

*Tourism & Transport Forum (TTF) is a national member-funded CEO forum, advocating the public policy interests of the 200 most prestigious corporations and institutions in the Australian transport, property, tourism & infrastructure sectors.*

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### Response to Quality of Service Monitoring of Airports: Discussion Paper July 2009



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## ***Introduction***

The Tourism and Transport Forum (TTF) welcomes the opportunity to provide comment to the Commonwealth Government's review of Quality of Service Monitoring (QSM).

TTF is a national, member-funded CEO forum, advocating the public policy interests of the top 200 corporations and institutions in the Australian transport, property, tourism & infrastructure sectors.

TTF's aviation members include all of the capital city airports in Australia as well as Alice Springs, Bankstown, Cairns, Gold Coast, Mackay, Mount Isa, Newcastle and Townsville airports. TTF also represents Air New Zealand, Emirates, Etihad Airways, Jetstar, Qantas, Singapore Airlines, United Airlines, Virgin Blue, Fintrax Payment Services Australia, AWPL Retail Solutions, and key industry players across the land transport, accommodation, attractions, major events and nature-based tourism sectors.

Aviation is the lifeblood of the Australian tourism industry. There is no other tourism industry on earth that is so dependant upon its international and domestic aviation links as is Australia's.

In the year ended December 2008 Australia's airports facilitated over 50 million domestic and 23 million international passenger movements and serviced fifty-four airlines operating to and from Australia. This equates to over 5.5 million international tourists alone who passed through Australia's airports in 2008.

Airports are therefore key tourism gateways, vital not only because they facilitate access to and within Australia but also because they affect a traveller's experience. Airports have a significant role in ensuring a tourist's first and last impression of Australia is positive, supporting our reputation as an attractive tourist destination, which is particularly important for Australia as a long-haul destination.

Therefore the quality of service provided at Australian airports and the overall passenger experience are critical elements of Australia's overall tourism product offering and tourism experience.

## ***Airport Infrastructure Investment***

TTF has always maintained that the privatisation of Australia's twenty-two Federally-leased airports has been a huge success, without which Australia's airports would not be the efficient and globally competitive operations they are today.

Over the past decade, private ownership has delivered billions of dollars worth of investment in critical airport infrastructure. As the QSM discussion paper points out, Australia's major airports have undergone, are undergoing or have planned investment in upgrading and improving passenger terminals and facilities – investment which will boost the passenger experience.

TTF's response to the National Aviation Policy Green Paper highlighted the level of current investment in aeronautical infrastructure at Australia's major airports, including:

- Adelaide Airport – \$300 million over the next five years on a terminal expansion and associated infrastructure.
- Brisbane Airport – \$2.2 billion on a new parallel runway, international and domestic terminal redevelopments and a northern access road.
- Cairns Airport – \$200 million on a new domestic terminal.
- Canberra Airport – \$350 million terminal redevelopment and expansion.
- Darwin Airport – \$60 million terminal upgrade and expansion to accommodate Jetstar's Southeast Asian hub.
- Gold Coast Airport – \$100 million redevelopment as part of its Low Cost Carrier Terminal project.
- Melbourne Airport – \$330 million redevelopment of the international terminal (T2).
- Perth Airport – \$1 billion on consolidating the domestic and international terminals. Stage one includes a \$120 million construction of Terminal WA.
- Sydney Airport – \$500 million redevelopment of the international terminal (T1).

Airlines are also heavily investing in terminal infrastructure. For example, at Perth Airport Qantas is currently undertaking an \$85 million redevelopment of their domestic terminal.

Such a high level of investment in terminals and aeronautical infrastructure (unprecedented whilst under public ownership) will ensure Australian airports have world-class facilities which operate efficiently and with the highest level of customer service. However it is important to recognise that airlines and their passengers are critical to funding investment in airport infrastructure, therefore the level of service at airports ultimately comes at a cost to the travelling public.

It should also be recognised that airports must provide a service standard which is of sufficient quality to attract airline customers and their passengers. This is particularly true at international airports and in those cities where viable secondary airports exist such as Melbourne and Brisbane. Likewise airlines operate in a very competitive environment and passengers have a choice of competing carriers, therefore the airline product and service quality are key elements to attracting customers.

### ***The Current QSM Regime***

TTF appreciates the value in monitoring the quality of services at airports. However, it can be conducted in a manner which more accurately reflects the passenger experience rather than reporting against arbitrary and artificial benchmarks, as is the case with the current ACCC framework.

While the principle behind QSM is important in the sense that it can be a tool to inform and guide performance improvement, the current system does not translate the QSM results into tangible outcomes for airports or airlines.

