Australian Airports Association

Further Submission to the Productivity Commission Inquiry into the Economic Regulation of Airport Services

AAA National Secretariat

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1 INTRODUCTION

1.1 The Australian Airports Association (AAA) is a non-profit organisation founded in 1982 which represents the interests of over 185 airports Australia-wide, from local country community landing strips to major international gateway airports. There are a further 85 corporate members representing aviation stakeholder companies and organisations providing goods and services to airports.

1.2 The Charter of the AAA is to facilitate co-operation among all member airports and their many and varied partners in Australian aviation, whilst maintaining an air transport system that is safe, secure, environmentally responsible and efficient for the benefit of all Australians.

1.3 All airports who fall within the scope of the Productivity Commission's terms of reference are members of the AAA. To a considerable degree, this further submission by AAA reflects a consensus view of those airports.

1.4 In April 2011 the AAA made a submission to the Commission and has subsequently had the opportunity to review the many other submissions received by the Commission that are available on its website.

1.5 As the AAA indicated in its first submission, no two airports are the same, and no two negotiations between airport operator and airline are the same. Further, it is clear that the nature of regulation of airports is of vital importance to all airlines. Accordingly, many AAA members have made their own individual submissions to the Commission. Those submissions confirm the significant diversity that exists in airport operations, the markets in which they operate and the relationships that exist between airports and their customer airlines in relation to how they agree price and non-price terms relating to the provision of airport services.

1.6 This further submission reflects a broad consensus among AAA members. It is nevertheless possible that some of the content of this submission might differ materially from the submissions made to date by individual airports. In such circumstances this further AAA submission does not purport to replace the positions already communicated to the Commission by individual airports.

2 PURPOSE OF THIS SUBMISSION

2.1 There are a number of matters addressed in other submissions that the AAA wishes to address by way of this further submission to the Commission, including:

- Changes to airport economic regulation proposed by the Australian Competition and Consumer Commission (ACCC), and supported by a number of airlines.
- Airline submissions indicating that commercial negotiations between airlines and airports should be conducted in the context of more prescriptive guidance material promulgated by the Government.
- Whether airports should be subject to some form of "show cause" regime.
- If there is to be a continuation of some form of price and quality of service monitoring of some airports, what form this monitoring should take.

3 AUSTRALIAN COMPETITION AND CONSUMER COMMISSION PROPOSALS

3.1 The March 2011 submission by the ACCC recommends that:

- as a "transitional measure" to some unidentified state, aeronautical services at "those [unspecified] airports that exercise market power" should be legislatively deemed to be declared services for the purposes of Part IIIA of the Competition and Consumer Act, with the effect that airlines seeking commercial terms unacceptable to airports could immediately seek binding arbitration by the ACCC; and

- unspecified airports be required to lodge mandatory Part IIIA access undertakings setting out terms and conditions acceptable to the ACCC on the basis of which they would provide landside access to businesses wishing to provide services in competition with airport-operated on-airport car-parking services.

3.2 While the AAA takes strong objections to these recommendations for the reasons detailed below, it does wish to acknowledge that there is a great deal in the ACCC submission with which it agrees. In particular it notes the following statements by the ACCC:

- *… the benefits of continued monitoring are unlikely to outweigh the costs … In recognition of the costs it imposes, there is little justification for its continuation. Indeed a continuation of monitoring might represent an unnecessary regulatory burden on airport businesses.* (page 6)

- *… the existence of market power is not, of itself, sufficient justification for economic regulation* (page 8)

- *Market forces should be left to operate if competition is possible or there are significant constraints on market power.* (page 16)

- *…given that monitoring does not act as a constraint on airport's use or market power, it represents an unnecessary burden on airport businesses. Price monitoring is not a costless activity. The Airports Act 1996 requires the major airports to prepare and submit to the ACCC audited accounts and information about quality of service matters. The ACCC also bears the cost or preparing and publishing the annual airport monitoring reports. For these reasons, reliance on the provisions of Part IIIA is preferable to the continuation of the current monitoring approach as it would improve the predictability of the monitoring regime, and avoid the costs of monitoring.* (page 19)

- *… the information required to more conclusively establish if parking rates are excessive is beyond the scope of monitoring.* (page 26)

- *… a comprehensive evaluation of the market for landside access at each of the airports would be required to determine whether or not the problem warrants a regulatory response.* (page 31)

- *Measures of rates or return across the airports do not provide economically meaningful information about the airports' profitability.* (page 5)

3.3 As noted in the AAA's primary submission to the Commission, when read carefully the ACCC's monitoring reports make it clear that the ACCC has no evidence that any airport has in fact abused whatever market power it may have. The ACCC reports simply speculate that it is possible that an airport might possibly do so.

