multiplied by the total duration of the shifts they worked.

4.93. This is a measure of the intensity of effort and investment the airport operator is devoting to this fundamental input to, and factor in, the performance of this service.[lvii] It takes into account that the airport operator's security contractor may be having difficulties from time to time to recruit and retain security staff. The ACCC considers that airport users expect that airport operators can be reasonably held accountable on this point.

4.94. The ACCC notes concerns expressed by Brisbane Airport that disclosing staffing levels at security inspection would compromise security[lviii]; and expressed by Perth Airport that providing total staffing levels and matching this with cost data disclosed in the ACCC's monitoring of financial performance may reveal costs to competitor security companies.

4.95. As discussed further below from paragraph 5.2, the ACCC routinely consults airport operators about our reporting on airport quality before publishing our evaluations. Airport operators can make a claim for confidentiality for the material that they are required to

give us under the Airports Act, including the information they give us about airport quality. We would assess whether the claim for confidentiality is justified and whether disclosing the information is necessary in the public interest.

4.96. The ACCC carefully considered its initial proposal to begin monitoring the percentage of screening staff that have undergone training in the financial year on assisting people with disability. As discussed from paragraph 3.28 above, we concluded on balance not to recommend any *matters* specifically and solely related to disability, mobility issues and accessibility.

Outbound baggage system (item 5)

number of *matters* in current regulations	number of *matters* (current and potential) on which the ACCC sought feedback	number of recommended *matters*	number compared with current regulations
4	6	2	less

4.97. Item 5 relates to facilities the airport operator supplies to get passengers' luggage from check-in to the aircraft. This equipment is typically used by baggage handlers engaged by the airline operators. Passengers and airlines expect that the airport operators will supply working outbound baggage equipment.

4.98. The current regulations provide for the monitored airports to report on the number of bags handled, hours that the equipment was used in the financial year and the system's capacity in bags per hour.

4.99. The ACCC proposed in consultation that the monitored airports also report on unplanned interruptions to the systems.

4.100. Feedback on the item / *aspect* of outbound-baggage systems included:

- BARA indicating that the ultimate and common industry measure for baggage is lost / missed bags per 1000. While recognising that airports alone do not hold total accountability for this measure, BARA submitted that monitoring and reporting it would provide transparency and encourage operational improvements.
- Sydney Airport indicating that 'transfer bag misconnect', for domestic to international and international to international, featured in its existing key performance-indicator framework. Sydney Airport proposed that the ACCC monitor transfer bags missed per 1000 for domestic to international and international to international.
- TWU indicating that it supported the ACCC's proposals around baggage facilities and systems but strongly recommended that there are safeguards in place for how this information is used. This is so that any issues arising from reports do not blame workers for interruptions to baggage systems that are caused by industry issues, 'which include chronic understaffing and high turnover from low pay and insecure work'.

4.101. The ACCC recommends that the monitored airports:

- continue to report on the notional capacity of the systems, which can be compared with the number of departing passengers in the financial year. We continue to consider

that this helps with evaluating the nature and trajectory of an airport operator's investments compared with demand.

- report on the operability and reliability of the equipment, using the mechanism discussed from paragraph 3.96 above[lix]
- cease reporting on the total number of bags the systems handled across the year, the average number of bags handled during peak hour and the hours the systems were used – as part of the ACCC's recommendation to reduce the number of *matters* in areas where the airport operator provides just facilities and not services. In this case, the equipment is typically used by the airline operator's contractor and the contractor's performance will be a key factor in, for instance, how many bags are handled on average during peak hour.

4.102. The ACCC considered monitoring of bags lost or missed, particularly in transfers, as noted in submissions. We note an international report from last year that suggested one of the greatest risk points for mishandling bags was in transit.[lx] On balance, we do not recommend this, on the basis of giving a higher priority to *matters* that track operations more clearly within an airport operator's sole or principal control, responsibility and oversight.

Baggage make-up (item 6)

Number of *matters* in current regulations	Number of *matters* (current and potential) on which the ACCC sought feedback	Number of recommended *matters*	Number compared with current regulations
10	9	3	less

4.103. Item 6 covers baggage make-up, handling and reclaiming services and facilities. This includes, in lay terms, the 'carousels' where passengers collect their luggage. This is equipment supplied by the monitored airports but typically staffed by baggage handlers engaged by the airline operators.

4.104. Passengers and airlines expect that the airport operator will provide operable and reliable equipment, so that passengers can reliably, predictably and conveniently reclaim their baggage. The current regulations already include measures of capacity of the baggage-handling equipment – such as the nameplate capacity and throughput, in bags per hour; and of operability / reliability – such as the number of unplanned interruptions to the equipment.

4.105. The ACCC proposed in consultation that the monitored airports additionally report, as an easy-to understand measure, the number of baggage reclaim facilities (carousels).

4.106. The ACCC now recommends:

- retaining monitoring of the notional capacity of inbound baggage handling equipment, which can be compared with the number of arriving passengers in the financial year. We continue to consider that this helps with evaluating the nature and trajectory of an airport operator's investments compared with demand. We do not recommend that the airports continue to report on the number of bags handled, as the equipment is

typically used by the airline operator's contractor – and the contractor's performance will be a key factor in, for instance, how many bags are handled.

- retaining monitoring of the operability and reliability of the equipment, using the mechanism discussed from paragraph 3.96 above.

4.107. The ACCC also recommends that airports report on the number of carousels. This does not measure notional capacity as such. However, it is a measure that is easy for all audiences to understand and appreciate.

Customs, immigration and quarantine (item 7)

Number of *matters* in current regulations	Number of *matters* (current and potential) on which the ACCC sought feedback	Number of recommended *matters*	Number compared with current regulations
4	8	0	Less

4.108. Item 7, facilities to enable the processing of passengers through customs, immigration and quarantine, currently provides for monitoring of the number of processing desks in place for Australian Government authorities for border-control (Australian Border Force) and biosecurity authorities (the Department of Agriculture, Fisheries and Forestry).

4.109. In our second consultation paper, the ACCC proposed that the monitored airports report on the floor space they have provided, compared with passenger numbers; and – to reflect technological change – the number of self-service immigration desks, in addition to the desks that are intended to host staff.[lxi]

4.110. Feedback from the monitored airports and the AAA included that the airport operators do not control the facilities in these areas.

4.111. The ACCC recommends ceasing monitoring of customs, immigration and quarantine facilities – that is, remove the *aspect* and all *matters* on this topic. As discussed from paragraph 3.58 above, we recommend reducing the number of proposed *matters* in areas where the airport operator provides just facilities and not services. We consider it is more appropriate to narrow our focus towards areas that are more directly and clearly within an airport operator's control, responsibility and oversight.

4.112. The ACCC considered continuing to propose monitoring the amount of floor space the monitored airports provide the Australian Government for customs, immigration and quarantine services. We have concluded, on balance, that the monitored airports can provide other information to us that indicates better and more directly whether, in particular, passengers and airline operators obtain the most significant outcomes that they expect.[lxii]

Flight information (item 8)

number of *matters* in current regulations	number of *matters* (current and potential) on which the ACCC sought feedback	number of recommended *matters*	number compared with current regulations
3	4	2	less

4.113. Item 8 deals with flight information, general signage and public-address systems (principally being the communication system the airport operator provides for the use of airline operators, to communicate at the airport to passengers).

4.114. This item can encompass both: the facilities the airport operator provides for presenting information about flights to passengers; and the services or facilities it provides, if any, for passengers or other visitors to the airport to seek information or help from staff of the airport operator or contractors the airport operator has engaged for that purpose.

4.115. The regulations currently require the monitored airports to report on the number of flight-information display screens and number of information points (which the ACCC considers could include desks, kiosks, screens or telephones where people can seek the information or help described above).

4.116. In the ACCC's second consultation paper, we stated that accurate and visible flight information is important to passengers having a reliable and predictable journey. We proposed new *matters* to monitor disruptions to display screens and, as a mobility / disability measure, the proportion of public areas covered by hearing augmentation (hearing loops or equivalent). We separately (under a different item number at that point) proposed that the monitored airports report on the communication system the airport provides airlines.

4.117. The ACCC received mixed feedback on the various proposals. For example:

- IATA advocated monitoring the availability of flight-information displays as a percentage of operational hours agreed with airlines.
- Melbourne Airport welcomed the proposed disability measure.
- Brisbane Airport queried the scope of the term 'airline communication system'.
- Sydney Airport said it estimated the annual cost to track technical issues with its more than 1400 flight information displays would be about $1 million.

4.118. The ACCC recommends:

- ceasing monitoring flight-information displays, as, to assess whether airport operators are meeting the most important expectations of most users, we can monitor other measures that offer more insight and – taking into consideration the submission from Sydney Airport noted above – are more cost effective for the airports to administer
- that airport operators:
    - continue to report on their information points, if any, as the ACCC considers that passengers or other visitors at the airport expect that they can get information or help from, and at, the airport on passenger-related issues and circumstances other than those that are the responsibility of their airline operator (for example, if a passenger needs advice on how to travel from an international terminal to a domestic terminal or vice-versa, to continue their travel)

- begin reporting on the operability and reliability of the public-address system, meaning the communication system the airport operator provides to an airline operator for the airline operator to connect in to or otherwise use to communicate at the airport to passengers.

4.119. The ACCC carefully considered its initial proposal to begin monitoring hearing augmentation, given passengers with hearing difficulties are likely to expect reasonable adjustments from the airport operator such as it installing hearing loops. As discussed from paragraph 3.28 above, we concluded on balance not to recommend any *matters* specifically and solely related to disability, mobility issues and accessibility.

Public areas (item 8A)

number of *matters* in current regulations	number of *matters* (current and potential) on which the ACCC sought feedback	number of recommended *matters*	number compared with current regulations
1	14	5	more

4.120. Item 8A deals with public areas in terminals and facilities there that include washrooms, lifts, escalators and moving walkways.

4.121. With regard to toilets, the ACCC noted in our second consultation paper that we considered that airport users viewed the cleanliness of toilets as particularly important to them. We noted that:

- BARA included concerns about the quality of cleaning, particularly of toilets, in its submission to the Productivity Commission's most recent inquiry.
- Perth Airport stated that facility cleanliness was among the key performance indicators it had agreed with airlines to measure airport efficiency and reliability.
- The Airports Council International's Airport Service Quality survey includes questions on the availability and cleanliness of washrooms; and the NZCC uses measures of passenger satisfaction from this survey in its monitoring.
- An academic study of 53 other studies of the main elements of airport quality assessment processes found that the most frequently studied areas included cleanliness and availability of washrooms.[lxiii]

4.122. The ACCC proposed in consultation additional *matters* measuring notional capacity: effectively, number of toilets, number of toilets with disability access and total area provided for toilets. We noted that we could compare these metrics with information on passenger numbers that we gained through other *matters*.

4.123. The ACCC also noted that we considered that cleaning of toilets is an area where the airport operator provides the facility and is also principally responsible for the performance of the service. This includes by engaging and presumably monitoring its cleaning contractor. We proposed that the airports report on:

- the intensity of the airport's efforts to clean toilets, in terms of the number of cleans
- number of toilet outages

- number of complaints about toilet cleanliness

4.124. The ACCC noted that having more toilets, or toilets cleaner than they currently are, does not necessarily equate to or otherwise signal an efficient level of investment. Furthermore, we noted that we did not consider that such monitoring would constitute an encouragement or incentive to, for example, increase the space provided for toilets either. The aim would be to provide transparency, including over whether the capacity and standard the airport operator provides is changing over time.

