Australian
Competition &
Consumer
Commission

DRAFT

Guidelines for quality of service monitoring at airports

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GLOSSARY

Aspect	A particular airport service or facility. (For example, aerobridges.) Aspects are listed in the Regulations.
Availability	Describes the capacity of an airport's service or facilities or the ability to provide services or facilities. An assessment of *availability* gives an indication of whether Airport Operators are undertaking capacity-enhancing investment.
Criteria	A measure used to monitor or evaluate the quality of an *aspect*. (For example, 'percentage of international passengers arriving using an aerobridge'.)
Determination	A notice in writing by the ACCC of the *criteria* against which the monitoring and evaluation of an *aspect* will be performed. A *determination* in this document does not refer to a legislative instrument.
Performance indicator	The term previously used to describe *criteria*. Remains the term described in the Airports Regulations 1997 in Schedule 2.
Regulations	Airports Regulations 1997.
Standard	Describes the physical condition of an airport's service or facilities. An assessment of *standard* gives an indication of whether services or facilities meet the *standard* requirements of users.

1. INTRODUCTION

Quality of service at major airports has been monitored by the Australian Competition and Consumer Commission ('the ACCC') since 1 July 1997[1]. It originally formed part of the package of regulatory measures established by the Government following the privatisation of airports.

Since 2002–03, the ACCC has reported on an increased number of measures of service quality. In particular, a number of 'objective measures' were introduced to complement the (largely subjective) surveys of airport users' perceptions. Basic measures of number, or size, of a facility have been converted to criteria of adequacy or quality of service (e.g. by expressing as an amount per passenger at peak hour). The introduction of these objective measures followed a consultative process with airports and other stakeholders undertaken in 2002 in response to comments made in the Productivity Commission's 2002 report on Price regulation of airport services[2].

In 2006 the *Airports Act 1996* was amended. The changes enable the ACCC — following consultation with the Department of Infrastructure and Treasury — to decide which quality of service indicators should be reported by airports for monitoring purposes.

Also in 2006 the Productivity Commission undertook an inquiry into price regulation of airport services. The Government response to the report supported a further six-year period of monitoring at Australia's major airports. The response also meant that price and quality monitoring reports were combined from the 2006–07 report onward. The Government also supported the recommendation that the ACCC examine opportunities to improve and streamline monitoring, particularly in the areas of (1) information from the Australian Customs Service (2) overlap in current measures (3) international benchmarking.

This document ('the guidelines') has resulted from this process[3]. Both the price monitoring and quality of service monitoring reports are now published in a single report, the Airport Monitoring Report. This is in recognition of the Government's response to the PC's 2006

[1] ACCC exercises its quality of service monitoring and reporting powers and functions pursuant to part 8 of the *Airports Act 1996*.
[2] Productivity Commission, *Price regulation of airport services*, January 2002, p.352.
[3] This paper replaces four papers previously released by the ACCC on airports quality of service monitoring: *Quality of service monitoring for airports, post-leasing*, February 1997; *Quality of service monitoring for airports - statement of the ACCC's approach to analysis, interpretation and publication of quality information*, February 1998; and *Draft Guide: Quality of Service Monitoring for Airports*, November 2002; and *Guidelines for quality of service monitoring at airports***,** March 2004**.**

recommendation number 5.4[4].

In administering its monitoring program under the Act the ACCC will focus on facilities or services which are provided by, or whose provision can be influenced by, an airport operator. The monitoring program will not involve an assessment of airline performance or the quality of service provided within domestic terminals owned and/or operated by airlines.

BAC Comment: It is regrettable that the ACCC has chosen not to include airline performance and the quality of service provided within domestic terminals owned and/or operated by the airlines in the monitoring programme. The majority of the customer service experience by passengers and other users of airports is provided by airlines or those parties associated directly with airlines such as check in agents. Additionally, domestic terminals owned and/or operated by the airlines can represent a significant proportion of the total passenger mix and therefore be a significant determinant in the quality of service experience (for example, some ¾ of passengers at Brisbane Airport are facilitated through domestic terminals operated under long term lease exclusive arrangements with Qantas and Virgin).

The guidelines outline the ACCC's approach to its quality of service monitoring role under the Act. In particular they cover the following issues:

- the objectives of quality of service monitoring;
- the relationship between quality of service monitoring and prices monitoring arrangements;
- the coverage of the quality of service program;
- criteria;
- the ACCC's approach to interpreting quality of service information; and
- the ACCC's approach to reporting quality of service information.

