



July 2009

Ms Marlene Tucker  
Director – Economic and Legal Policy  
Airports Branch  
Department of Infrastructure, Transport, Regional Development  
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Canberra ACT 2601

**Improving the passenger experience: Quality of service monitoring of airports**

Dear Ms Tucker

Thank you for the opportunity to comment on the Discussion Paper as a part of the development of a National Aviation Policy Statement.

Australia has benefited significantly from the privatisation of its major airports. Since privatisation, large scale investment has occurred at these airports which may not have been possible if the airports had remained in public ownership. Australia is well served by its major airports and the role they play in the broader contribution of the aviation sector to the national economy.

It is, in our view, important that the standards of service delivery be maintained. This will be challenging as capacity at airports comes under inevitable but predictable future growth pressure. The pressure associated with growing demand for aviation services is being compounded by increased regulatory activity and logistical challenges which are adding to the time needed to move passengers through airports. Inevitably this will increase pressure on terminal infrastructure with a potential decline in passenger utility and quality of service.

While there is some legitimate concern that airports may in fact be over-investing in some areas, the cost of which is inevitably passed on to consumers, with around \$4.5 billion of identified future expenditure on airport infrastructure, a significant proportion of which will be dedicated to terminal redevelopment and upgrades, the challenge of growth is being addressed and will go some way to ensuring current standards are maintained. The potential for a reduction in service quality nevertheless remains. Consequently, we believe that consideration may need to be given to ensuring Quality of Service Monitoring is sufficiently robust to address the emerging challenges.

In assessing the quality of service provided by Australia's airports we agree it is important to distinguish between services within the control of the airport itself and those provided by agencies operating independently within the airport precinct. However, from a consumer perspective it is somewhat academic to assess quality of service from such a narrow perspective.

For consumers the airport "experience" starts away from the airport and is usually replicated at destination. Its component parts include the quality of access roads and ease of access to airports; the availability of adequate public transport; access and cost



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of public parking; ease of access for consumers with special needs; peak hour congestion; check-in facilities; security screening; customs, immigration and quarantine formalities; movement of passengers from domestic to international terminals; functionality of baggage carousels; car hire and shuttle bus services, and services such as banking, currency exchange and restaurants and food outlets.

Consequently, overall responsibility for Quality of Service delivery rests with a very broad group of stakeholders including airports, the three levels of Government and airlines. Ensuring consumers have enough information readily available to enable them to anticipate the airport "experience" is also an important consideration. The complexity and breadth of the issues cannot, nor should be, addressed exclusively through the ACCC framework. Here the central role of the ACCC is to ensure that privatised airports do not use monopoly trading positions to increase profit at the expense of service delivery; an occurrence frequently observed at many overseas airports. That should remain the focus of its role.

While benchmarking plays an important role in monitoring consistency in service delivery the role of the ACCC might also be enhanced by encouraging an issue based approach to some of the major identified areas of concern including addressing anomalies which might arise at individual airports. It is important to note that there already exists a number of community and industry based consultative fora which meet regularly to discuss many of the issues raised in the discussion paper and that airport Master Plans are the subject of wide ranging and very detailed public consultation.

Broadly speaking the regulatory oversight arrangements collectively have ensured that the overseas experience has not been repeated in Australia and that overall standards at Australian airports have not diminished.

In addition to the role played by the ACCC, the Quality of Service challenge must be taken up more broadly and addressed by all stakeholders, including Government agencies responsible for public policy, the elimination of inefficient or inappropriate regulation, and meeting the full range of infrastructure challenges that face Australia's major airports.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony Wheelens', followed by a period.

Tony Wheelens  
Manager Government Relations  
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