4.125. As feedback on the ACCC's proposals:

- IATA stated that cleaning facilities regularly is essential to ensure a satisfactory customer experience.
- Brisbane Airport agreed there was benefit in the ACCC assessing the quality of facilities in public areas – such as assessing the cleanliness of toilets. Brisbane Airport collects feedback from passengers through regular monthly surveys on the cleanliness and availability of bathrooms and parent rooms.
- Perth Airport stated that it considered a more helpful set of indicators for toilets would be how often they were cleaned in peak and non-peak hours, the number of hours toilets are withdrawn from use due to unscheduled disruptions and passenger perceptions of toilet cleanliness.

4.126. The ACCC recommends that the airports report on:

- the number of toilets – a measure of notional capacity versus demand (that is, we can compare these metrics with information on passenger numbers)
- how many times a day toilets are cleaned – as stated above, a 'performance' measure of an airport operator's effort to keep toilets clean.

4.127. As discussed from paragraph 3.28 above, the ACCC concluded on balance not to recommend any *matters* specifically and solely related to disability, mobility issues and accessibility – such as number of toilets with disability access.

4.128. The ACCC is likely to continue to seek feedback on the cleanliness of public areas and amenities from passengers through 'subjective' responses to surveys.

4.129. Secondly, in the ACCC's second consultation paper, we proposed that the monitored airports report on the number of, and unplanned interruptions to, lifts and, separately, moving walkways. These are particularly relevant to people with mobility / disability issues but can benefit a wide range of passengers, such as people with young children, and can help passengers get to gates more quickly and make their flights in good time.

4.130. The ACCC recommends that the monitored airports should report on the operability and reliability of lifts, escalators and moving walkways, in hours and percentages of time required, in the manner explained from paragraph 3.96 above.

4.131. Lastly, in the ACCC's second consultation paper, we also proposed a new *aspect, '*power to terminal'. As stated earlier, we now recommend correlating all *matters* to the most appropriate existing *aspect*, for greater simplicity. In this instance, we recommend that the *matter* about 'power to terminal' be categorised under the *aspect* of 'public areas'.

4.132. Supplying power to terminals is critical for an airport's smooth and efficient operation. A reliable and uninterrupted power supply is necessary to prevent disruptions and delays that can cause inconvenience to passengers, economic losses for airlines and potential safety risks. Power is needed for everything from security screening and baggage

handling to lighting and heating, ventilation and air-conditioning. Reliable and resilient power infrastructure is essential for airports to function effectively and efficiently.

4.133. Instances of interruptions to power to terminals seen during this review demonstrated the material significance of power to terminals to airline operations and passenger experiences. For example, a blackout at Perth airport, when backup generators failed, reportedly led to about 60 flights being cancelled.[lxiv] There were also power outages at Adelaide airport, delaying some flights, and in the United States at Austin and New York, with the latter reportedly affecting at least 135 flights.[lxv]

4.134. The ACCC recommends that the monitored airports report on the operability and reliability of supply of power to domestic and international terminals – in terms of hours power was unavailable and percentage of required hours that power was unavailable.

Gate lounges (item 9)

number of *matters* in current regulations	number of *matters* (current and potential) on which the ACCC sought feedback	number of recommended *matters*	number compared with current regulations
7	8	2	less

4.135. Item 9 covers gate lounges and seats in airport-operator-managed waiting areas other than gate lounges.

4.136. Passengers expect that, if they attend a gate lounge, the area is of a size that can accommodate them. Passengers expect that, if they want a seat, there is a reasonable prospect that there is one available. The ACCC considers that this includes an expectation by passengers that they have a reasonable prospect of getting a seat without having to use an airline's private lounge.

4.137. Airline operators expect that the airport operator will provide and manage gate lounge and other holding facilities to accommodate their passengers (we acknowledge that airline operators offering their own private lounges may also wish to encourage passengers to wait for flights in these).

4.138. The current Airports Regulations require the airport operators to report on the average number of departing passengers in peak hour; and then on various metrics of capacity, such as number of gate lounges. Some of the metrics specify 'airport-operator-managed' gate lounges.

4.139. In our second consultation paper, the ACCC proposed:

- splitting reporting into information on domestic terminals and international terminals, for the reasons discussed above from paragraph 4.16, and
- an accessibility / disability measure, specifically that the airports report on the number of priority seats in airport-operator-managed gate lounges.

4.140. In response:

- IATA stated that it was important to note the availability of seats, including priority seats. IATA stated that its *Airport Development Reference Manual*, by which it offers

guidance for airport planning,[lxvi] suggests that 50% to 70% of passengers should be offered seating. It submitted that another useful measure is ease in locating a seat.

- The AAA did not support changing current reporting. With regard to priority seating, it said that the Department is reviewing the provision of accessible seating in gate lounges and the ACCC should not consider a measure on this topic until the Department finished the current stage of its review.[lxvii]
- Brisbane Airport said that monitored airports already supplied the information sought on such things as area of lounges and it did not object to separating information on domestic and international terminals. It stated that Australian Government disability standards specify, for example, how many seats to allocate to people with disabilities in lounges. It was difficult to see why the ACCC would require this information for its monitoring but Brisbane Airport could provide the information sought.[lxviii]
- Melbourne Airport indicated that it adhered to the NCC and provides the required number of disability-access seats across all touch points in the passenger journey – that is, at check-in, security screening, the departure and arrivals walk, gate lounges and so on. It would be possible to report on the proposed indicator but this would be on top of the existing NCC requirements.[lxix]

4.141. The ACCC recommends that the airports report on the notional capacity measures of:

- area of airport-operator-managed domestic and international gate lounges
- number of seats.

4.142. As discussed earlier, the ACCC continues to see merit in deriving some ratios of basic supply (notional capacity) to basic use and ratios (in this case, passenger numbers), to help with evaluating the nature and trajectory of an airport operator's investments compared with changing levels of demand (usually increasing).

4.143. The ACCC is recommending that notional capacity be compared with numbers of departing domestic and international passenger over the financial year, not specifically during a peak hour. As discussed from paragraph 3.107 above, the ACCC recommends rationalising the use of peak or busy hours in the monitoring regime to a small number of particular *aspects* (service or facilities) where access or processing issues create the most acute risk of passengers missing, or experiencing delay to, their flights.

4.144. As discussed at various points throughout this advice, certain results viewed in isolation – such as more seats in gate lounges – do not automatically equal better quality or an efficient level of investment. It may not be efficient to 'build to the peak', to have no congestion at outlier peak hours but then have near-idle assets in times of typical demand. There is a trade-off between price and quality, where the efficient level of quality is where airport users' willingness to pay for improved quality equals the incremental costs of making such improvements. And there are other ways to deal with congestion than capital works or other large expenditures – for example, the scheduling of flights and pricing of landing charges for use of an airport can be significant factors in the shape of demand from users.

4.145. The ACCC notes IATA's suggestion that 50% to 70% of passengers should be offered seats. As stated earlier, the quality-monitoring program does not seek to set minimum standards. The ACCC primarily uses airport-quality data to monitor and evaluate changes at an individual airport, against itself, over time.

4.146. The ACCC initially proposed that the monitored airports report on the number of 'priority seats' in airport-operator-managed gate lounges. As discussed from paragraph 3.28

above, while an airport operator may be meeting all its legal obligations in relation to areas such as disability, its level of quality could still be below the level airport users would expect for the price they pay. This could result in, for instance, challenging experiences for people with mobility or disability issues. Passengers with a special need to sit, such as people with disability and other people needing special help (for example, the ageing), expect reasonable adjustments from the airport operator – such as designated 'priority' seats.

4.147. However, the ACCC has concluded on balance not to recommend any *matters* specifically and solely related to disability, mobility issues and accessibility.

Aerobridges and other means of embarking and disembarking (item 10)

number of *matters* in current regulations	number of *matters* (current and potential) on which the ACCC sought feedback	number of recommended *matters*	number compared with current regulations
7	10	7	same

4.148. Item 10 currently relates to aerobridges, which are suspended moveable tunnels that extend from an airport building to an aircraft.

4.149. Similar to items mentioned earlier, this item relates to:

- passengers principally expecting an outcome of a predictable, reliable and convenient journey – for example, they can board and disembark easily and efficiently, getting on and off the aircraft within a predictable time and under cover from bad weather
- an airline expecting that they can use an aerobridge or other means of embarking or disembarking passengers when needed.

4.150. The airport operator manages investment in the notional capacity, and maintenance, of aerobridges and other means of embarking and disembarking. In the ACCC's second consultation paper, we proposed *matters* for aerobridges based on capacity and operability and reliability; and that airports continue to report on, effectively, the percentage of passengers that used aerobridges (with the remainder using stairs, either at the terminal or 'remotely' – that is, far enough from a terminal that passengers will most likely be bussed to and from there, not walk).

4.151. The ACCC noted at that stage that:

- Perth Airport stated that 'it agreed on key lead performance indicators with its airline partners to measure airport efficiency and reliability across various areas, including aerobridge availability'.
- The NZCC collects statistics, and responses to surveys from passengers, about aerobridges, to monitor trends over time.
- Some airlines, such as low-cost carriers, might choose not to use aerobridges, including where the cost of using alternatives is lower. That is, such carriers might prefer to use mobile staircases to board and disembark passengers. We did not consider that the existing or any augmented monitoring of aerobridges would constitute encouragement or incentive for the airport to increase investment in

aerobridge capacity. The aim of monitoring would be to provide transparency, including whether the airport's notional capacity changes over time.

4.152. The ACCC also proposed new monitoring of some other services and facilities related to passengers accessing and leaving aircraft – namely:

- stands (the bays aircraft occupy while passengers board and disembark them), both at-terminal and 'remote'
- stairs, in cases where the airport operator or its contractor provides this equipment
- busses carrying passengers to and from remote stands
- aircraft docking guidance systems, which help pilots park an aircraft.

4.153. Feedback from airline representatives to the ACCC's proposals included that:

- 'Availability when required' would be a better metric – such as the percentage of times an airport is able to accommodate a scheduled aircraft.[lxx]
- There could be measurement of, to paraphrase, how often airports accommodated aircraft at 'contact gates' (at terminals) versus remote stands, compared with what airports and airlines had agreed; or the percentage of passengers able to walk from the aircraft to the pier or terminal versus using a remote stand.
- Airports should report on the percentages of passengers bussed in peak and non-peak periods.

4.154. Feedback from airport representatives to the ACCC's proposals included that:

- Any indicators of performance need to be based on factors within the airport's responsibility.
- We should not require airports to report on the number of passengers using aerobridges, as – given some airlines may prefer to use lower-cost alternatives such as mobile staircases – reporting only on the use of aerobridges may create the mistaken impression that the airport is reducing investment in facilities.
- Brisbane Airport does not currently measure the number and duration of unplanned interruptions to aircraft docking guidance systems and this would need to be measured 'manually'. This would be a labour-intensive exercise, the costs of which would adversely affect airport charges.

4.155. Sydney Airport advised that there is some tracking of bussing in its existing framework of key performance indicators agreed with airlines. Sydney proposed measurements including the proportion of arrival movements (flights landing) bussed – at peak times and overall – and the proportion of arriving passengers bussed; with matching measures for departures.

4.156. The ACCC notes that we now recommends that the *matter* for 'stands' be grouped with hose relating to runways, taxiways and aprons, and we discuss these further below from paragraph 4.160.