[4] Price and quality of service outcomes are now published annually in a single report. The Government considers that publishing price and service quality outcomes in a single report enables better analysis of the link between quality of service and the pricing and investment cycles.

2. LEGISLATIVE/REGULATORY REQUIREMENTS

2.1 Airports Act

Part 8 of the Act provides for the ACCC to monitor quality of service at certain leased airports. Part 8 contains provisions relating to quality of service monitoring and reporting. More specifically Part 8 provides for:

- quality of service criteria to be specified in regulations;
- the ACCC to monitor and evaluate the quality of airport services and facilities against specified criteria and other such criteria as the ACCC determines in writing;
- records to be kept in relation to quality of service and for information to be provided to the ACCC by airport operators and other relevant parties, including airlines;
- certification, by statutory declaration, of information provided; and
- the ACCC to publish reports on monitoring and evaluation of quality of service against the prescribed criteria and other relevant criteria.

2.2 Government Policy

The Explanatory Memorandum to the Airports Bill 1996 stated that the quality of service monitoring and reporting provisions in the Bill complement the ACCC's enabling legislation in relation to pricing oversight arrangements. Further, the Memorandum states that in monitoring quality of service, the ACCC must not set the standards for the facilities or services provided.

In its response to the PC's inquiry report on *Price Regulation of Airport Services*, the Government accepted the recommendation to replace price caps with prices monitoring[5]. It also set out its rationale for continued quality monitoring of airport services. It suggests that quality monitoring could:

[5] Recommendation 1, *Government response to the PC report on Price Regulation of Airport Services* http://www.minister.infrastructure.gov.au/ja/releases/2002/may/airport_price_regulation.htm

- act as a useful adjunct to price monitoring; helping to ensure that airport operators are not improving productivity through running down assets or reducing service standards;

- identify if airports are investing appropriately, for example, by upgrading infrastructure or investing in new facilities to improve levels of service or facilitate increased demand.

3. OBJECTIVES OF QUALITY OF SERVICE MONITORING

The ability to compare price, cost and quality levels across a range of service providers, or under different regulatory conditions, may assist an evaluation of market outcomes. Accordingly, the ACCC's quality monitoring program aims to gather and report data on measures that facilitate judgments on changes in service quality over time as well as possible comparisons between airports.

The ACCC considers that the objectives of quality of service monitoring, while minimising the cost of compliance for Airport Operators, are to:

- assist in the assessment of an Airport Operator's conduct in a prices monitoring environment; and
- improve the transparency of airport performance in order to:
    - discourage Airport Operators from providing unsatisfactory standards for services which are associated with significant market power;
    - provide information to users of airport facilities, including passengers and the aviation industry, as a basis for improved consultation and negotiation on pricing and investment proposals;
    - highlight changes in service quality over time;
    - facilitate inter-airport comparisons and benchmarking; and

    BAC Comment:

    The validity and reliability of inter airport comparisons and benchmarking is questionable and should not be relied upon, or used, in isolation. This is because the facilities, modes of facilitation, commercial policies, and markets are quite different amongst airports, making inter airport comparisons problematic.

    - assist the Government in addressing public interest matters.

The monitoring therefore aims to measure whether airports are providing services in an efficient way.

There are a number of dimensions to economic efficiency. Allocative efficiency requires that goods and services are consumed by the users who value them most highly[6], whilst productive efficiency requires goods and services be produced at the lowest possible cost. Dynamic efficiency implies that over time, resources and prices move such that allocative and productive efficiency is maintained. Theory suggests that economic efficiency will generally be a natural consequence of healthy competition in markets.

In all markets, competitive or otherwise, pricing is a critical mechanism by which economic efficiency may be promoted. Prices act as signals to both the producers and consumers of goods and services, and critically influence the decisions made by these agents. Equally important, however, is quality – the price a user of a service is prepared to pay is directly related to the expected quality of that service. Similarly, the quality of service a producer will provide depends both on the cost of that quality and the extent to which it attracts additional customers. It is also worth noting that for some services choice by users over different levels of quality may be limited or simply not offered.

In the case of a market which is not characterised by strong competition, such as airports, simply observing the price/quality outcomes that result may not in itself allow firm conclusions about the extent to which economically efficient outcomes have been achieved. Such outcomes may not fully reflect the valuation airport users place on increased service quality, nor the costs to airport operators of providing such quality.