Every Australian airport is different, with different leasing arrangements that result in a variety of responsibilities. Using a set of uniform benchmarks to monitor, report and then rank Australia's top five airports, which is not focused on the passenger and does not account for the different circumstances at each airport, is therefore problematic and does not provide a true and accurate indication of the passenger experience.

It is also important to recognise that there are a vast number of stakeholders who play an important role in providing a high quality passenger experience at airports, including airport operators, airlines, government agencies, rental car operators, transport providers, security contractors, ground handling agents and off airport service providers such as state and local governments. As there is no single party responsible for the whole-of-airport passenger experience it is inappropriate for service providers to be judged against the quality of services for which they have no direct, or limited control.

### ***Improving the QSM Framework***

TTF believes QSM should be passenger centric focusing on the airport experience. Research commissioned by the British Department for Transport<sup>1</sup> found that the most important considerations concerning the passenger experience include:

- *End to end reliability and efficiency* – Reducing queue times is a priority for passengers as it helps relieve stress and anxiety, as well as allowing them more time to enjoy other parts of the airport.
- *Information and communication* – Passengers want good, accurate and real-time information to help them plan their journey and feel more in control, including information about government agency requirements and procedures.
- *Customer care* – Good customer care was considered very important, and passengers valued having proactive staff who took responsibility when issues arose, especially at 'pinch points' like check-in, security and boarding.
- *Facilities and entertainment* – A good range of facilities and entertainment was found to be important in making the passengers experience more comfortable and enjoyable.
- *Airport design and maintenance* – The overall ambience of the airport and how clean and presentable it is.

TTF therefore considers the BAA Quality of Service Monitor (QSM) and the Airports Council International (ACI) Airport Service Quality (ASQ) as good examples of effective monitoring regimes which could be applied in Australia.

The BAA QSM measures the passenger perception of service standards at BAA's UK airports. Each year a survey of passengers is conducted to gather feedback on overall impressions, passage through the airport, information, queue and waiting times, cleanliness, shopping and food and beverage facilities and ambience, consistent with those items listed above.

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<sup>1</sup> *Understanding Airport Passenger Experience*, Independent Social Research for the Department for Transport (DfT), March 2009.

The BAA QSM offers a strong, consistent time series of trends, helps identify ‘real’ changes in perceived service experience, represents an annual database for more detailed segmentation and also offers a convenient way to run periodic questions of concern.

Similarly, the ACI ASQ framework, which is based on the BAA QSM, surveys passengers on their perception of an airport’s service quality, capturing their immediate impressions of specific service factors that make up their airport experience. The ACI ASQ would reduce both the cost and administrative burden of QSM and facilitate the benchmarking of Australian airports to others of a comparable size elsewhere in the world.

TTF has received feedback from some airport members that the BAA QSM can be problematic as it is quite complex, a preferred option would be to submit ACI ASQ results to the Department while also placing them on airport websites for public scrutiny.

Furthermore, TTF considers that there is scope to include some quantitative measures, where they are appropriate, to provide a mechanism to monitor, benchmark and improve performance. Areas where this could be of value include queue times at check-in, security clearance and customs and quarantine, as well as baggage and ground handling systems.

In relation to the specific questions about how the QSM framework could be improved, TTF would like to make the following brief comments.

### **The Passenger Experience**

*Access to the Airport – Should the 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?*

- It is the role of the airport Master Plan and any subsequent Major Development Plans to detail how passenger transport services to and from the airport will be managed.
- The inclusion of a Ground Access Strategy in Master Plans, as recommended in TTF’s submission to the National Aviation Policy Green Paper, would also work to ensure access to and from the airport is appropriately managed and planned for.
- State governments and municipalities should be held accountable regarding their responsibility to provide adequate public transport and road infrastructure.
- Potential monitoring could include the capacity and frequency of public transport to and from airports (relative to demand) and the baggage-friendly nature of trains and buses. However monitoring should not be reported against the airport operator as they are not responsible for providing these services or developing the infrastructure.

Car park monitoring - *What would be the appropriate criteria to monitor car parking services?*

- Car parking services should not be monitored.
- Airports already have significant financial incentive to provide good car parking services at competitive rates as the quality and price of airport car parking needs to be competitive with off airport alternatives, including public transport and taxi services.
- The Office of Transport Security (OTS) has very specific security requirements concerning access to the terminal, which affects the design of car parks and kerbside access to the terminal. Such legislative requirements therefore make the monitoring of these services redundant.