4.157. The ACCC recommends monitoring the:

- operability and reliability of aerobridges, stairs, bussing and docking guidance systems – that is, effectively, whether the airport provided the supply of access facilities it had agreed with the airlines. This is to monitor the percentage and duration of times that, effectively, the airport operator had agreed, probably under an advance schedule, to make an asset available to an airline operator and did not do so, for reasons within the

airport operator's responsibility to remedy. This would exclude, for example, instances where an aircraft operated by another airline has overstayed (the airport operator may, however, have the incentive and the ability to deter overstays or to offer enough assets to deal with a reasonably foreseeable rate of overstays).

- percentage of passengers that used aerobridges, bussing and stairs (taking into account that, for example, passengers who are bussed use stairs and not aerobridges, so the categories can overlap). We consider there is merit in being able to monitor, for instance, any changes in the proportion of passengers at a particular airport that is being bussed to and from remote stands compared with being able to enter or leave the terminal via an aerobridge or a short walk across the tarmac.

4.158. For item 10 we have recommended a *matter* which seeks total aircraft movements in the financial year. This *matter* used in conjunction with other *matters* will allow for different calculations and it will also provide context for operability-and-reliability measures which seek percentages.

4.159. The ACCC is not recommending that reporting on these *matters* be separated into 'busy hours' and 'other hours.

Runways, taxiways and aprons (item 10A)

Number of *matter*s in current regulations	Number of *matter*s (current and potential) on which the ACCC sought feedback	Number of recommended *matter*s	Number compared with current regulations
2	13	12	more

4.160. Item 10A relates to runways, taxiways and aprons.[lxxi] In a submission to this review, IATA described this set of facilities as 'the primary airport asset'.

4.161. In relation to this:

- Passengers expect an outcome of a predictable, reliable and convenient journey – for example, that they can be confident about the aircraft departing and arriving on schedule.[lxxii]
- Airlines expect to access the runways, taxiways and aprons when they request – over the short term, in day-to-day operations, and over the long term of their evolving business – and be confident a flight is not delayed or cancelled due to, for example, congestion.

4.162. In the case of the runway network, Airservices Australia directs flight movements. The airport operator manages investment in the notional capacity, and the maintenance, of the runway network.

4.163. The ACCC's second consultation paper explained that the quality and 'quantity' – nameplate or designed capacity – of a runway network are, in our view, core and fundamental aspects of the package of facilities airlines seek from airports to be able to operate efficiently there. The current regulations require the airport operators to report on area, in square metres, of runways and aprons.

4.164. The ACCC noted in our second consultation paper that:

- International academic literature on the quality of aircraft-related facilities indicates that measures such as the following are commonly nominated as indicators of airport quality:
    - taxi times from runway to gate
    - number of runways
    - whether the airfield is properly prepared for safe landing and manoeuvring of aircraft.
- Prominent international airport Heathrow, which is subject to comprehensive 'economic regulation' from the UK CAA, is liable to pay a rebate to airlines for incidents related to the operational resilience of runways, under its licence to operate; while Gatwick Airport's Core Service Standards attached to its licence from the UK CAA include terms about:
    - the percentage of required times, and number of times, runways are unavailable and
    - travel time across the airfield.
- The NZCC monitors material interruptions to runway access.

4.165. The ACCC proposed that item 10A be augmented with further measures of notional capacity and operability / reliability:

- number of runways, as each new runway represents a fundamental step-change in the level of supply of aeronautical services an airport is offering
- design or 'nameplate' capacity of the runway system, again, reflecting the level of intended supply
- time to taxi, a possible pointer to the efficiency and adequacy of the runway network[lxxiii]
- frequency and time that runways and separately, taxiways or aprons, are out of commission.

4.166. Feedback from airline representatives on the ACCC's proposals included that:

- The airfield is the major airport asset and airfield availability and, particularly, runway availability, are crucial measures. We should monitor, for instance, unplanned events within the airport operator's sphere of responsibility that cause a closure – in duration of closure / time to recovery.
- More meaningful measures of efficiency than, for instance, number of runways would be metrics such as taxi time to minimize how much fuel aircraft burnt and time held on the ground.

4.167. Feedback from airport representatives included that:

- An additional runway is one of the largest infrastructure projects that a monitored airport can undertake and the decisions regarding runway development are part of the monitored airports' publicly available master plans. In such circumstances, there is little utility in including a *matter* on number of runways.[lxxiv]
- Theoretical airfield capacity includes the available slots late at night and very early in the morning. Comparing theoretical runway capacity to actual movements will greatly understate the level of use, as many of the slots are not at commercially viable times for airlines. Data about runway capacity will be misleading with regards to the need

and timing for an additional runway and be incorrectly used as evidence about the existing airfield's practical capacity.[lxxv]

- *Matters* associated with, for instance, time taken to taxi around the airport appear to be related to whether flights are delayed, which is monitored by BITRE; and time to taxi is determined by air-traffic control (Airservices Australia). Similarly, Airservices Australia reports on 'airborne holding' as a result of, typically, runway congestion; and airport operators have agreed metrics with Airservices Australia on, among other things, the availability of runways.
- The airport operators should not be required to report on the frequency and time that runways are out of commission as, for instance, routine maintenance ensures safety and reliability.

4.168. The ACCC continues to consider that the notional capacity and operability and reliability of an airport's runway network are fundamental features of the package of inputs of services and facilities that airport operators supply to airlines. As touched on earlier, we consider that an important part of our role is to monitor, over long time horizons, the nature and trajectory of an airport operator's investments compared with demand. Airport operators can invest in capacity in time for projected demand, avoiding congestion. They may also have incentives to defer investment, to constrain supply; or, conversely, invest prematurely while still seeking to recover the costs from users.

4.169. The airport operators' master plans indicate the significance of their runway-network assets:

- Brisbane Airport's master plan described the airport's second runway as 'a major investment that [doubles] the capacity of the airport, future proofing it for future generations and providing Brisbane with Australia's most efficient runway system'.[lxxvi]
- The foreword to Melbourne Airport's master plan states that the 'most significant aviation project outlined in this Master Plan is the development of the nationally significant new parallel north-south runway…This project is critical to meet forecast passenger growth while maintaining on-time performance for interstate and international travel, by allowing us to increase aircraft movements over time'.[lxxvii]
- Perth Airport's Master Plan 2020 quotes Western Australia's State Aviation Strategy as stating that a new runway at Perth airport would "provide the step-change in capacity needed to cope with current peak hour demand as well as accommodate continuing high levels of growth at Perth Airport" and "will benefit all users, improving reliability, reducing delays and permitting peak-period demand growth…"[lxxviii] Relevant to the *matters* the ACCC is recommending, Perth Airport's Master Plan states that triggers that will guide the timing of its developments at the airport include:

Table 10: *Perth Airport Master Plan 2020*, selected development triggers

component	development triggers
runways	• Peak period aircraft movement demand for arrivals, departures or a mix of arrivals and departures (increase in runway capacity required) • Forecast annual aircraft movements • Improve holding and taxiing delays, reduce fuel burn and emissions • Maintain and improve on time performance

component	development triggers
	…
taxiways	• Reduce taxiing delays, fuel burn and emissions • Reduce runway occupancy times …
apron	• Busy hour demand … • New aircraft, larger aircraft size • Overnight parking demands …

Source: Perth Airport Master Plan 2020, p. 53. [lxxix]

- Sydney Airport's Master Plan 2039 details improvements it plans to make to its airfields and why:

> Developments and enhancements are planned throughout the airfield at Sydney Airport to provide sufficient capacity to meet the projected passenger demand and forecast air traffic movements in 2039. The three existing runways can accommodate growth in aviation, with improvements to taxiways, aprons and infrastructure delivering operational efficiencies. Taxiway developments are based on efficiency of operation, safety and meeting demand.
>
> …
>
> The following improvements are proposed to airfield and aviation support infrastructure over the planning period to 2039:
>
> • Taxiway improvements, which have been tested with fast time simulation modelling, to reduce taxiing times for aircraft, and improve passenger experience and airlines' operating efficiency
>
> • New apron developments across each of the terminal precincts to accommodate aircraft stand demand in 2039…
>
> • New active remote aircraft parking stands in the North East and South West Sectors to increase the capacity of the airport
>
> • New remote aircraft parking stands in the South East Sector
>
> • Additional storage areas for ground service equipment and further deployment of ground power and preconditioned air systems at aircraft parking stands…

4.170. The ACCC acknowledges that an airport's response to, in particular, how many runways it has may not change for many years. Brisbane Airport opened its new parallel runway in 2020, Melbourne's third runway is at least 3 years from opening[lxxx] and the Major Development Plan for a proposed new runway for Perth was based on the runway coming into operation by 2028.[lxxxi] As stated, our monitoring of airports incorporates long time horizons. We note that we have been monitoring airports since 1997; and, in our latest *Airport monitoring report*, we typically reviewed data and performance over the period back to 2007-08.

4.171. In the meantime, if airport operators make incremental increases to their runway networks, this can be monitored under *matters* recording square metres of assets. The current regulations feature such *matters* already.

4.172. As stated earlier, the ACCC acknowledges that Airservices Australia directs aircraft movements in the air but also on the runway network. We continue to consider that there is merit in seeking to monitor the efficiency of the runway and taxiway network that the airport operator has provided. For example, we understand that, if the airport operator invests in such assets as rapid-exit (angled) taxiways, this can reduce the time that aircraft must spend on runways.

4.173. The ACCC continues to consider that there is merit in monitoring the airport's ability in the financial year to keep the runway network open for the time that airlines have requested it be available by prior agreement or schedule, through an operability and reliability metric that effectively covers issues within the airport operator's control and responsibility to remedy. This would effectively monitor, for example, how quickly an airport operator has responded to unplanned interruptions such as foreign-object debris on areas of the runway network or damage from extreme weather.

4.174. In summary and consistent with the ACCC's second consultation paper, we recommend *matters* going to:

- area of runway-network assets – as already feature in the current regulations
- number, and design capacity in flight movements, of the airport's runways
- operability and reliability of the runway-network and apron assets, including stands[lxxxii]
- taxi time, as modelled and estimated by the airport operator for the runway-network it has provided.

4.175. In our second consultation paper, the ACCC proposed that the airport operators should report on the number of unplanned interruptions to the fixed electrical ground power connections that provide power to aircraft on the tarmac; and aggregated hours that any individual connections have failed and are out of commission. These were measures of operability and reliability.

4.176. The ACCC understands that the ability for an aircraft to promptly connect to reliable external power is a meaningful input to an aircraft's ability to operate efficiently from an airport. We understand that, for example, when an aircraft can connect to external power, it can reduce consumption of on-board energy reserves; and that 'fixed' power may be a superior alternative to portable, largely diesel, power units. We note that the NZCC has monitored interruptions to fixed electrical ground power units.[lxxxiii]

4.177. Feedback from airline representatives included that power to aircraft was relevant; and that supplying fixed power could reduce the need for diesel generators and so support efficiency and environmental sustainability. The metrics should be, for example, percentage availability of the service or total number of faults, rather than such measures as number of units. Feedback from airports ranged from Brisbane indicating that it did not supply such units, to Melbourne submitting that, in effect, the units' capability is properly maintained, there are operating procedures to manage unplanned interruptions and it is not clear why an airport operator should report an outage when the unit is not required or outside a peak period.