In this regard, the ability to compare price, cost and quality levels across a range of service providers, or under different regulatory conditions, may assist an evaluation of the efficiency of market outcomes. Accordingly, the ACCC's quality monitoring program aims to gather and report data on measures that facilitate judgments on changes in service quality over time as well as possible comparisons between different airports.

[6] Such allocation is typically best achieved via the relative prices charged being set at appropriate levels to relative cost.

4. QUALITY OF SERVICE MONITORING PROGRAM

4.1 Facilities and services to be monitored

The ACCC will consider quality of service from the perspective of passengers and major users, particularly airlines. From the point of view of regulatory oversight of airports, the main focus is on aspects of quality which relate to the prices charged for services in which the airport operator may have significant market power. These services are primarily aeronautical services, that is, those services which relate directly to the movement of passengers and freight, and for which off-airport services are not close substitutes, for example, baggage handling facilities. The quality of aeronautical services will largely be determined by long-term investments that affect quality over several periods. Two important influences on the quality of these airport services, which are directly related to the prices charged, are

i) the capacity of airport facilities relative to the demand for those facilities, and

ii) the efficiency or quality standard of the facilities made available.

Under-provision of airport infrastructure will be reflected in 'excessive' congestion and delays associated with the use of airport facilities. These can be revealed through waiting or queuing times for the use of, or processing through, facilities; and through crowding within facilities.(**BAC Comment:** Equally, if not more prevalent, is not the under provision of airport infrastructure but rather the under manning of infrastructure provided which causes unacceptable waiting or queuing times. The manning of the facilities which mostly generate this experience of customer service (CIQ and check in are completely beyond the control and largely beyond the influence of the Airport Operator). The issue of control, or more particularly non-control, remains perhaps the most significant and fundamental principle based concern of BAC. As described in the PC 2006 Inquiry Report noted above and acknowledged by ACCC, there are many areas in the performance indicators over which the Airport Operator has little control of influence in the ultimate service delivery and/or perception. BAC wishes to reiterate the view expressed in the PC 2006 Inquiry Report that the current monitoring process effectively treats Airports as responsible for some quality of service problems beyond their direct control and that this is inappropriate. Although the ACCC notes that as owner of the head lease for the Airport, the Airport Operator is in a position to at least influence the quality of airport services, often the degree of

influence is small and has no contractual basis upon which to undertaken enforcement action)**.**

A reduction in the quality of airport services can also occur if insufficient resources are devoted to maintenance and enhancement of facilities so that the standards of service (such as reliability) deteriorate for any given 'quantity' of service provided.

The range of facilities and services covered by the ACCC's monitoring program is necessarily broad in order to:

- ensure that information gleaned from the monitoring program can be placed in its proper context in assessing airport performance – a wider set of criteria will help to do this, as will information obtained directly from airport operators; and
- produce a comprehensive range of criteria so that the objective of transparency from the quality of service monitoring exercise can be achieved.

Additional detail on the coverage of quality of service criteria is set out in section 5.2. For the purpose of clarity, it should be noted that the ACCC considers that terminals formerly leased to Ansett, but now under the control of airport operators, are included within the scope of the monitoring program. It is requested that terminal related criteria be provided separately for each individual terminal.

4.2 Responsibility for quality of service standards - the issue of 'control'

The primary services commonly provided at airports relate to the movement of passengers and freight. There are relatively few significant airport services which are totally under the direct control of an airport operator given the interaction between different processes at airports. The provision of services that are of primary importance to passengers and freight forwarders - such as check-in, customs and immigration, security, baggage reclaim, cargo processing, and on-time airline performance, are not the sole responsibility of the airport operator. Rather, they commonly reflect the combined responsibilities of a number of entities, including airlines, government agencies, the airport operator and sub-lessees of the airport operator. For example, the waiting time at check-in counters will depend on the facilities provided by the airport owner, the utilisation of these facilities including the number of staff provided by the airline. This difficulty was noted by the PC in its 2006 inquiry report, albeit with the recognition that this problem is not unique to airport quality monitoring in Australia.

In this regard, section 152 provides that Part 8 of the Airports Act applies:

> ... to an airport service or facility if the service or facility is provided:
>
> (a) by an airport-operator company; or
>
> (b) by a person other than an airport-operator company under an agreement with an airport-operator company.

Nevertheless, as owner of the head lease for an airport, an airport operator is in a position, and has some responsibility, to at least influence the standard of services.

