

26 June 2009

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Airports Branch  
Department of Infrastructure, Transport, Regional Development and Local  
Government  
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Dear Ms Tucker,

**National Aviation Policy Discussion Paper:  
Improving the passenger experience: Quality of service monitoring of airports**

Thank you for this opportunity for Hobart Airport to provide its input into the quality of service monitoring policy process.

Our Company, as owner and operator of Hobart Airport, believes that quality of service reviews can provide important tools to guide airports as they strive to continue to improve their service level performance. Accordingly, we support the Commonwealth's intent to review quality of service monitoring to ensure it is well tailored to the needs of the travelling public.

It is Hobart Airport's strong belief that the current system of review by monitoring, through the Australian Competition and Consumer Commission (ACCC), does not deliver the objective, practical, targeted outcomes the Government and airports are striving for.

The current system makes its conclusions about airports' performance on the basis of matters over which the airports have no control; for example, queues governed by the airlines' check-in and boarding gate staffing, airside traffic management by Airservices Australia, queues governed by Quarantine's inspections and the availability of luggage governed by the airlines' turnaround procedures. The travelling public is therefore misled when making its consumer decisions.

The current system also relies on airlines' anonymous and therefore unchallengeable views of airports' performance. Airports are entitled to be concerned that airlines are able to use this process for their own commercial advantage by providing a prejudiced view.

Finally, the current system results in comparisons between airports. These are intended to be meaningful but are more likely to be misleading. For example, a low cost airline operating to an airport catering to a large percentage of low cost airlines or handling relatively low levels of traffic is likely (rightly) to experience airport facilities and services at a different level to its operations at an airport providing for more premium airlines or handling high traffic levels.

It is also particularly relevant to Hobart Airport's view that monitoring is unnecessary within Tasmania, as the Tasmanian airports market is highly competitive, with two similarly sized airports providing alternatives to a market dominated by tourism, for which arrival point is highly discretionary. Tasmanian Airports are therefore commercially focused on high levels of service within a competitive environment.

Considering these general views, please then also accept these responses to the Government's request for comments on specific aspects of whether the current quality of service monitoring conducted by the ACCC is effective in promoting transparency and accountability and whether there are other approaches that might be justified. We have taken the liberty - as an airport not currently monitored - of dealing first with those aspects about who quality of service is for and which airports are of interest for quality of service.

***The Government's objective is to focus the quality of service monitoring on ensuring reasonable attention to the experience of the travelling passengers.***

Hobart strongly supports this focussed objective. It therefore follows that queues governed by the airlines' check-in and boarding gate staffing, airside traffic management by Airservices Australia, queues governed by Quarantine's inspections, the availability of luggage governed by the airlines, etc to which a passenger is greatly effected and to which airports have little or no control should be the subject of quality of service monitoring.

***Are there other airports, in addition to the five currently being monitored, which should be included in the quality of service monitoring regime? What criteria may be used to determine the airports to be included in the monitoring regime? Should the additional airports be subjected to the same level of monitoring requirements as the five airports currently being monitored? What model of monitoring arrangements may be appropriate for the additional airports?***

Hobart Airport sees no need to extend "monitoring" beyond the five airports, if such an extension was intended to reach Hobart with its approximately 1.8 million annual passengers. As a commercial business operating in a very competitive market, Hobart is vitally interested and concerned to ensure quality of service is provided to its customers. Accordingly, of our own volition, we have in place and are continuing to enhance a regime of customer surveying.

However should Government policy dictate a need for further transparency, and should this relate to the passenger experience, we would be supportive of a voluntary, self-administered scheme that included airport website publication of these service quality survey outcomes, aeronautical and car parking prices, and volume and capacity status, in a form suitably simplified for the size of the airport.

***Should access to and from the airport, including traffic management, be monitored? If so, what specific areas and measures should be included? How should monitoring be conducted?***

State and local governments should report on quality of service in their provision of services, based on traffic growth against asset provision, traffic delays, safety and accident levels, planned and provisioned roading, etc.