4.178. We recommend that the airport operators report on:

- the number of fixed electrical ground power units (and the airport operator may report that this is zero), as we understand that the extent to which an airport offers such units is a meaningful feature of the quality of its offering to airlines
- the operability and reliability of the units, including as a percentage of the hours they are required – that is, calculated not against the airport's full operating hours but in relation to the time or time period the airport operator has agreed with the airline or the airline's contractor that the units will be available (see from paragraph 3.82 above more information on calculation of 'operability and reliability').

4.179. Lastly, in our second consultation paper, the ACCC proposed a *matter* on aircraft refuelling – specifically relating to the joint-user hydrant installation (JUHI). This is principally the storage tanks and hydrant reticulation system at the airport that an airline's contractors use in refuelling aircraft on the aprons.

4.180. The PC's inquiry into the economic regulation of airports received many submissions on aircraft refuelling, indicating its significance in the industry's operations.[lxxxiv]

4.181. Airlines expect to be able to be efficiently refuelled, via their contractors being able to readily access such facilities. And the fuel retailers authorised to access the JUHI should not be shielded from adequate competition and so use market power to charge a higher price, lower the quality or quantity of service or constrain the total quantity of fuel on offer.

4.182. The ACCC considers that the number of potential fuel suppliers at an airport is likely to be significant to an airline's ability to operate efficiently from that airport. Having a greater number of potential fuel suppliers may encourage competition, competitive pricing, and better service. This may involve, for example, investment in more storage capacity connected to the facility.

4.183. The current regulations do not provide for any monitoring of refuelling facilities.

4.184. The ACCC proposed monitoring, in effect, whether the JUHI is operated on an 'open access' basis or similar, for competing fuel retailers. We proposed doing this by having the airport operators report the proxy measure of how many fuel suppliers are approved to access the airport's JUHI. This is to provide transparency of whether the number of fuel retailers approved to supply from the JUHI is changing over time.

4.185. The monitored airports routinely own the JUHI infrastructure but can lease it out, typically to a consortium of fuel retailers. The ACCC acknowledges that, where the airport operator has, for example, leased the installation to a consortium and effectively decided not to hold current responsibility for determining which fuel retailers can access it, the airport operator will not be dictating how many suppliers there are. However, even the airport operators that have transferred such responsibilities can strongly influence the outcome by, for example, leasing the facility on the condition that the lessees maintain open access.

4.186. Responses included:

- IATA expressing the view that regulators should promote open and competitive markets in activities where competition generates efficiencies, such as fuel supply
- Qantas submitting that the JUHI should be subject to the same cost and quality review as the rest of the airport; and that the ACCC should go as far as monitoring the terms and conditions for new retailers to enter the markets.
- Melbourne Airport agreeing in principle to the monitoring of refuelling.

4.187. Consistent with the ACCC's second consultation paper, we recommend introducing this *matter* into the regulations.

Aircraft parking bays (item 11)

Number of *matter*s in current regulations	Number of *matter*s (current and potential) on which the ACCC sought feedback	Number of recommended *matter*s	Number compared with current regulations
2	2	1	less

4.188. Item 11 relates to parts of the apron areas that are designated as aircraft parking.

4.189. The ACCC understands that parking bays are important to airlines. Our view is that whether an airline can access parking reliably and reasonably promptly is likely to be a meaningful input for an airline seeking to operate efficiently across its flight networks. We also understand that the dollar value of the service and facility is material in the context of the overall cost of airline operations.

4.190. The current Airports Regulations feature items 11.1 and 11.2, which relate to the number and total space for parking bays on 30 June in the financial year.

4.191. In the ACCC's second consultation paper, we suggested including measure 11.3, which proposed that the airport operators report how many times, and for how long in total, an airport operator failed to make a suitable bay available for an aircraft within various time intervals of the time the airline needed access.

4.192. Feedback on this item included that:

- While a third party, Airports Co-ordination Australia, allocates airport bays for a season, day-to-day allocation, availability and use are 'dependent on a vast number of factors'. For example, an aircraft occupying a bay may be late leaving; or how long it takes for an aircraft to move from the gate to the parking position depends on the actions of the airline's ground handler towing it.
- It is difficult to capture data about delays to making bays available and responsibility for this, with important information on this held by the airlines.
- The start time for measuring delay would need to be defined. A measure might be, for example, time from arrival to wait for a bay.
- The ACCC needs to investigate further with users the issues they face and the best metrics to monitor.

4.193. The ACCC recommends retaining one *matter*, of notional capacity, being total area of aircraft parking bays.

5. Publication and questions

Confidentiality and disclosure of information

5.1. The ACCC is empowered by the Airports Act to publish reports relating to the monitoring or evaluation of the quality of aspects of airport services and facilities specified in regulations.

5.2. The ACCC routinely consults airport operators about our reporting on airport quality before publishing our evaluations.

5.3. Airport operators can make a claim for confidentiality for the material that they are required to give to us under the Airports Act and Airports Regulations, including the information they are required to provide to the ACCC that is relevant to a quality of service matter. Section 158 of the Airports Act provides for formal protection of such information, by extending the operation of sections 95ZN and 95ZP of the *Competition and Consumer Act* 2010 (CCA) to apply to such information.

5.4. Where an airport operator claims that disclosure of information provided would damage that party's competitive position, the ACCC can accept a claim of confidentiality from the party if it is satisfied that the claim is justified. If we are satisfied that the confidentiality claim is justified, the ACCC must take all reasonable steps to keep that information confidential unless we consider that disclosure of the information is necessary in the public interest.

5.5. The ACCC consults with the relevant airport operator where possible prior to publishing any information over which that party has claimed confidentiality. Where appropriate the ACCC may take that information into account in its assessment of airport quality without making it publicly available or choose to report on such information in a way which protects the confidential nature.

5.6. Airport operators or other parties may elect to submit additional information to us (such as submissions on context for outcomes reported) and may also, where appropriate, make a claim of confidentiality over this additional voluntary material. If the ACCC indicates it does not accept the confidentiality claim over such information, then the parties will have the opportunity to withdraw it.

5.7. In addition, the ACCC/AER information policy (June 2014) sets out our general policy on the collection, use and disclosure of information. This document is available on our website.[lxxxv] In particular, the information policy outlines the certain circumstances where we can be required to produce material we possess to other parties.

Publication of this advice

6.2 The ACCC is publishing this advice on our website, at www.accc.gov.au/regulated-infrastructure/airlines-and-airports/airports-quality-of-service-review

6.3 If you have any questions for the ACCC about this advice or our review, please email airportsandports@accc.gov.au

Appendix A: Calculating overall quality of aeronautical service ratings for each airport[lxxxvi]

For each airport, the ACCC calculates a single overall quality of service rating in relation to total services at the airport. As for each of the many specific measures of quality of service, the overall rating is a score out of 5. A score of between 1 and 1.49 represents 'very poor' performance, while a score between 4.50 and 5 represents 'excellent' performance.

The overall rating is calculated using a combination of the results from airline surveys, passenger surveys, and objective indicators (for example, the number of departing passengers per check-in desk, kiosk and bag drop facility during peak hour).

The overall rating is the simple average of the scores that the airport achieved against each of the specific quality of service measures from airline surveys, passenger surveys and objective indicators. For example, Sydney Airport scored an average of 3.60 across 105 performance measures in 2018–19. Among those measures, 30 were obtained from airline surveys, 48 were from passenger surveys and the remaining 27 were objective indicators.

Airports' performance against the quality of service measures in the airline surveys and passenger surveys are already rated as scores out of 5. Ratings of performance against objective indicators need to be calculated.

This process consists of producing a set of benchmarks for each measure based on how the 4 airports performed against that measure. If an airport's performance against that measure is equal to the average performance across the 4 airports in that year, it will receive a score of 3 out of 5. If an airport performs better than the benchmark average, it will receive a score of 4 or 5 depending how close its performance is compared to the benchmark. Similarly, if its performance is below the benchmark, it will be rated 1 or 2.

An implication of this methodology is that an airport's rating with respect to objective indicators is relative to that of the other 3 airports. This means an airport can report the same raw performance figures to the ACCC as the previous year but find its rating for that measure going up or down. It also means that it is not possible for all airports to be rated highly or rated poorly. This is not the case for an airport's ratings based on airline and passenger surveys, which are independent of ratings given to the other airports.

Appendix B: Suggested amendments to the Airports Regulations

AIRPORTS REGULATIONS 19–7 - REG 8.01A

Aspects of airport services and facilities to be monitored and evaluated

For subsection 155(1) of the Act, the aspects of airport services and facilities mentioned in the following table are specified.

Par–1--Passenger-related services and facilities

Item	Services and facilities
	Access
1.1	Airport access facilities (taxi facilities, kerbside space for pick-up and drop-off)
1.2	Carparking service facilities
~~1.3~~	~~Baggage trolleys~~
	Departure
1.4	Check-in services and facilities
1.5	Security inspection
1.6	Outbound baggage system
	Arrival
1.7	Baggage make-up, handling and reclaiming services and facilities
-	~~*Departure and arrival*~~
~~1.8~~	~~Facilities to enable the processing of passengers through customs, immigration and quarantine~~
	Information and signage
1.9	Flight information, general signage and public-address systems

Item	Services and facilities
	Terminal facilities
1.10	Public areas in terminals and public amenities (washrooms and garbage bins), lifts, escalators and moving walkways
1.11	Gate lounges and seating other than in gate lounges

Par–2--Aircraft-related services and facilities

Item	Services and facilities
2.1	Ground handling services and facilities
2.2	Aerobridges ~~usage~~ and other means of embarking and disembarking
2.3	Runways, taxiways and aprons
2.4	Aircraft parking facilities and bays
2.5	Airside freight handling, storage areas and cargo facilities

AIRPORTS REGULATIONS 19–7 - SCHEDULE 2

Records relevant to quality of service matters

Part 1—Definition for Part 2

In Part 2:

"busiest route" means the road or roads on the airport site that carried the most vehicles in the financial year from the road entrance at the boundary of the airport site to kerbside drop-off at the domestic terminal through which the largest number of domestic passengers departed in the financial year:[1]

"busy hour" means:

(a) for airport access facilities— the hour that, on average for each day in the financial year, has the highest vehicle density on the busiest route

(b) for carparking service facilities— the hour that, on average for each day in the financial year, has the highest total occupancy rate (percentage of total spaces) across all at-terminal and at-distance carparks combined

(c) for security inspection— the hour that, on average for each day in the financial year, has the highest number of people presenting for security inspection to the security area (if the queue for inspection does not extend beyond the security area) or the back of the queue for inspection (if the queue extends beyond the security area)

"notional capacity" means designated, designed, intended or nameplate capacity and does not mean actual performance achieved or throughput realised in the financial year.

"domestic terminal" means a terminal where the majority of passengers arriving, departing and transiting through the terminal are travelling on domestic flights; and ***"domestic terminals"*** means, in cases where the airport has more than one terminal building handling domestic passengers, the group of terminal buildings considered as a single unit.

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[1] For example: i. Brisbane airport – Airport Drive and Moreton Drive to the Domestic Terminal; ii. Melbourne Airport – Terminal Drive and Arrival Drive to Terminals 1 / 2 / 3 iii. Perth airport – Dunreath Drive and Brearley Avenue to Terminals 3 / 4; iv. Sydney airport – Sir Reginald Ansett Avenue and Keith Smith Avenue to Terminals 2 / 3.