BAC Comment:

BAC repeats and relies upon its previous comment on this issue of "control".

It is important to note that the reference to 'under an agreement' in subsection 152(b) is not intended to introduce the concept of control into the quality of service monitoring process. Rather, this inclusion reflects the Government's desire to ensure that the quality of service monitoring provisions of the Act are applied constitutionally. As noted in the Explanatory Memorandum to the Airports Bill 1996, '[t]his provision enables the Commonwealth to rely on its powers to make laws with respect to corporations in applying the provisions of [Part 8].'

The ACCC acknowledges that there are relatively few significant airport services which are totally under the direct control of an Airport Operator. Rather, the provision of services is commonly the combined responsibility of a number of entities, including airlines, government agencies, the Airport Operator and sub-lessees of the Airport Operator. The ACCC will seek to disclose, for each aspect, the parties that contribute to the quality of service provided. This will be achieved by including a table of all the aspects and the potential influences particular parties have on the overall service provided to passengers in the quality of service monitoring report. This will be produced using consultation from stakeholders. An example is provided below:

Aspect	**Party influence**

Check-in counters	Airport operators are responsible for providing airlines with a suitable number and standard of check-in counter desks, in addition to space associated with the check-in area. Airlines are responsible for manning check-in counter desks. Therefore, airport operators and airline users both have an influence on the overall service provided to passengers.

BAC Comment:

Whilst the table proposed above is of some benefit, it would better to more precisely correctly attribute the measure of service quality as between or amongst the parties relative to the degree of control rather than having generic wording that says nothing of actual apportionment creating the service quality experience.

4.3 Setting standards

The Act provides for the ACCC to undertake quality of service monitoring at leased airports. However, there is no provision in either the Act or the regulations for the ACCC to set standards of service[7]. As noted in DOTARS's (now known as DITRDLG) *Pricing Policy Paper*:

> "... standards are seen appropriately as matters for the judgement of airport operators and airport users concerned, to be determined on a commercial basis." [p.6]

This statement is no less relevant under the prices monitoring arrangements applicable since 1 July 2002. In this environment, commercial negotiation between airports and airlines is expected to be a key driver of price/quality outcomes. It is expected that outcomes may vary from airline to airline due to their differing price/quality requirements. Accordingly the ACCC will not be involved in setting service standards. The ACCC also notes that airports have an obligation to provide government-mandated services.

[7] It is however recognised that other government agencies for example DITRDLG and CASA do set standards for certain airport operations.

4.4 Role of criteria

The quality of service monitoring program is complementary to the ACCC's prices monitoring role and needs to be viewed in this context. Consequently, an important objective associated with the program is to identify changes over time in the quality of aeronautical services, such that any future review of airport conduct is provided with relevant information to assess the efficiency of market outcomes.

The basis of the ACCC's quality of service monitoring program will be the collection and reporting of prescribed criteria for airport services. The quality of these services is influenced by the adequacy of facilities made available by airport operators. However, the monitoring program may encompass more than just reporting of criteria. Criteria will provide evidence of trends over time in service levels but in many cases will not provide a full explanation of underlying causes of changes in quality of service. For this reason it is envisaged that the criteria will act as triggers to seek further information to assist with interpretation of initial results.

To facilitate further inquiry, the Act allows for the ACCC to obtain information in relation to service quality in two ways. First, the regulations make provision for the ACCC to obtain necessary information for its initial and subsequent inquiries relevant to service quality. Secondly, the regulations confer upon the ACCC the power to specify any additional information it may require, in the form it requires, to assist with the monitoring and evaluation of airport services or facilities against the prescribed criteria. **BAC Comment:** Providing quality of service monitoring information, be it technical or passenger perception related can be a time consuming and expensive exercise requiring significant lead times and notice. Therefore it is hoped that the ACCC will be cognisant of this in exercising its powers.

Where such powers are relied upon by the ACCC, the ACCC will be able to take into account relevant confidentiality considerations, including not disclosing information relating to particular airlines. The formal protection of such information is provided for under the Act.

Further information on the treatment of confidential information is set out in section 7.2.

4.5 Objective and subjective measures

In previous Guidelines, the ACCC has favoured the use of objective measures as far as possible. Objective measures are generally easier to verify than subjective measures and can quantify the level of service provided. However, in many cases customer perception surveys represent the most effective means of obtaining quality of service information that is of most relevance to the end user. Examples of services that are more appropriately monitored through customer perception surveys are the general standard of terminal facilities, such as the adequacy of flight information, directions, waiting lounge comfort, availability of baggage trolleys and the cleanliness of washrooms.