***The Government invites comments on whether to include aspects of car parking services...in quality of service monitoring. What would be appropriate criteria to monitor these services?***

This is unnecessary due to the standard business motives incorporated in providing adequate provision of carparking services to meet demand.

It is also the case that only an estimated 14% of airline passengers use carparking provided by Hobart Airport. Reform in consideration of the passenger experience in getting to and arriving at the airport could usefully focus on availability and cost of all transport options, as noted above.

Regarding capacity, airports will always provision adequate carparking to capture the demand requirements by the public, as there is direct revenue consequence in not providing enough parking.

***Should the quality of service monitoring be expanded to include matters such as: access to facilities to transfer passengers from domestic to international terminals including proximity of car hire and shuttle services, disability access and facilities, availability of eating places, banking and foreign exchange facilities, availability of airport/airline staff to provide assistance to the public and complaint-handling systems? If so, what specific areas and measures should be included?***

Quality of service assessment should include the provision by airlines of adequate staffing levels for security, check-in, information and service desk, gate boarding, etc. These aspects have the greatest impact on the passenger experience. All the other aspects mentioned are driven by business decisions which motivate airports to provide adequate services. Airlines are motivated by cost reduction for their passenger ground handling services and they tend to pay little attention to the impact their cost reduction initiatives have on passenger experience within airport terminals.

***Should airline operated terminals that are not subject to the current monitoring requirements be included in quality of service reporting? If so, what specific areas and measures should be included? What other measures may be considered to evaluate the quality of aircraft boarding and disembarking facilities?***

Airline operated terminals should be subject to the same level of service reporting as provided for at airport operated terminals.

The quality of aircraft boarding and disembarking facilities is highly dependent on the facilities that operators require to suit their operational models and their interest in paying for them. Low cost carriers have demonstrated their interest in different facilities than the traditional higher cost operators.

***Comments are invited on which aspects of airside facilities should be included in the monitoring regime and the measures or criteria to be used in evaluating the quality of these services.***

Passengers will generally only "experience" airside services, operations and facilities if they are delayed by them. At an airport like Hobart the services, operations and facilities liable to cause delay are those of the airlines and Airservices Australia.

***Are there other aspects of airport services and facilities not currently being monitored that should be included in the monitoring framework?***

Hobart Airport identifies the following for potential inclusion in quality of service monitoring as they have a significant impact on passenger quality of service:

- Airline staffing levels against passenger demand/numbers;
- Airline staffing and queue times for check-in;
- Airline provided security staffing and queue times (Qantas is the screening authority at Hobart);
- Airline communication to passengers concerning delays;
- Airline on time performance and impacts to airport infrastructure, arrivals Quarantine processes.

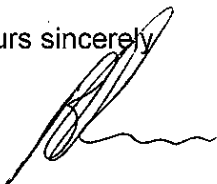
***The Government seeks comments on how to best monitor capacity constraints and their impact, and on measures to address capacity issues and options to monitor immediate capacity challenges of airport infrastructure on a more timely basis.***

Hobart Airport is not currently capacity challenged. Hobart Airport is currently going through the Master Planning process. This process is looking at passenger growth and capacity and formulating mechanisms to cope with growth and increased demand. The preparation of the Master Plan is a highly public process and so industry, government and public stakeholders have an opportunity to understand capacity constraints and the Airport's planning for the future to deal with this. It is therefore our contention that the Master Plan process adequately deals with capacity issues and is the appropriate forum for this matter.

Hobart Airport is very aware of the quality of service that it and its commercial partners provide to passengers using the Airport. We take the provision of service very seriously and are continuously focusing on raising our service benchmark. Hobart Airport is confident that self-monitoring and reporting are an adequate way to measure and improve the service quality that is delivered to our passengers. Hobart Airport is working with its partners to ensure that their level of service provision meets expected standards and benchmarks and will continue to raise the focus on this critical element of our business.

If you require further input or comment, please feel free to contact me directly for further discussion.

Yours sincerely



**Brett Reiss**  
**Chief Executive Officer**