"international terminal" means a terminal where the majority of passengers arriving, departing and transiting through the terminal are travelling on international flights; and ***"international terminals"*** means, in cases where the airport has more than one terminal building handling international passengers, the group of terminal buildings considered as a single unit.

"operability and reliability" means [see discussion from paragraph 3.87 above]

Part 2 – Table

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
1A	Airport access facilities (taxi facilities, kerbside pick-up and drop-off)	1A.1 Total area (international and domestic) at terminal kerbside for passenger pick-up and drop-off to landside operators such as taxis, and providers of other off-airport parking services, measured in terms of the number of standard carpark spaces 1A.2 Total area (international and domestic) at terminal kerbside and at designated waiting areas for passenger pick-up and drop-off provided to the public at no charge measured in terms of the number of standard carpark spaces	1A.1 Total linear metres of kerbside at terminals on 30 June in the financial year: - provided for the public at no charge, separately for: - drop-off - pick-up - provided for passenger pick-up by landside access services, separated into: - taxis / limousines - rideshare - commercial other, separated into (where applicable): o off-airport carparking shuttle bus o public bus o other commercial bus 1A.2 Total area (in square metres) of designated areas for private vehicles to wait before passenger pick-up, provided to the public at no charge on 30 June in the financial year.

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
			1A.3 Average daily throughput of vehicles at pick-up, separated into: - taxis / limousines - rideshare - off-airport carparking shuttle bus - other (including public buses, other commercial buses and private vehicles) 1A.4 Number of passengers (arriving and departing) at the terminals during the financial year, separated into those that used: - private-vehicle drop-off or pick-up - taxi / limousines - rideshare - off-airport carparking shuttle bus - public bus - other commercial bus - train - vehicle rental - at-distance carparks - at-terminal carparks - other

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
			1A.5 For the busiest route, the: - ratio of traffic volume to road (route) notional capacity in busy hour in the financial year, as a percentage - average busy hour vehicle density (number of cars on the route divided by length of the route) in the financial year - average vehicle speed in busy hour in the financial year - average travel time in minutes in busy hour in the financial year
1	Carparking service facilities	1.1 Number of carparking spaces available to the public in the vicinity of the airport (including disabled parking) on 30 June in the financial year 1.2 Distance (in metres) between the nearest public carpark and the terminal entrance nearest to that carpark on 30 June in the financial year	1.1 Number of carparking spaces available to the public on 30 June in the financial year, separated into - at-terminal carparks - at-distance carparks 1.2 Number of vehicles that used the at-airport carparks in the financial year, separated into: - at-terminal carparks - at-distance carparks

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
		1.3 Number of days the carpark was open during the financial year 1.4 Number of vehicles that used the carpark in the financial year	1.3 Average occupancy rate (percentage of total spaces) in busy hour in the financial year of: - at-terminal carparks - at-distance carparks
2	Baggage trolleys	2.1 Average number of passengers for each baggage trolley during peak hour in the financial year 2.2 Number of baggage trolleys on 30 June in the financial year	[Remove item from regulations]
3	Check-in services and facilities	3.1 Number of check-in desks on 30 June in the financial year 3.2 Number of bag-drop facilities on 30 June in the financial year	3.1 Number on 30 June in the financial year of common-user check-in desks, in - domestic terminals - international terminals 3.2 Operability and reliability of common-user check-in desks during the financial year, in - domestic terminals

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
		3.3 Number of spaces provided for check-in kiosk facilities on 30 June in the financial year	- international terminals expressed in: - total duration (in minutes) of time the relevant facilities were unavailable - proportion of time the relevant facilities were unavailable, expressed as a percentage of the time they were required to be available
4	Security inspection	4.1 Number of departing passengers for each security clearance system during peak hour in the financial year 4.2 Number of security clearance systems, including equipment required to process passengers and baggage, in use on 30 June in the financial year	4.1 Total notional capacity of passenger security clearance systems (people per hour and per year) on 30 June in the financial year in: - domestic terminals - international terminals 4.2 Number of passenger security clearance systems (individual lanes) on 30 June in the financial year in: - domestic terminals - international terminals

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
			4.3 Operability and reliability of passenger security clearance systems (all lanes combined) in the financial year, in: - domestic terminals - international terminals expressed in: - total duration (in minutes) of time the relevant facilities were unavailable - proportion of time the relevant facilities were unavailable, expressed as a percentage of the time they were required to be available 4.4 Total number of staff hours worked at passenger security clearance systems (being the number of staff that worked multiplied by the total duration of the shifts they worked) in the financial year, in: - domestic terminals - international terminals 4.5 Percentage of people being screened in domestic terminals in the financial year that queued to be screened for:

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
			- up to 5 minutes - more than 5 minutes and up to 15 minutes - more than 15 minutes 4.6 Percentage of people being screened in domestic terminals, in busy hour, in the financial year that queued to be screened for: - up to 5 minutes - more than 5 minutes and up to 15 minutes - more than 15 minutes 4.7 Percentage of people being screened in international terminals in the financial year that queued to be screened for: - up to 5 minutes - up to 15 minutes - more than 15 minutes

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
			4.8 Average duration (expressed in minutes) a person queued to be screened by the passenger security clearance systems in the financial year, in: - domestic terminals - international terminals 4.9 Total number of airline passengers in the financial year: - arriving at domestic terminals - departing from domestic terminals - transiting through domestic terminals (if not already recorded as arriving or departing) - arriving at international terminals - departing from international terminals - transiting through international terminals (if not already recorded as arriving or departing)
5	Outbound baggage system	5.1 Average number of bags handled by the outbound baggage system during peak hour in the financial year	5.1 Notional capacity of outbound baggage equipment (in bags per hour and per year) on 30 June in the financial year in: - domestic terminals

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
		5.2 Total number of bags handled by baggage handling equipment in the financial year 5.3 Total number of hours during the financial year for which baggage handling equipment was in use 5.4 Capacity of baggage handling equipment (in bags per hour) on 30 June in the financial year	- international terminals 5.2 Operability and reliability of outbound baggage equipment in the financial year in: - domestic terminals - international terminals expressed in: - total duration (in minutes) of time the relevant facilities were unavailable - proportion of time the relevant facilities were unavailable, expressed as a percentage of the time they were required to be available
6	Baggage make-up, handling and reclaiming services and facilities	6.1 Total number of bags handled by baggage handling equipment in the financial year 6.2 Total number of hours during the financial year for which baggage handling equipment was in use 6.3 Capacity of the baggage handling equipment (in bags	6.1 Notional capacity of inbound baggage handling equipment (in bags per hour and per year) on 30 June in the financial year in: - domestic terminals - international terminals 6.2 Number of baggage reclaim facilities (carousels) on 30 June in the financial year in:

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
		per hour) on 30 June in the financial year 6.4 Capacity of the baggage reclaim system on 30 June in the financial year 6.5 Average number of bags handled by the inbound baggage system during peak hour in the financial year 6.6 Total number of planned interruptions to inbound baggage system in the financial year 6.7 Total number of hours of planned interruptions to inbound baggage system in the financial year 6.8 Total number of unplanned interruptions to inbound baggage system in the financial year	- domestic terminals - international terminals 6.3 Operability and reliability of inbound baggage handling equipment in the financial year in: - domestic terminals - international terminals expressed in: - total duration (in minutes) of time the relevant facilities were unavailable - proportion of time the relevant facilities were unavailable, expressed as a percentage of the time they were required to be available

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
		6.9 Total number of hours of unplanned interruptions to inbound baggage system in the financial year	
7	Facilities to enable the processing of passengers through customs, immigration, and quarantine	7.1 Average number of arriving passengers during peak hour in the financial year 7.2 Number of inbound Immigration desks on 30 June in the financial year 7.3 Number of baggage inspection desks on 30 June in the financial year 7.4 Number of outbound Immigration desks on 30 June in the financial year	[Remove item from regulations]
8	Flight information, general signage, and public-address systems	8.1 Average number of passengers (whether arriving or departing passengers)	8.1 Operability and reliability of public-address systems in the financial year, separated into systems in: - domestic terminals

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
		during peak hour in the financial year 8.2 Number of flight information display screens on 30 June in the financial year 8.3 Number of information points on 30 June in the financial year	- international terminals expressed in: - total duration (in minutes) of time the relevant facilities were unavailable - proportion of time the relevant facilities were unavailable, expressed as a percentage of the time they were required to be available 8.2 Total number of information points, on 30 June in the financial year, provided in: - domestic terminals - international terminals
8A	Public areas in terminals and public amenities (washrooms and garbage bins), lifts, escalators and moving walkways	8A.1 Number of washrooms on 30 June in the financial year	8A.1 Operability and reliability (hours and percentages) of supply of power to the terminal in the financial year in: - domestic terminals - international terminals expressed in: - total duration (in minutes) of time the relevant facilities were unavailable

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
			- proportion of time the relevant facilities were unavailable, expressed as a percentage of the time they were required to be available 8A.2 Number of individual toilets (cubicles and urinals) on 30 June in the financial year, separated into: - domestic terminals - international terminals 8A.3 Number of times the washrooms are cleaned, on average for each day in the financial year, separated into: - domestic terminals - international terminals 8A.4 Number on 30 June in the financial year of: - lifts in domestic terminals - lifts in international terminals - escalators in domestic terminals - escalators in international terminals - moving walkways in domestic terminals - moving walkways in international terminals

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
			8A.5 Operability and reliability in the financial year of: - lifts in domestic terminals - lifts in international terminals - escalators in domestic terminals - escalators in international terminals - moving walkways in domestic terminals - moving walkways in international terminals expressed in: - total duration (in minutes) of time the relevant facilities were unavailable - proportion of time the relevant facilities were unavailable, expressed as a percentage of the time they were required to be available
9	Gate lounges and seating other than in gate lounges	9.1 Average number of departing passengers during peak hour in the financial year 9.2 Number of gate lounges on 30 June in the financial year	9.1 Total area (in square metres) on 30 June in the financial year provided for airport-operator-managed gate lounges in: - domestic terminals - international terminals 9.2 Number of seats in airport-operator-managed gate lounges on 30 June in the financial year, separated into:

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
		9.3 Number of seats in gate lounges on 30 June in the financial year 9.4 Total gate lounge area (in square metres) on 30 June in the financial year 9.5 Number of airport-operator-managed gate lounges on 30 June in the financial year 9.6 Number of seats in airport-operator-managed gate lounges on 30 June in the financial year 9.7 Number of seats in airport-operator-managed waiting areas (other than in gate lounges) on 30 June in the financial year	- domestic terminals - international terminals
10	~~Aerobridge usage~~	10.1 Number of passengers who used aerobridges for	10.1 Total aircraft movements (take offs and landings) at the airport in the financial year, separated into:

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records

	Aerobridges and other means of embarking and disembarking	embarkation in the financial year
		
		10.2 Total number of passengers who embarked in the financial year
		
		10.3 Number of passengers who used aerobridges for disembarkation in the financial year
		
		10.4 Total number of passengers who disembarked in the financial year
		
		10.5 Number of aerobridges on 30 June in the financial year
		
		10.6 Percentage of passengers who used aerobridges for embarkation in the financial year
		
		10.7 Percentage of passengers who used aerobridges for
			- international flights
			- domestic flights, further separated into
			  o low-cost-carrier flights
			  o other domestic flights
			