4.6 Data collection and acceptance

The ACCC is conscious of the need to minimise the cost of the monitoring program to airport operators[8]. However, this needs to be balanced against the expectation that firms in competitive industries routinely maintain comprehensive databases on many aspects of their businesses.

In its approach to monitoring quality of service at airports, the ACCC has as far as possible sought to utilise quantitative measures based on information that is readily available – from the airport operator itself, airport users and other government agencies. However, in some cases use of subjective measures will be required, for example, passenger perception surveys. The ACCC takes the view that such surveys can be undertaken 'in-house' by airport operators provided that the operators consult closely with the ACCC on both the contents of the survey and the methodology used. From the ACCC's perspective the surveys need to gather information which is relevant to the ACCC's quality of service monitoring program. One aspect of this is comparability of survey data across airports. The ACCC also needs to be satisfied that the data collected and the methodology and processes used target priority areas, are unbiased, and are statistically robust. In this context auditing and verification procedures will be important.

The ACCC expects airport operators to co-operate in providing meaningful data for the quality of service monitoring program and to this extent, it may require, under s156 of the Act, that the collated results of surveys be certified by statutory declaration. The ACCC also expects that a full description of survey methodology and raw data is provided as a

[8]Terms of Reference, *Review of Price Regulation of Airports Services*, page iv

complement to the collated results. **BAC Comment:** BAC is happy to provide information on survey methodology as it only undertakes surveys based on statistically robust and unbiased methodologies. However, the provision of raw data would be with some hesitation based on a requirement that should ACCC undertake its own statistical analysis and wish to publish those results, that it first consult with the Airport Operator to ensure factual accuracy and completeness and that the ACCC interpretation was also unbiased and statistically robust.

It is not normally expected that surveys will be undertaken by independent consultants. However, under s156(6) of the Act, the regulations need not limit how the ACCC requires information from an airport operator, where such information is relevant to the monitoring or evaluation of the quality of airport services or facilities against criteria prescribed under the regulations. In this respect, the ACCC reserves the right to commission an independent survey should it consider such a survey is warranted. (**BAC Comment:** Airports are complex operating environments, involving significant access restrictions, safety and other security imperatives. In addition, just as the ACCC needs to be satisfied that the data collected and the methodology and processes used target priority areas, are unbiased, and are statistically robust, so would an Airport Operator need to ensure this if the ACCC were to commission an independent survey. Therefore, prior negotiation and consultation with the Airport Operator would be required, as would the right to have its comments recorded in any publishing of ACCC results to ensure that a balanced perspective is communicated and transparency enabled, should there be differing views and opinions.) The costs associated with the airport operator providing information to the ACCC for monitoring purposes are expected to be met by airport operators.

The ACCC will accept the Airports Council International (ACI)[9] Airport Service Quality (ASQ) survey. Questions in the ACI survey, while not identical, are sufficient to address the areas set out in the Regulations. **BAC Comment:** Although BAC Accepts that the ACI ASQ Survey Programme is well regarded, the difficulty in mandating such a programme or any other specific programme to satisfy the regulations is that it may interfere with the normal commercial relationship and negotiations between an Airport Operator and Service Provider and give that Service Provider a mandated

http://www.pc.gov.au/__data/assets/pdf_file/0019/20638/airportservices.pdf

[9] Formerly conducted by International Air Transport Association (IATA)

monopoly position. BAC therefore supports a proposition that the use of a particular survey and Service Provider not be mandated but rather be discretionary.

5. QUALITY OF SERVICE CRITERIA

5.1 Process used in determining criteria

In compiling the list of criteria at Attachment A the ACCC has taken the view that the criteria should:

- relate to the ACCC's prices monitoring program, that is, the criteria should cover aeronautical services and incorporate both airline and passenger criteria;
- relate to airport services associated with market power;
- relate to significant services, that is, associated with a relatively large proportion of airport expenditure or revenue generation, or with a critical role in the movement of passengers or freight by air;
- be important to users;
- be measured through the use of existing relevant information as far as possible; and
- be verifiable and not susceptible to manipulation.

In relation to the appropriate number of criteria, the following factors are considered important:

- the adequacy of the set of criteria to provide an assessment of overall airport performance relevant for the future review of airport price/quality monitoring arrangements; and
- the costs of obtaining information.