3.4 The ACCC's submission to the Commission simply confirms this state of affairs. It is heavily qualified in its use of language, never suggesting anything other than theoretical possibility. Indeed, the footnote on page 8 of the submission specifically states that:

> *In this submission, an exercise of market power refers to the ability of a firm to profitably raise its prices above efficient long-run costs for a sustained period. The following analysis was not undertaken to assess conduct against the prohibition in 'misuse of market power' under s.46 of the Competition and Consumer Act. Section 46 prohibits a firm from taking advantage of its market power (in that or any other market) for the purpose of: eliminating or substantially damaging a competitor, preventing entry, and deterring or preventing competitive conduct.*

3.5 It is notable that the ACCC is unable to point to any evidence of abuse by an airport. At best it points only to theoretical possibilities. This is the situation notwithstanding:

- years of detailed monitoring under methodologies largely of the ACCC's own making;
- its sweeping powers of information gathering under section 155 of the Competition and Consumer Act which it could have exercised if it really had cause to believe that there had been an abuse of market power; and
- the major offences of and penalties for abuse of market power.

3.6 In these circumstances, there can be no credible suggestion that any Australian airport has been unlawfully abusing its market power but that evidence of this has simply escaped the ACCC's notice.

3.7 Among the possibilities that the ACCC raises is the following:

> *An airport operator could have a strong incentive to engage in rent-seeking activities because of the uncertainty created by the current regulatory regime in terms of the difficulties associated with interpreting monitoring results. For instance, the airport would be expected to lobby the Government to persuade it that the regulatory regime is working effectively, and that the airport's conduct should not be subject to more detailed scrutiny.* (page 12)

3.8 Not surprisingly, the ACCC does not countenance the alternative possibility - that a regulator unjustifiably keen to increase its bureaucratic power but possessed of no evidence to support such an outcome might lobby the Government to persuade it that the regulatory regime is not working effectively and that airport conduct should be subject to more detailed scrutiny.

3.9 The AAA appreciates the need to periodically review the efficacy of regulation and that evidence arising from such reviews may lead to changes aimed at improving outcomes. However, the failure by the ACCC to support its proposals with any evidence or cogent assessment of their strengths and weaknesses means that they fundamentally lack credibility.

3.10 It is a well-established first principle in Australia that economic regulation should only be put in place where there is adequate evidence of market failure. In particular, the accepted test of relevance in the present circumstances is that regulatory intervention is only justified:

- where there is an unacceptably high degree of unconstrained market power;
- where there is either clear evidence of abuse of that power, or strong reason to believe that such abuse is probable; and
- where the degree of intervention is proportional to and no greater than is reasonably necessary to prevent or resolve that abuse.

3.11 The ACCC submission fails to pass muster against any of these criteria.

3.12 As to the first criterion, the ACCC provides no reasoned analysis of constraints on the market power of airports. The AAA submission deals with this matter. It does not claim that airlines have such a high degree of countervailing power as to emasculate the position of airports. But it does highlight the very real constraints that do exist in the market.

3.13 As to the second criterion, by its own admission the ACCC has no evidence of abuse of whatever residual market power any airport may hold. Moreover, the conduct of airports over the years, and particularly the widespread commercial agreements they have reached with their airline customers, clearly demonstrates that there can be no material anticipation of abuse of market power by airports.

3.14 And, as to the third criterion, the ACCC fails to recognise the very real effect of the existing forms of regulation - Parts IIIA, VIIA and IV of the Competition and Consumer Act and the provisions of the Commonwealth leases detailed in the AAA submission. Instead, it recommends without any reasoned analysis a form of intervention even more severe than that imposed on telecommunications carriers under Part XIC of the Competition Consumer Act. Even that regime, universally recognised as extremely severe, does not have the effect of deeming all interconnection carriage services as liable to ACCC arbitration, but only those that are declared after a public inquiry process that demonstrates that such will promote the "long-term interests of end-users" of the relevant service.

3.15 That the existing law is adequate to deal with abuse of market power by an airport, whether in its dealings with an airline or with another transport operator seeking landside access, is well demonstrated by the recent decision of the UK High Court in the case of *Purple Parking Limited and Meteor Parking Limited v Heathrow Airport Limited* (the full report of which can be found at http://www.bailii.org/ew/cases/EWHC/Ch/2011/987.html#para241). There is no reason to believe that the ACCC would not be able to proceed against similar conduct in Australia under section 46 of the Competition and Consumer Act.