			10.2 Percentage of passengers in the financial year who used
			
			- aerobridges
			- stairs for embarkation or disembarkation which were provided by the airport operator or its contractor
			- airside bussing to and from a remote stand
			
			further separated for each into percentages for:
			
			- domestic passengers
			- international passengers
			
			10.3 Number of aerobridges on 30 June in the financial year
			
			10.4 Operability and reliability (hours and percentages) of aerobridges in the financial year, separated into:
			
			- domestic terminals

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
		disembarkation in the financial year	- international terminals expressed in: - total duration (in minutes) of time the relevant facilities were unavailable - proportion of time the relevant facilities were unavailable, expressed as a percentage of the time they were required to be available 10.5 Operability and reliability (hours and percentages) of stairs for embarkation or disembarkation which were provided by the airport operator or its contractor in the financial year, separated into: - domestic terminals - international terminals expressed in: - total duration (in minutes) of time the relevant facilities were unavailable - proportion of time the relevant facilities were unavailable, expressed as a percentage of the time they were required to be available

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
			10.6 Operability and reliability of aircraft docking guidance systems in the financial year, separated into: - domestic terminals - international terminals expressed in: - total duration (in minutes) of time the relevant facilities were unavailable - proportion of time the relevant facilities were unavailable, expressed as a percentage of the time they were required to be available 10.7 Operability and reliability of airside busses for passengers in the financial year, separated into services for: - domestic passengers - international passengers expressed in: - total duration (in minutes) of time the relevant facilities were unavailable

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
			- proportion of time the relevant facilities were unavailable, expressed as a percentage of the time they were required to be available
10A	Runways, taxiways and aprons	10A.1 Total area of aprons available (in square metres) on 30 June in the financial year 10A.2 Total area of runways (in square metres) on 30 June in the financial year	10A.1 Total area of aprons (in square metres) on 30 June in the financial year 10A.2 Total area of runways (in square metres) on 30 June in the financial year 10A.3 Total area of taxiways (in square metres) on 30 June in the financial year 10A.4 Number of runways on 30 June in the financial year 10A.5 Total notional capacity of the airport's runways on 30 June in the financial year in terms of: - total annual aircraft movements - maximum number of aircraft movements during a single hour 10A.6 Operability and reliability of runways in the financial year, expressed in:

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
			- total duration (in minutes) of time the relevant facilities were unavailable - proportion of time the relevant facilities were unavailable, expressed as a percentage of the time they were required to be available 10A.7 Average time (in minutes) for an aircraft to taxi from touchdown to chocks on at the most used gate / stand (in annual passenger numbers), as modelled and estimated by the airport operator, separated into: - domestic flights - international flights 10A.8 Number of stands on 30 June in the financial year 10A.9 Operability and reliability of stands used for passenger embarkation and disembarkation in the financial year, separated into services for: - domestic flights - international flights expressed in:

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
			- total duration (in minutes) of time the relevant facilities were unavailable - proportion of time the relevant facilities were unavailable, expressed as a percentage of the time they were required to be available 10A.10 Number of fixed electrical ground power units on 30 June in the financial year. 10A.11 Operability and reliability of fixed electrical ground power units in the financial year, expressed in: - total duration (in minutes) of time the relevant facilities were unavailable - proportion of time the relevant facilities were unavailable, expressed as a percentage of the time they were required to be available 10A.12 Number of fuel suppliers approved to access the Joint User Hydrant Installation on 30 June of the financial year.
11	Aircraft parking facilities and bays	11.1 Number of aircraft parking bays on 30 June in the financial year	11.1 Total area of aircraft parking bays (in square metres) on 30 June in the financial year.

Item	Aspects of airport services and facilities to which records are relevant	[Current regs]	Matters about which airport-operator companies must keep records
		11.2 Total area of aircraft parking bays available (in square metres) on 30 June in the financial year	

Endnotes

[i] Australian Government, *Australian Government response to the Productivity Commission Inquiry into the Economic Regulation of Airports (Government Response),* p 11, https://treasury.gov.au/sites/default/files/2019-12/41706_govreponseairports.pdf, viewed 20 April 2023.
[ii] As above, p 11, https://treasury.gov.au/sites/default/files/2019-12/41706_govreponseairports.pdf, viewed 20 April 2023.
[iii] This paper does not refer to any confidential or commercially sensitive information obtained during our review.
[iv] The Airports Regulations also provide that, in time, the ACCC will monitor Western Sydney Airport, which is in construction.
[v] The ACCC acknowledges that some airport operators question this, given there are other airports around their regions – for example, south-east Queensland features the airports of Brisbane, Gold Coast, Sunshine Coast and Toowoomba-Wellcamp; Avalon Airport is on the outskirts of Melbourne and the government is constructing Western Sydney International airport.
[vi] Productivity Commission (PC), *Economic Regulation of Airports – Inquiry report*, p 11, https://www.pc.gov.au/inquiries/completed/airports-2019/report, viewed 20 April 2023.
[vii] ACCC, Airport monitoring report 2020-21, pp. 99-100, https://www.accc.gov.au/about-us/publications/serial-publications/airport-monitoring-reports/airport-monitoring-report-2020-21, viewed 20 April 2023.
[viii] ACCC, *Guideline for quality of service monitoring at airports*, p1,https://www.accc.gov.au/publications/guideline-for-quality-of-service-monitoring-at-airports, viewed 20 April 2023.
[ix] As above, pp12-26, https://www.accc.gov.au/publications/guideline-for-quality-of-service-monitoring-at-airports, viewed 20 April 2023.
[x] The Airports Act and Airports Regulations do not compel airports to perform surveys on airport quality issues. However, they require the airports to disclose to the ACCC the results of any surveys conducted. See Airports Regulations 1997 – regulation 8.03.
[xi] In its July 2022 submission to this review, Western Sydney Airport stated that the inclusion of the airport from the time the airport commences operations would appear inconsistent with the underlying purpose of the airport-quality monitoring regime; and that it would seek removal from the airport-quality monitoring regime. For more information, see 'WSA submission' available at https://www.accc.gov.au/regulated-infrastructure/airlines-and-airports/airports-quality-of-service-review/stage-1consultation-closed.
[xii] Submissions available at https://www.accc.gov.au/regulated-infrastructure/airlines-and-airports/airports-quality-of-servicereview/stage-1-consultation-closed.
[xiii] The ACCC is required to consult with the Minister for Infrastructure, Transport, Regional Development and Local Government and the Australian Government Treasury before determining criteria – see Airports Act subsection 145 (3).
[xiv] United Kingdom Civil Aviation Authority, *Economic Regulation of Heathrow Airport: H7 Final Proposals*, Section1: Regulatory Framework CAP2365, https://publicapps.caa.co.uk/modalapplication.aspx?appid=11&mode=detail&id=11469, viewed 20 April 2023.
[xv]Brisbane Airport, *Submission in response to Airport Quality Indicators Consultation Paper,* p. 3, https://www.accc.gov.au/by-industry/travel-and-airports/airport-monitoring/airports-quality-of-service-review/stage-2-consultation-closed, viewed 20 April 2023.

[xvi] The focus of the airport-quality monitoring regime, and this review, has been on the services and facilities most closely involved in processing passengers (such as passenger security screening) and aircraft movements (such as runways). The ACCC has not included in the scope of this review such airport users as tenants of retail stores. This is consistent with the definitions of aeronautical and non-aeronautical services that the PC adopted in 2019: PC, Economic Regulation of Airports, Productivity Commission Inquiry Report No.92, 21 June 2019, Glossary pp xv and xviii, available at https://www.pc.gov.au/inquiries/completed/airports-2019/report. The Airports Regulations do list carparking service facilities as an aspect of airport services and facilities to be monitored but the PC did not include carparking in its characterisation of aeronautical services.

[xvii] PC, *Economic Regulation of Airports – Inquiry report*, chapter 9, https://www.pc.gov.au/inquiries/completed/airports-2019/report, viewed 20 April 2023.

[xviii] The ACCC understands that all 4 monitored airports have published either a disability access facilitation plan or information online about accessible facilities and services. See, for example, Melbourne Airport's *Disability Access Facilitation Plan* is available at https://assets-au-01.kc-usercontent.com/be08d7b0-97a1-02f9-2be6-a0c139c3c337/e40e199e-878c-4970-b90c-4da167880bdd/Disability-Access-Facilitations-Plan_Dec2020.pdf, viewed 20 April 2023.

[xix] Those would be:

Airport access facilities (taxi facilities, kerbside space for pick-up and drop-off)
Carparking service facilities
Check-in services and facilities
Security inspection
Outbound baggage system
Baggage make-up, handling and reclaiming services and facilities
Flight information, general signage and public-address systems
Public areas in terminals and public amenities (washrooms and garbage bins), lifts, escalators and moving walkways
Gate lounges and seating other than in gate lounges

[xx] The ACCC considered, for simplicity, using the text of these tables in the regulations to draw the boundaries on what services, facilities and areas would be covered. We acknowledge that doing this would exclude monitoring of, for example: traffic hazards and incidents on roads on the airport site that are not in carparks or at kerbside pick-up and drop-off areas; or incidents involving passengers on aerobridges or buses to remote stands, as supplied by the airports. As to the meaning of 'safety incident', Perth Airport's Airport Operating Standard – Incident Reporting & Responding indicates the sort of definition the government could adopt (this extract below leaves out aircraft-related services and facilities): "An incident is an unplanned event which has the potential to cause harm to persons, property / assets, the environment or unintended disruption to operations. This also includes near misses or non-conformance issues…An incident can be (but is not limited to) the following: risk or threat to people's safety; near misses; injury or illness; crash, spills, releases; …; fire; …; property damage; environmental damage; suspicious behaviour; criminal activity (theft etc)." The ACCC acknowledges that some of these incidents may appear to be akin to 'security incidents' and / or subject to intervention from police. We considered whether airport users could reasonably expect that, towards helping passengers have a predictable, reliable and convenient journey, airport operators hold significant responsibility for developing, operating and maintaining a large range of services and facilities that effectively touch on security, stretching from preventing unauthorised people from accessing restricted areas (by, for instance, applying the Aviation Security Identity Card system) to configuring terminal forecourts with security in mind. See, for example, the discussion at pages 23 and

183 in Melbourne Airport's final master plan 2022 about removing the close proximity of public buildings from the terminal buildings, thereby improving security threat management in accordance with current international best practice: https://media.caapp.com.au/pdf/6dl5p3/222708c6-1ebd-4379-b724-c973aa373904/Melbourne%20Airport%20Final%20Master%20Plan%202022.pdf, viewed 20 April 2023.

[xxi] See, for example, https://veovo.com/discover/articles/data-helps-airport-traffic-congestion/. This company states that Perth Airport has been a user of one of its other products: https://veovo.com/customers/.

[xxii] Brisbane Airport, *Brisbane-Airport-2020-Master-Plan,* 'Ground transport plan, from p.337, available at https://www.bne.com.au/sites/default/files/docs/Brisbane-Airport-2020-Master-Plan_0.pdf , viewed 20 April 2023.

[xxiii] Perth Airport, *Master Plan downloads*, p. 125, https://www.perthairport.com.au/Home/corporate/planning-and-projects/master-plan/master-plan-downloads, viewed 20 April 2023.