Given that the ACCC is primarily monitoring quality of service in relation to its prices monitoring role, the general approach to determining relevant criteria is to identify criteria which will facilitate assessment of:

- the availability of services relative to the demand for those services to give an indication of whether airport operators are undertaking capacity-enhancing investment; and
- changes in the standard of services provided, which may arise through higher/lower expenditure on maintenance and renovation/development of facilities.

An assessment of the availability of services can be obtained by criteria which measure the utilisation of major facilities (actual usage relative to the capacity of facilities) and also criteria relating to final quality of service outcomes in terms of waiting times or delays associated with services (**BAC Comment:** See BAC's earlier comments regarding manning of facilities versus facilities provided) and crowding associated with use of facilities. Criteria to measure the general standard of services provided are also identified.

While a range of quality criteria are identified, not all criteria will apply to every airport.[10]

5.2 The coverage of quality of service criteria

For the purpose of monitoring quality of service, the ACCC has classified airport activities into four main areas:

- *passenger-related* – comprising of services or facilities associated with check-in, government inspection, gate lounges, baggage, washrooms etc;
- *landside-related* – comprising of services or facilities associated with airport access;
- *aircraft-related* – comprising of services or facilities associated with the runway, apron and taxiway system, gates, aircraft parking and ground service equipment and freight facilities; and
- *management.*

In general terms, the following types of criteria are appropriate:

- measures of capacity utilisation for major facilities (average usage in comparison to capacity for peak periods, and, where appropriate, overall) **BAC Comment:** ACCC and other users or consumers of QSM information from airport surveying should be aware that airports generally plan and design their major facilities on the basis of a range of information and sources, a significant part of which is information from the airlines. This includes airline schedules and fleet mixes. Therefore, it is not appropriate to measure quality of service against aberrations from the information provided upon which the facilities are based (eg. congestion created in peaks due to off schedule services);

- direct measures of waiting times at major passenger processing stages **BAC Comment:** BAC repeats and relies upon its previous comments in relation to manning levels of services and facilities provided by the Airport Operator.
- customer perception surveys relating to the standards of service and facilities made available in terminals and associated with ground access;
- annual questionnaires/surveys to airlines; and
- information from airlines relating to the standard of facilities provided to them (excluding safety related issues covered by the Civil Aviation Safety Authority (CASA)).

The specific performance criteria identified by the ACCC encompass a variety of these types of measure; including aircraft delay, availability of aerobridges (where sought by airlines), waiting times and crowding associated with passenger processing facilities, equipment availability and the standard of facilities.

Information for these criteria will be obtained from sources such as customer perception surveys, airline surveys and information from airport operators and related parties, such as Airservices Australia, on the capacity of facilities and its utilisation. Other criteria may be used where direct measures are not practicable. **BAC Comment:** For this and other parts of the guidelines that refer to the ACCC seeking information on the cause or causes of performance, particularly for services not under direct control of the Airport Operator, it is at times difficult for the Airport Operator to obtain data from other parties where there is no obligation on those other parties to provide same. Therefore, it may only be possible for an Airport Operator to respond to an ACCC request if there is a regulatory obligation on other parties to provide this information to the Airport Operator or to the ACCC directly.

Identified criteria are detailed in the table contained in Attachment A to this paper. It should be noted that the measures are designed to be used in conjunction with each other rather than in isolation. In some instances this means the raw data requested may be 'normalised' through combination with other measures, for example, the level of use. **BAC Comment:** This concept of "normalisation" is unfamiliar in terms of previous quality of service monitoring – therefore, before implementing by ACCC it would be useful to have further details and hypothetical examples.

[10] For example, delay data from Airservices Australia may not be available for every airport.

6. ANALYSIS AND INTERPRETATION OF DATA

Given the diverse responsibility for delivery and quality of airport services, the ACCC is aware that in some cases, the results from the monitoring program may require qualification and further investigation. The ACCC is conscious that interpretation of the criteria used to measure quality of service may be complex and will take this into account in its analysis. Further, where there is the possibility of mitigating circumstances (whether favourable or otherwise) influencing the results of monitoring, the ACCC welcomes, and in some instances will seek, comments and additional information from airport operators, particularly where falling levels of service are apparent over a number of periods.

In the case of services which are not under the direct control of the airport operator, information will be sought on the cause or causes of adverse performance and noted appropriately in monitoring reports.