Terminal access and public amenities – *Should the quality of service monitoring be expanded to include matters such as: accessibility of facilities to transfer passengers from domestic to international terminals including, proximity of car hire and shuttle bus 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?*

- Monitoring of public amenities should be passenger centric - arbitrary measures, such as the *quantity* of baggage trolleys or check-in desks, are no indication of the *quality* of the passenger experience.
- Airports have strong financial incentives to maximise access to services such as eating places and foreign exchange.
- The BAA QSM and ACI ASQ both provide effective frameworks to monitor the quality of the passenger experience at airports, particularly terminal access and public amenities.
- The provision of appropriate disability access and facilities is legislated under the *Disability Discrimination Act 1992*. Airports and airlines therefore already have legal requirements to provide an adequate level of such services.
- The performance of government agencies is an important consideration regarding the quality of service at international airports. Delays in processing passengers by border control agencies frustrate the legitimate movement of people into and out of Australia and significantly reduce the passenger experience.

TTF believes the initiatives of the National Passenger Facilitation Committee will play a critical role in improving the quality of services provided by border control agencies at Australian airports and as such should be strongly supported by Government. These include express paths, Smart Gate, in-line X-ray screening and a whole-of-airport performance metric.

TTF supports closer scrutiny of government agencies at airports. A whole-of-airport performance standard would provide a transparent benchmark to monitor and report against government agency performance. The Federal Government could release the results each year showing how Government agencies performed in aggregate and at each individual airport.

However, TTF does not believe the performance of border agencies should not be pegged against airport operators or airlines as they have little influence or control over these services.

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

- TTF appreciates that passengers may not differentiate between those terminals owned and operated by airlines and those by airports.
- Airline operated terminals are very much a part the airline's product and therefore play an important role in attracting passengers and maintaining market share.
- TTF has not been able to reach member consensus on whether or not airline operated terminals should be subject to QSM.
- It should be recognised that the product offering will inevitably differ depending on the type of airline operation, i.e. full service or low cost. Therefore provision of services which may vary depending on the type of airline operation, such as aerobridges, should not be a measure of quality of service.
- Airports and airlines should be able to work together to design and conduct their own quality measurement and reporting processes based on their unique circumstances.

### **Airside**

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.

- Airports and airlines already significant incentives to provide proper airside facilities to ensure the safe and efficient operation of the airport. For this reason, they are continually monitoring and investing in airside infrastructure such as internal roads, parking aprons and airfield lighting.
- Airports also have legislative requirements in relation to safety and security which affect the quality of airside services, and therefore monitoring in this sense is redundant. TTF believes the provision of airside services and facilities is largely a regulatory matter with CASA requirements setting the standards on apron lighting for example.

- TTF believes the provision of aerobridges should not be a measure of quality of service, as they are not a feature of some airports, for good reason.

### **Airport capacity**

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 timelier basis.

- TTF does not consider the Government should be monitoring airport capacity constraints. The monitoring of airport capacity constraints is already undertaken regularly by airports through the airport master planning process – which requires approval from the Minister of Infrastructure, Transport, Regional Development and Local Government. Master Plans are 20 year planning documents which look at the long-term options for how an airport will be developed and managed. Importantly they are updated every five years, allowing airports to respond to changes in market conditions. TTF therefore believes that monitoring airport capacity is best dealt with through this process.
- It is not in the interests of airports or airlines to stymie growth from under, or poorly planned, investment in infrastructure. As detailed above, airports and airlines are investing significant amounts of capital in upgrading and expanding airport terminals and supporting infrastructure around the country to meet forecast passenger demand.
- The Federal Government could help facilitate the more timely delivery of airport infrastructure by streamlining the approval process for airport infrastructure and reducing or avoiding artificial capacity constraints such as the current or future use of airport curfews.

### **Expansion to cover more airports**

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 additional airports be subjected to the same level of monitoring requirements as the five airports currently being monitored?

What model of monitoring arrangement may be appropriate for the additional airports?

- TTF does not consider QSM should be expanded to cover airports beyond those currently included. However, if this were to occur, a tiered approach would be appropriate depending on passenger throughput.

- Monitoring and reporting by smaller airports could simply be a matter of publishing complaints and any survey results on the airport website and in their annual report. For example, Darwin Airport currently has four automated passenger survey kiosks located throughout the airport. They also intend to conduct intercept surveying using handheld PDAs to ensure that the kiosk data is not skewed. Importantly the results can be displayed in an easily understood format which could be provided on airport websites or in annual reports.
- Again, any expansion in QSM would need to recognise that the circumstances at each airport are different.

Should you wish to discuss anything further, please feel free to contact Ms Caroline Wilkie, National Manager – Aviation and Transport, on (02) 9240 2016 or at [cwilkie@tff.org.au](mailto:cwilkie@tff.org.au), or Flyn van Ewijk, Manager – Aviation and Climate Change, on (02) 9240 2007 or at [fvanewijk@tff.org.au](mailto:fvanewijk@tff.org.au).



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