[xxiv] Submissions from industry, and apparently many SLAs between Australian airports and airlines, use the term 'availability' to apply to the concepts of operability and reliability the ACCC contemplates here. However, the ACCC has already applied the term 'availability' for a different meaning and purpose in its monitoring, as explained in the ACCC's 2014 guidelines. The ACCC sends domestic and international airlines a survey in which they are asked to rate, on a scale of 1 to 5, the availability and standard of services and facilities provided by the monitored airports. Availability 'describes the size, number or capacity of the services and facilities provided by an airport operator. An assessment of availability gives an indication of whether airport operators are undertaking adequate investment in the capacity of services and facilities'.

[xxv] Numbers of vehicles accessing the airport; number of vehicles using carparks; passenger numbers and aircraft movements.

[xxvi] For example, Perth Airport advised that, in the service level agreements negotiated by international airlines in 2018 with Perth Airport, airlines can seek rebates from the airport if the airport's system is at fault. So, in the case of baggage, a failure by the airline's ground handling contractor to have adequate staff resources on hand or to properly monitor the baggage belt would not be held against the airport. Available at https://www.accc.gov.au/by-industry/travel-and-airports/airport-monitoring/airports-quality-of-service-review/stage-1-consultation-closed, viewed 20 April 2023.

[xxvii] Melbourne Airport, Response: re Airport quality indicators – second consultation paper, draft recommendations, p. 3, https://www.accc.gov.au/by-industry/travel-and-airports/airport-monitoring/airports-quality-of-service-review/stage-2-consultation-closed, viewed 20 April 2023.

[xxviii] Melbourne Airport, *On the road to an easier airport experience*, https://www.melbourneairport.com.au/corporate/on-the-road-to-an-easier-airport-experience, viewed 20 April 2023.

[xxix] This scenario may particularly apply to cases where airlines might share common-user services or facilities such as common-use check-in desks, stairs, airside busses or stands.

[xxx] *Heathrow Airport, Limited – Licence granted under the Civil Aviation Act 2012*, p. 37, https://www.caa.co.uk/media/n4dbpdwr/heathrow-licence_20220202.pdf, viewed 20 April 2023.

[xxxi] Commerce Commission New Zealand, *Airport Services Information Disclosure Determination 2010*, p. 32, https://comcom.govt.nz/__data/assets/pdf_file/0020/60554/Airport-Services-Information-Disclosure-Determination-2010-consolidated-as-at-20-December-2016.pdf, viewed 20 April 2023.

[xxxii] *Heathrow Airport, Limited – Licence granted under the Civil Aviation Act 2012*, pp. 37-38, https://www.caa.co.uk/media/n4dbpdwr/heathrow-licence_20220202.pdf, viewed 20 April 2023.

[xxxiii] *Heathrow Airport, Limited – Licence granted under the Civil Aviation Act 2012*, https://www.caa.co.uk/media/n4dbpdwr/heathrow-licence_20220202.pdf, viewed 20 April 2023.

[xxxiv]Qantas, *On-time performance*, https://www.qantas.com/au/en/travel-info/flight-status/on-time-performance.html, and Australian Government Bureau of Infrastructure, Transport and Regional Economics, Domestic on time performance,

https://www.bitre.gov.au/statistics/aviation/otphome#:~:text=Similarly%2C%20a%20flight%20departure%20is,to%20its%20scheduled%20departure%20time, viewed 20 April 2023.

[xxxv] This division differs from that used in Part 8 of the Airport Regulations of 'passenger-related' and 'aircraft-related services and facilities'. The government might consider indicating in Schedule 2 a division of items or other headings that indicate which reference time applies for monitoring.

[xxxvi] Commonwealth Consolidated Acts, *Airports Act 1996*, http://classic.austlii.edu.au/au/legis/cth/consol_act/aa1996129/, section 3(b) – (d), viewed 20 April 2023.

[xxxvii] IATA states that, to determine the DHR: i. The hourly data must be ranked in order of volume; ii. Starting with the hour with the least volume, the traffic numbers should be added until the cumulative figure reaches X% [between 97% and 99%] of the annual traffic; iii. The passenger volume of that hour is the DHR.

[xxxviii] Commerce Commission New Zealand, *Airport Services Information Disclosure Determination 2010*, p. 32, https://comcom.govt.nz/__data/assets/pdf_file/0020/60554/Airport-Services-Information-Disclosure-Determination-2010-consolidated-as-at-20-December-2016.pdf, viewed 20 April 2023.

[xxxix] See, for example, https://veovo.com/discover/articles/data-helps-airport-traffic-congestion/ . This company states that Perth Airport has been a user of one of its other products: https://veovo.com/customers/, viewed 20 April 2023.

[xl] ACCC, Airport monitoring report 2020-21, p. 107, https://www.accc.gov.au/about-us/publications/serial-publications/airport-monitoring-reports/airport-monitoring-report-2020-21, viewed 20 April 2023.

[xli] The Guardian, 'Sydney airport delays hit travellers with queues snaking out of terminals', https://www.theguardian.com/australia-news/2022/aug/15/sydney-airport-delays-hit-travellers-with-queues-snaking-out-of-terminals, viewed 20 April 2023.

[xlii] The Department of Infrastructure is the principal entity supporting the remaking of the regulations. It would instruct the Australian Government Office of Parliamentary Counsel on any amendments to the regulations.

[xliii] For completeness, the ACCC notes that Schedule 2 does not feature corresponding matters for every specified aspect. For example, regulation 8.01A specifies 2.1 Ground handling services and facilities and 2.5 Airside freight handling, storage areas and cargo facilities but Schedule 2 does not feature any matters on these. The ACCC has traditionally monitored and evaluated these by surveying airline operators for their views on the availability and standards of the facilities the airport operators provide for these. The ground handlers are typically contractors to the airline operators; and the passenger-airline operators that we survey are also frequently freight and cargo handlers. Separately, item 1.10 specifies (*italics* added) 'public areas in terminals and public amenities (washrooms and *garbage bins*), lifts, escalators and moving walkways'. The current Schedule 2 features a matter only on washrooms. We recommend new matters on lifts, escalators and moving walkways. The ACCC can monitor and evaluate the airport operators' provision of garbage bins through surveys. We are not recommending matters specifically on ground handling and freight operations and garbage bins; but we also are not recommending that the government remove these items, or any other detail in the descriptions of the specified aspects.

[xliv] The ACCC uses the word 'approximate' as we have not recommended *matters* mirroring the 'SYD KPI framework'. For example, the ACCC is not recommending a *matter* specifically on 'on-time performance' but is recommending *matters* important to this, such as security screening times.

[xlv] The focus of the airport-quality monitoring regime, and this review, has been on the services and facilities most closely involved in processing passengers (such as passenger security screening) and aircraft movements (such as runways). The ACCC has not included in the scope of this review such airport users as tenants of retail stores. This is consistent with the definitions of aeronautical and non-aeronautical services that the Productivity Commission adopted in 2019 inquiry into the: , Economic Regulation of Airports, available at https://www.pc.gov.au/inquiries/completed/airports-2019/report. The Airports Regulations do list carparking service facilities as an aspect of airport services and

facilities to be monitored but the PC did not include carparking in its characterisation of aeronautical services.

[xlvi] Perth Airport, Perth Airport Submission, p. 8, https://www.accc.gov.au/by-industry/travel-and-airports/airport-monitoring/airports-quality-of-service-review/stage-2-consultation-closed, viewed 20 April 2023.

[xlvii] Brisbane Airport, Submission in response to Airport Quality Indicators Consultation paper, p. 9, https://www.accc.gov.au/by-industry/travel-and-airports/airport-monitoring/airports-quality-of-service-review/stage-2-consultation-closed, viewed 20 April 2023.

[xlviii] See, for example, https://veovo.com/discover/articles/data-helps-airport-traffic-congestion/ . This company states that Perth Airport has been a user of one of its other products: https://veovo.com/customers/, viewed 20 April 2023.

[xlix] Mercury, '*More than three million pass through Brisbane Airport over Xmas holiday period*', https://www.themercury.com.au/news/queensland/more-than-three-million-pass-through-brisbane-airport-over-xmas-holiday-period/news-story/768e28a398a72a66085a2608bf37664b?btr=fa7001e5e5b8d2847e390fe6e152e834, viewed 20 April 2023.

[l] NT News, *'The truth behind the high cancellation rates on the Sydney-Melbourne air route'*, https://www.ntnews.com.au/business/the-truth-behind-the-high-cancellation-rates-on-the-sydneymelbourne-air-route/news-story/635128d6082fddf97bfcbc3e76395548?btr=4f5d2c2ab0959655bead34628efdab63, and The Age, '*Sydney Airport braces for 2.4m Easter travellers, repeats call for regulatory change', reporting that*, "The airport said its total workforce was close to its pre-pandemic total of 33,000 workers. This recovery is reflected in the security clearance time, the metric closely watched by airports all over the world to gauge operational efficiency. The airport estimated 95 per cent of domestic passengers cleared security within five minutes over the busy December to January school holiday period, with the remaining 5 per cent clearing security in 15 minutes", https://www.theage.com.au/business/companies/sydney-airport-braces-for-2-4-million-travellers-over-easter-and-repeats-call-for-regulatory-change-20230328-p5cvtv.html, viewed 20 April 2023.

[li] NZCC, *Airport Services Information Disclosure Determination 2010*, https://comcom.govt.nz/__data/assets/pdf_file/0020/60554/Airport-Services-Information-Disclosure-Determination-2010-consolidated-as-at-20-December-2016.pdf, viewed 20 April 2023.

[lii] Heathrow Airport, *Licence granted under the Civil Aviation Act 2012*, https://www.caa.co.uk/media/n4dbpdwr/heathrow-licence_20220202.pdf, viewed 20 April 2023.

[liii] Usman, A., Azis, Y., Harsanto, B. and Azis, A.M. (2021), 'Airport Service Quality Dimension and Measurement: a Systematic Literature Review and Future Research agenda', https://www.emerald.com/insight/content/doi/10.1108/IJQRM-07-2021-0198/full/html, viewed 20 April 2023.

[liv] The Guardian, 'Sydney airport delays hit travellers with queues snaking out of terminals', https://www.theguardian.com/australia-news/2022/aug/15/sydney-airport-delays-hit-travellers-with-queues-snaking-out-of-terminals, viewed 20 April 2023.

[lv] The ACCC acknowledges that some people that pass through security screening are not passengers – such as people accompanying or greeting domestic passengers, airline-operator staff or workers at the airport. As an alternative to comparing notional capacity of clearance systems with passenger numbers, the monitored airports could be required to report on the number of people being screened, passengers or otherwise. Whereas an airport operator may be able to derive passenger numbers from passenger records, it may be a different process to count the statistical 'population' or a rigorous 'sample' of the number of people, including those who are not passengers, that pass through security inspection. The ACCC considers that, where the airport operators are already tracking passengers for the purpose of keeping records on queue times, they are likely to be able to count numbers of people as well.

[lvi] See, for example, media reporting stating that 'three of eight security lanes at Terminal 2 were closed, causing a major pinch point for passengers with a backlog of passengers snaked in a long

queue that spilled outside into the rain', The Sydney Morning Herald, '"*I'm not blaming them": Qantas CEO walks back criticism of passengers for Sydney Airport delays*', https://www.smh.com.au/national/nsw/qantas-ceo-blames-passengers-for-sydney-airport-delays-amid-shortage-of-security-staff-20220408-p5abyd.html, and The Daily Telegraph, 'Brisbane Airport glitch grounds flights,' available at https://www.dailytelegraph.com.au/news/queensland/brisbane-airport-glitch-grounds-flights/news-story/98006bc38e359dca8c41a703ad1b07ab?btr=8d3e9aed9ed243d6457689e387303cbc, viewed 20 April 2023.