In seeking to draw conclusions from comparisons of different levels of quality of service, the ACCC will take into account the fact that performance is likely to differ between airports.

7. REPORTING ON QUALITY OF SERVICE MONITORING

7.1 Publication by ACCC

Under section 157 of the *Airports Act 1996* the ACCC can publish results of the monitoring program.

The ACCC intends to publish the findings of its quality of service monitoring program on an annual basis. This approach is designed to increase transparency of airport performance and encourage service providers to maintain adequate service standards. The ACCC will consult airport operators before publishing results.

In publishing its findings the ACCC will not necessarily publish data on all specific criteria, but will summarise underlying trends. As stated above, the ACCC will discuss data on the criteria with the relevant airport operators and other interested parties in order to understand the underlying causes of changes in quality of service. These discussions will be an important input into the ACCC's monitoring of airport quality and will be reflected in the published reports.

The reports will focus on changes in airport quality performance over time. In the case of any reporting on services not under the direct control of the airport operator, the ACCC will seek information on the causes of perceived adverse performance and note them appropriately in monitoring reports.

The ACCC will make the airport monitoring reports publicly available via the ACCC's website: www.accc.gov.au.
Quality of service monitoring results will be generally published as part of the ACCC's annual regulatory reports for specific airports. They may also be published in:

- individual reports; or
- general publications such as the ACCC ejournal or ACCC Annual Report.

7.2 Confidentiality

Performance indicator results and data submitted to the ACCC as part of the consultation process that are of a confidential nature should be clearly marked as such, and a claim for confidentiality for the material should be submitted. The Airports Act provides for formal

protection of such information.[11] The ACCC will assess whether the claim is justified and whether disclosure of the relevant information is necessary in the public interest.

Material for which confidentiality is granted will not be publicly available, but may be taken into account by the ACCC in its assessment of quality of service. Information pertaining to the criteria and which is specified in the regulations must be submitted to the ACCC. However, if parties wish to submit additional information to the ACCC as part of the consultation process and the ACCC does not grant confidentiality to such information, then the relevant parties will have the opportunity to withdraw the information.

[11] Section 158 of the *Airports Act 1996*.

8. IMPLEMENTATION

This document provides guidelines for quality of service monitoring in airports. However, the criteria identified here may also be subject to further refinement in consultation with airport operators. The ACCC may also instigate further changes through the course of the monitoring program.

ATTACHMENT A: QUALITY OF SERVICE CRITERIA & INFORMATION REQUIREMENTS

In Table 1, the first column sets out the *aspect* – that is, the service or facility that is to be monitored. Listed alongside each *aspect* are the relevant *criteria* used to assess the performance of that *aspect*.

The second column of Table 2 lists the *criteria* that are derived from passenger surveys.

The third column lists the current quantitative *criteria* measuring utilisation.

The fourth column lists the criteria that are derived from the surveys of the airlines which measures the *standard* and *availability* of services.

The final column lists the *criteria* relating to government inspection services that are derived from the Australian Customs Service coordinated 'whole of government' survey.

Note that not all *aspects* have *criteria* from each information source. For example, information regarding aerobridges is currently collected only two sources: airline surveys and quantitative information provided by Airport Operators.

Table 1: Current quality of service aspects and associated criteria

Aspect	Criteria			
Indicator of…	**Quality of service offered to end users**	**Capacity Offered and Capacity Utilised**	**Standard and availability of service offered to intermediate users (if the service is required by the airline)**	**Standard and availability of service offered to government inspection services**
Info Source	*Passenger surveys*	*Quantitative criteria*	*Airline surveys*	*ACS 'whole of govt' survey*
		Passenger-related– International		
Aerobridges		Percentage of international passengers arriving using an aerobridge	Aerobridges Availability	
		Percentage of international passengers departing using an aerobridge **BAC Comment:** Given the ACCC's acknowledgement that a low cost airline may wish to minimise its costs and not use aerobridge facilities, perhaps a more relevant measure of utlisation would not be a gross number but rather utilisation by only those airlines that require an aerobridge (that is, excluding those that specifically request not to use an aerobridge because of cost or other factors).	Aerobridges Standard	
Check-in	Check-in - waiting time	Percentage of hours with more than 80 per cent of check-in desks in use	Check-in Availability	