3.16 The existing law also allows declaration on a case by case basis when and if the need for such action can be demonstrated on a case by case basis. While previously declaration processes have been lengthy, the Government responded by amending Part IIIA of the Competition and Consumer Act to reduce the time allowed for such processes, and the AAA agrees with the sentiments expressed in this regard in the submission of the relevant expert authority, the National Competition Commission.

3.17 Overall therefore, the ACCC has not been able to provide any credible rationale to support its proposals to substantially change the economic regulatory regime that applies to Australia's airports.

4 PROPOSALS FOR A MORE PRESCRIPTIVE FRAMEWORK FOR AIRLINE/AIRPORT COMMERCIAL NEGOTIATIONS

4.1 The submissions made to the Commission by a number of key stakeholders, including airports, airlines and the Commonwealth Department of Infrastructure, consistently agree that the best airport economic regulatory environment is one which promotes commercial negotiations between airports and airlines as the optimum mechanism for setting price and non-price terms for provision of airport services. Relevant extracts from other submissions underlining this point include:

> *"The Qantas Group remains committed to a process of constructive engagement between airports and airport users in Australia. In order to provide the best and most efficient service to consumers, Airports and airlines must negotiate commercial acceptable arrangements for the provision of airport services." [Qantas, April 2011, 7]*
>
> *"Virgin Blue has consistently stated that its preference is to commercially negotiate agreements with airports. Commercial negotiation is the most efficient and flexible method of setting the terms and conditions on which airports supply, and airlines acquire, airport services. [Virgin Australia, April 2011, 10.2(a)]*
>
> *"Pricing arrangements for aeronautical services and facilities offered by airports to customers, particularly major customers such as airlines, are best agreed through commercial negotiations between the parties undertaken in good faith.....*
> *The experience to date is that disagreements on access to airport services and facilities are eventually resolved through commercial negotiations, despite sometimes difficult negotiations."[Department. of Infrastructure and Transport, April 2011, 10].*

4.2 Where airlines and airports have a difference of view, however, is in relation to the nature of that regulation and Government initiated prescription that will best promote achievement of commercially negotiated agreements and reasonably efficient outcomes.

4.3 The submissions lodged with the Commission by the AAA and its airport members confirm that the current regulatory regime has supported:

- favourable trends in relation to commercial relationships;
- no evidence of abuse of market power by airports;
- high levels of investment in airports;
- good levels of customer service at Australia's airports; and
- efficient airports.

4.4 While airports consider these outcomes mean that there are grounds to wind-back the extent of prescription contained in the current regime, some airlines have submitted that even more prescription is required in relation to many subjects affecting airport/airline relationships.

4.5 Qantas and Virgin Australia both indicate that their preferred approach is for prices to be set by commercial negotiation, but then proceed to propose models that would substantially condition the key areas for negotiation. The models suggested by Qantas and Virgin Australia effectively call for major issues that are currently subject to negotiation between airports and airlines to be predetermined by Government and then, under a deemed

declaration regime, for the ACCC to be available to arbitrate in the event that agreement is not reached. The AAA's view that deemed declaration is not justifiable is dealt with in the comments above in relation to the ACCC submission.

4.6 The AAA acknowledges that a central element in the successful achievement of the objectives of the current regulatory regime has been the Government's airport pricing principles and that these principles have been modified by the Government from time to time, including in response to past recommendations of the Commission.

4.7 The Government pricing principles have provided guidance to airports and airlines in relation to the Government's expectations of the parties and the desired outcomes from the Government's perspective. A key feature of these principles has been that they are high level, and importantly, they are not overly prescriptive. This is both necessary and appropriate having regard to the Government's key policy objectives in relation to airport operation, development and pricing.

4.8 Notwithstanding the past success of the pricing principles in helping airlines and airports to transition to mutually agreed commercial agreements, the AAA opposes any extension of the guideline regime to deal with further issues.

4.9 As noted above, it is established principle that there should be regulatory intervention only where there is adequate evidence of market failure. In the present context this means that it would have to be established that there is little prospect of the parties being able to resolve the issues they face in the negotiation process without regulatory intervention and that that intervention did not carry an unacceptable risk of regulatory failure. Experience demonstrates that the more complex the issue, the higher the potential for regulatory failure. In seeking to advocate further regulatory intervention, via more prescriptive codes/guidelines, the airlines have failed to demonstrate that intractable structural impediments exist. The simple fact is that market failure has not occurred – commercially negotiated agreements between airports and airlines are both widespread and long-term in their duration. In these circumstances it is difficult to see what further regulatory intervention could achieve.