[lvii] For media reporting suggesting likely links between staffing and screening times, see, for example 'Sydney Airport warns local carriers to increase flights or risk hurting recovery', available at https://www.smh.com.au/business/companies/sydney-airport-warns-local-carriers-to-increase-flights-or-risk-hurting-recovery-20230120-p5ce5t.html, which reported that 'After a bumpy year of operational performance across the aviation sector, Sydney Airport finished the year on a high, with more [than] 95 per cent of domestic passengers clearing security in less than 10 minutes in December. The airport blamed insufficient staffing levels for the major delays over peak periods of 2022 but says it is now ready to cope…'. See also, for example: the article noted above, The Sydney Morning Herald, '"I'm not blaming them": Qantas CEO walks back criticism of passengers for Sydney Airport delays', which reported there were '…mass delays at Sydney Airport, amid a critical shortage of securing screening staff' (in that case, reportedly due to a shortage of workers in a tight labour market and COVID-19 protocols), viewed 20 April 2023.

[lviii] We note Adelaide Airport (which is not one of the monitored airports) disclosed in a media release in December 2022 that 'the number of staff managing the airport's screening points has increased by more than 35 per cent since July to approximately 230 in time for the Christmas peak'. Adelaide Airport, *'Adelaide Airport bolsters resources for Christmas rush'*,https://www.adelaideairport.com.au/corporate/wp-content/uploads/2022/12/nr-xmas-security-12.22-web.pdf, viewed 20 April 2023.

[lix] For an example of where a problem with the baggage system created a risk for passengers being able to fly out on time, NT News, *'Travel chaos as Brisbane Airport suffers major IT glitch'*, later revised to *'"Flying well": Brisbane airport IT glitch confined to Jetstar, Rex, Link Airways'*, https://www.ntnews.com.au/news/breaking-news/travel-chaos-as-brisbane-airport-suffers-major-it-glitch/news-story/08b15c95ff5025b92dfc95bd60961994?btr=9e0492bad039632530fe6a4897ae8a04, viewed on 20 April 2023. For an example of where a problem with baggage equipment resulted in passengers' bags being left behind, see news.com.au, *'Passengers left fuming as bags never left Heathrow Airport'*, https://www.news.com.au/travel/travel-updates/incidents/passengers-left-fuming-as-bags-never-left-heathrow-airport/news-story/6950bf92a36fcb7a467ba399cb4d8ea2?btr=bed035de8005e0bb280de6934925867d, viewed 20 April 2023.

[lx] SITA, Baggage IT insights 2022, available at https://www.sita.aero/resources/surveys-reports/baggage-it-insights-2022/, viewed 20 April 2023.

[lxi] The ACCC noted the submission from Sydney Airport, in the first stage of consultation, that introduction of 'eGates' at its airport significantly reduced the processing time for passengers. Submission available at https://www.accc.gov.au/regulated-infrastructure/airlines-andairports/airports-quality-of-service-review/stage-1-consultation-closed.

[lxii] We note in passing that the related Australian Government entities presumably have some bargaining power with the airports on such issues. Equally, this does not guarantee that they will be allocated the efficient level of space.

[lxiii] da Rocha, P.M., H.G. Costa, and G.B. da Silva (2022), 'Gaps, Trends and Challenges in Assessing Quality of Service at Airport Terminals: A Systematic Review and Bibliometric Analysis', Sustainability, https://www.researchgate.net/publication/359444597_Gaps_Trends_and_Challenges_in_Assessing_Quality_of_Service_at_Airport_Terminals_A_Systematic_Review_and_Bibliometric_Analysis, viewed 20 April 2023.

[lxiv] WAtoday, *'Perth Airport chief admits blackout 'not one of our finest hours'*, https://www.watoday.com.au/national/western-australia/perth-airport-chief-admits-blackout-not-one-of-its-finest-hours-20220803-p5b6un.html, viewed 20 April 2023. The airports chief executive was quoted as saying: 'This is not the level of service we expect to provide to our customers.'
[lxv] The Courier Mail, *'Adelaide weather: Storm brings 2500 lightning strikes and causes power outage at Adelaide Airport,'* https://www.couriermail.com.au/news/south-australia/adelaide-weather-shortlived-thunderstorm-brings-2500-lightning-strikes/news-story/c50776fa9c0a69a2c7e759c2dcaf6117?btr=03de13250443507dce1598bf1c359beb and NTNews, *'Passengers Left in the Dark as Power Outage Halts Flights at Austin Airport'*,https://www.ntnews.com.au/news/national/passengersleft-in-the-dark-as-power-outage-halts-flights-at-austinairport/video/662cbeb6c3c19928c56ada816a4f2bac?btr=1cba500dc627690af84ecf53ca9818f4 And WAtoday, *'Flights to nowhere: JFK terminal closure forces dozens of planes to turn back'*, https://www.watoday.com.au/world/north-america/flights-to-nowhere-jfk-terminal-closure-forces-dozens-of-planes-to-turn-back-20230218-p5cljj.html, viewed 20 April 2023.
[lxvi] IATA, Airport Development Reference Manual, https://www.iata.org/en/publications/store/airport-development-reference-manual/, viewed 20 April 2023.
[lxvii] Australian Airport Association, Airport quality indicators – second consultation paper on draft recommendations, p,2, https://www.accc.gov.au/by-industry/travel-and-airports/airport-monitoring/airports-quality-of-service-review/stage-2-consultation-closed, viewed on 20 April 2023.
[lxviii] Brisbane Airport, Annexure A – BAC comments on Proposed Amendments to the Regulations, p.11, https://www.accc.gov.au/by-industry/travel-and-airports/airport-monitoring/airports-quality-of-service-review/stage-2-consultation-closed, viewed 20 April 2023.
[lxix] Melbourne Airport, *Response Re: Airport quality indicators – second consultation paper, draft recommendations*, p.5, https://www.accc.gov.au/by-industry/travel-and-airports/airport-monitoring/airports-quality-of-service-review/stage-2-consultation-closed, viewed 20 April 2023.
[lxx] The International Air Transport Association (IATA*), IATA comments on the ACCC's airport quality indicators – second consultation paper*, p.13, https://www.accc.gov.au/by-industry/travel-and-airports/airport-monitoring/airports-quality-of-service-review/stage-2-consultation-closed, viewed 20 April 2023.
[lxxi] Aprons are the areas of an airport where aircraft are, for example, parked, unloaded or loaded, refuelled or maintained. A subset of these areas are the parking bays where aircraft can, for example, stop overnight. The current regulations provide for the ACCC to separately monitor these bays in particular – see below item 11 Aircraft parking bays.
[lxxii] Qantas, for example, emphasises that getting away on time is one of the most important parts of the passenger experience; and cites an aviation industry standard that an aircraft departure is on time if it departs a gate within 15 minutes of its scheduled departure time: https://www.qantas.com/au/en/travel-info/flight-status/on-time-performance.html, and The Bureau of Infrastructure and Transport Research Economics, *Airlines on-time performance statistics monthly*, https://www.bitre.gov.au/statistics/aviation/otp_month, viewed 20 April 2023.
[lxxiii] The ACCC notes that Western Sydney International Airport chief executive officer Simon Hickey reportedly sought to highlight that passengers at the airport would 'enjoy an average 5 minute taxi time on to the runway compared with 3 times that down the road at Kingsford Smith Airport', reported in 'Western Sydney Airport tech could stop passengers from losing their luggage', https://www.ntnews.com.au/news/nsw/no-lost-luggage-when-new-airport-opens-in-western-sydney-ceo/news-story/f3f0c43de9e0ffeb995c8eb0dd977f21?btr=0f50e2350e3fbd1a27d53b5b0ae42568 , viewed 27 April 2023.
[lxxiv] Brisbane Airport, *Annexure A – BAC comments on Proposed Amendments to the Regulations*, p.14, https://www.accc.gov.au/by-industry/travel-and-airports/airport-monitoring/airports-quality-of-service-review/stage-2-consultation-closed, viewed on 20 April 2023.

[lxxv] Perth Airport, Perth Airport Submission, p.15, https://www.accc.gov.au/by-industry/travel-and-airports/airport-monitoring/airports-quality-of-service-review/stage-2-consultation-closed, viewed 20 April 2023.
[lxxvi] Brisbane Airport, *Brisbane Airport 2020 Master Plan*, p. 4, https://www.bne.com.au/sites/default/files/docs/Brisbane-Airport-2020-Master-Plan_0.pdf, viewed 20 April 2023.
[lxxvii] Melbourne Airport, *Master Plan 2022*, p. 16, https://www.melbourneairport.com.au/Corporate/Planning-projects/Master-plan, viewed 20 April 2023.
[lxxviii] Perth Airport, *Perth Airport Master Plan 2020*, p 42, https://www.perthairport.com.au/Home/corporate/planning-and-projects/master-plan/master-plan-downloads, viewed 20 April 2023.
[lxxix] As above, p 53, https://www.perthairport.com.au/Home/corporate/planning-and-projects/master-plan/master-plan-downloads, viewed 20 April 2023.
[lxxx] Melbourne Airport, Melbourne Airport M3R MDP, p.120, https://media.caapp.com.au/pdf/eifk66/19fc99a3-d023-46de-bb07-8ea7fe11e0d7/Part%20A%20-%20The%20Project.pdf, viewed 20 April 2023.
[lxxxi] Perth Airport, *Perth Airport Master Plan 2020*, p 42, https://www.perthairport.com.au/Home/corporate/planning-and-projects/master-plan/master-plan-downloads, viewed 20 April 2023.
[lxxxii] The New Zealand Commerce Commission (NZCC), which requires 3 New Zealand airports to disclose information about their performance, uses definitions in that information-disclosure regime that include the following: 'interruption to runway services means an interruption to a runway such that it is unusable by a scheduled aircraft and where no reasonable alternative service is provided'; 'interruption to taxiway services means an interruption to a taxiway such that a scheduled aircraft cannot land or depart and where no reasonable alternative service is provided', Commerce Commission New Zealand, *Airport Services Information Disclosure Determination 2010,* https://comcom.govt.nz/__data/assets/pdf_file/0020/60554/Airport-Services-Information-Disclosure-Determination-2010-consolidated-as-at-20-December-2016.pdf, viewed 20 April 2023.
[lxxxiii] The NZCC requires disclosure of interruptions to fixed electrical ground power (FEGP) units, defined as the percentage of time that all fixed electrical ground power service is unavailable during a disclosure year due to interruptions, calculated as the sum of the duration of each interruption during the disclosure year divided by the sum of the planned durations of FEGP supply to each aircraft during the disclosure year.
[lxxxiv] See also explanations of the significance of jet-fuel prices to airfares in, for example, the ACCC's March 2023 edition of the *Airline competition in Australia* report, no 11, at pp. 1, 9, 17, 19, 20 and 23, available at: https://www.accc.gov.au/about-us/publications/serial-publications/airline-competition-monitoring-reports/airline-competition-in-australia-march-2023-report, viewed 20 April 2023.
[lxxxv] https://www.accc.gov.au/about-us/publications/acccaer-information-policy
[lxxxvi] ACCC, Airport monitoring report 2020-21, p. 134, https://www.accc.gov.au/about-us/publications/serial-publications/airport-monitoring-reports/airport-monitoring-report-2020-21, viewed 20 April 2023.