			Check-in Standard
Government inspection	Immigration area - inbound - waiting time	Number of arriving passengers per inbound immigration desk during peak hour	Arrival - immigration - availability
			Arrival - immigration - standard
	Baggage inspection - inbound - waiting time	Number of arriving passengers per baggage inspection desk during peak hour	Arrival - baggage inspection - availability
			Arrival - baggage inspection - standard
	Government inspection - outbound - waiting time	Number of departing passengers per outbound migration desk during peak hour	Departures - immigration - availability
			Departures - immigration - standard
Security clearance	Security clearance - quality of search process **BAC Comment:** It is unlikely that members of the general public truly understand how to properly assess the "quality" of the security search process. Indeed, what does quality really mean – there may be many dimensions and this might differ amongst passenger types. Quite possibly, as with many areas in the facilitation process, a very part of the experience at the security search area is indeed waiting time, but whether	Number of departing passengers per security clearance system during peak hour	

	this is the most important criteria amongst passengers is unknown. In addition, passengers may rate experiences of "thoroughness" compared to other airports on other visitations to the same airport where they may or may not be chosen for various levels of intervention (perhaps compared to their expectations).		
Gate lounges	Gate lounges - quality and availability of seating	Number of departing passengers per seat in gate lounges during peak hour	
	Gate lounges – crowding	Number of departing passengers per square metre of lounge area during peak hour	
Baggage	Baggage reclaim - waiting time	Average throughput of outbound baggage system, bags per hour IATA measure of the time taken for the first bag on and the last bag off The no. of reclaim units available per arriving aircraft during peak hour	Baggage Facilities Availability
	Baggage reclaim - information display		Baggage Facilities Standard
	Baggage reclaim – circulation space	Average belt presentation length per average aircraft size (based on pax capacity)	
Baggage trolleys	Baggage trolleys – findability	Number of passengers per baggage trolley during peak hour	

Flight information display and signs	Flight information display screens	Number of passengers per flight information display screen during peak hour Number of passengers per information point during peak hour **BAC Comment:** BAC believes that the quantitative measure of FIDS per passenger during the peak hour is poor given the variability in the size and nature of FIDS. The service quality measure is not the number of FIDS per passenger per se, but rather the broader service delivery of information and communication to users. Average distance between display screens	
	Signage and wayfinding		
Washrooms	Washrooms – standard		
	Passenger-related– Domestic		
Aerobridges		Percentage of international passengers departing using an aerobridge	Aerobridges Availability Aerobridges Standard
Check-in	Check-in - waiting time	Percentage of hours with more that 80 per cent of check-in desks in use	Check-in Availability Check-in Standard
Security clearance	Security clearance - quality of search process	Number of departing passengers per security clearance system during peak hour	
Gate lounges	Gate lounges - quality and availability of seating	Number of departing passengers per seat in gate lounges during peak hour	
	Gate lounges – crowding	Number of departing passengers per square metre of lounge area during peak hour	

Baggage	Baggage reclaim - waiting time	Average throughput of outbound baggage system, bags per hour IATA measure of the time taken for the first bag on and the last bag off The no. of reclaim units available per arriving aircraft during peak hour	Baggage Facilities Availability
	Baggage reclaim - information display		Baggage Facilities Standard
	Baggage reclaim - circulation space	Average belt presentation length per average aircraft size (based on pax capacity)	
Baggage trolleys	Baggage trolleys - findability	Number of passengers per baggage trolley during peak hour	
Flight information display and signs	Flight information display screens	Number of passengers per flight information display screen during peak hour Number of passengers per information point during peak hour	
	Signage and wayfinding		
Washrooms	Washrooms – standard		

Landside-related – International and Domestic

Car parking	Criteria to be determined		
Freight facilities			Availability of services and facilities associated with airside freight handling and staging areas essential for aircraft loading and unloading. Standard of services

			and facilities associated with airside freight handling and staging areas essential for aircraft loading and unloading.	
Airport access	Kerbside space - congestion Kerbside drop-off and pick-up facilities Taxi facilities – standard			
	Standard and availability of terminal access roads and facilities (in landside areas)			
Aircraft-related – International and Domestic				
Runway, apron and taxiway system			Runways Availability Runways Standard Taxiways Availability Taxiways Standard Apron Availability Apron Standard	
		On time arrival % (BITRE figures)		
		On time departure % (BITRE figures)		
Gates and aircraft parking			Gates Availability Gates Standard	
Ground service equipment			Ground Service Sites Availability Ground Service Sites Standard	

Management		
	Availability of Addressing Quality Service Standard of Addressing Quality Service	Management approach to concerns