



23 June 2008

Mr David Salisbury  
Acting General Manager  
Transport Branch  
Australian Competition and Consumer Commission  
GPO Box 520  
MELBOURNE VIC 3001

Dear Mr Salisbury

I refer to your correspondence to Brett Godfrey of 29 May 2008 seeking comments from Virgin Blue in relation to the ACCC's draft *Guidelines for quality of service monitoring at airports – May 2008*. I am happy to provide you with Virgin Blue's comments on this matter.

**Recommendation 1**

*The ACCC is of the view that a coordinated 'whole of government' response to a quality of service monitoring survey at each of the monitored airports will replace the ACS survey.*

Virgin Blue supports the proposition that the Australian Customs Service (ACS) be responsible for the coordination of a 'whole of government' response to the quality of service monitoring survey at each of the monitored airports.

Virgin Blue believes that such a measure is important from an interpretative perspective with respect to the passenger survey and a coordinated response of all Government agencies with some border responsibilities, such as AQIS, DIC, AFP and DITLRDLG, will provide a more informative and relevant response.

**Recommendation 2**

*The ACCC is of the view that airline perception surveys are to be reviewed and submitted by the airline's head office and a rating of below satisfactory must be supported with commentary detailing the complaint airlines have and steps the airline have taken to inform airport operators of their complaints. An on-time performance measure (BITRE data) to be included in the assessment of quality for airside service.*

Virgin Blue supports the view of the ACCC in this matter, on the basis that the additional supporting information detailing complaints by airlines and the steps that they have taken to inform the airport should remain confidential and not form part of the information released as apart of the quality of service monitoring reports.

### **Recommendation 3**

*The ACCC is of the view that it shall continue accepting, in lieu of passenger surveys conducted by airport operators, surveys of passengers that may be used in international benchmarking exercises, such as the ACI's ASQ survey program.*

Virgin Blue supports the proposal of continuing to accept international benchmarking exercises, such as the ACI's ASQ survey program, in lieu of passenger satisfaction surveys undertaken by individual airport operators.

### **Recommendation 4**

*The ACCC is of the view that it is appropriate to include in the monitoring regime 'freight services and facilities' and 'airport access roads and traffic management'. 'Aircraft refuelling services' will not be monitored under the current regime.*

Virgin Blue supports the proposal to include the monitoring of 'freight services and facilities' and 'airport access roads and traffic management' in the quality of service monitoring criteria.

However, Virgin Blue does not support the continued exclusion of 'aircraft refuelling services' from monitoring under the current regime. Whilst we acknowledge that 'aircraft refuelling services' is not listing in either Part 1 or Part 2 of Schedule 2 of the *Airport Regulations 1997*, these services are defined as aeronautical services and facilities and listed in Item 5 - Table 1 – Aircraft-related services and facilities under Part 7.02A of the *Airport Regulations 1997*.

Virgin Blue believes that the ACCC should reconsider its decision to exclude 'aircraft refuelling services' from the quality of service regime and should take the necessary steps under Section 155 of the *Airports Act 1996* to make those amendments necessary so as to add 'aircraft refuelling services' to the quality of service regime.

### **Recommendation 5**

*The ACCC is of the view that the issue of control may be further clarified in the report and will seek responses from each airport on defining the parties involved with each aspect.*

Virgin Blue supports the view that the issue of control over quality of service can be complex in nature and differ from airport to airport. We also support the proposition of defining the parties in each specific aspect, as Virgin Blue believes that it will be beneficial to all parties involved in the reports and lead to greater transparency.

Virgin Blue however requests that the ACCC not rely solely on the input from airports in defining the parties involved with each aspect. Virgin Blue urges the ACCC to also seek input from airlines so as to ensure that there are no errors in the allocation of responsibilities.

## Baggage Services

Virgin Blue supports the adoption of the IATA measure for the time taken for the first bag on and the last bag off. We believe that this internationally recognised measure is an appropriate one for adoption and inclusion within the airport quality monitoring and reporting regime.

In addition, Virgin Blue believes that performance criteria that monitor the operational reliability of baggage systems should also be considered. Airlines can experience significant disruption to their network operations due to a breakdown in airport provided baggage systems. These operational disruptions can be further exacerbated through delays by airport operators in addressing and resolving these breakdowns. Clearly these breakdowns also have a corresponding financial impact on airline operators.

Therefore Virgin Blue would support the development and inclusion of a quantitative measure into the monitoring regime. This measure needs to be robust enough to ensure transparency and confidence in its accuracy. One such measure could be the total time and number of times that a baggage system was inoperable and/or operating at a sub-optimal rate (in both number and percentage terms) compared to the system's total operating time.

I hope that the views expressed above are of assistance. If you wish to seek further input or clarification on the responses provided please don't hesitate to contact me on either: [REDACTED]  
[REDACTED]

Regards



Mike Thomas

**Manager – Government Relations**

**Virgin Blue, Pacific Blue and Polynesian Blue Airlines Pty Ltd**