4.10 The airlines' contemplated "codes of conduct" would bring an additional layer of quasi-regulation that simply could not cater for the diversity of circumstances that exist at airports and between airlines. These proposals would instead detract from commercial negotiations and almost certainly increase the risk of parties positioning themselves for arbitration, as opposed to seeking to reach agreement.

4.11 The airlines' justification for a more prescriptive approach appears to be based on a view that the process of negotiation would be made more efficient by narrowing the areas of contention and achieving greater consistency across airports. The airlines quite naturally attribute any present difficulty in the timely conclusion of commercial agreement to the conduct of airports. Needless to say, they do not volunteer the suggestion that some airline conduct and demands may be so unreasonable as to be the cause of what have on occasions been protracted negotiations. Nor do they make any allowance for the fact that these negotiations carry high stakes in the big businesses that are represented by both airports and airlines and that, in the ordinary course of commerce generally, such negotiations are almost always lengthy, wide ranging, detailed and hotly contested.

4.12 The AAA does not accept that the proposed increased prescription would result in any greater efficiency and/or superior outcomes to those being achieved under the current

regime. In the AAA's view, the formulation of codes of conduct or guidelines would carry an unacceptable risk of regulatory error and deemed declaration would act as a positive deterrent to the conclusion of commercially negotiated agreements.

4.13 Clearly the airline submissions are seeking to achieve 3rd party intervention via settlement of proposed codes/guidelines with the ultimate objective to deliver a better starting point for airlines in commercial negotiations.

4.14 However, before the Commission could conclude that more prescriptive codes/guidelines should be promulgated, it would need to be satisfied that there is a demonstrable need in relation to each of the issues airlines maintain should be subject to more prescription. Close analysis of the airline submissions reveals only general suggestions that negotiations would be easier if someone else provided more definition. What the airlines fail to show is that agreement making has been materially constrained by the absence of greater 3rd party definition of any of the generally unidentified subject matters that they now submit should be subject to greater prescription.

4.15 One suggestion is that different pricing models used by airports in some way disadvantages airlines such as Qantas and this is used as the rationale for suggesting that a 3rd party should define one pricing model. However, the reality is that, due its scale and its involvement in aeronautical price negotiations at numerous airports for over a decade, Qantas is exceptionally well positioned to conduct commercial negotiations with airports, regardless of whether a "building blocks" or "discounted cash flow" pricing model is used. In fact, airlines such as Qantas are better positioned in relation to these negotiations by virtue of their participation at many airports, compared to airports' engaging in such negotiations only relatively infrequently.

4.16 AAA member airports have highlighted in their respective submissions that commercial agreements are increasingly being reached with Qantas, Virgin Australia and BARA member airlines. These agreements actively demonstrate that the airports and airlines in question are actually achieving increased definition/clarity in relation to each of the key subject matters on their own and without a 3rd party providing more prescriptive guidance.

4.17 It is also reasonable to conclude that there is considerable diversity in relation to the agreed outcomes from airport to airport and in some cases between airlines at the same airport. This is a natural outcome and progression of direct commercial negotiations. In fact, there is evidence confirming that airlines actively pursue and agree very different outcomes in relation to key subject matters when it suits their commercial interests.

4.18 The imposition of more prescriptive codes/guidelines in relation to key variables would inevitably and unnecessarily impact the nature of relationships that have emerged through negotiations to date. If more prescriptive (and potentially more restrictive) guidelines are promulgated, they may well constrain the capacity of certain airlines and airports to agree outcomes that happen to differ from the guidelines. This is because commercial negotiations at airports are typically complex and dynamic, often involving a combination of multi-lateral discussions and bilateral negotiations. In such complex negotiations, should one airline not agree with a reasonable alternative approach that happens to be inconsistent with more restrictive guidelines promulgated by Government, the airport may be constrained from adopting the alternative (and potentially superior) approach notwithstanding most airlines are supportive. The overall and unintended effect could be to stifle innovation.

4.19 In summary, the AAA believes that the case has simply not been made out to introduce another layer of regulation/administration in the form of more comprehensive guidelines/codes. Airlines have not provided compelling reasons to support such a fundamental change to the current regime - a change which airports believe would act as a positive deterrent to the conclusion of economically efficient commercial agreements tailored to the particular circumstances of both individual airports and airlines.

5 THE "SHOW CAUSE" CONCEPT

5.1 The AAA's April 2011 submission and the submissions of a number of airports highlighted the significant concerns that arose from the method previously proposed by the Government to give effect to the Commission's 2007 recommendation that an annual "show cause" process should be introduced.

5.2 It is our understanding that both airports and airlines expressed significant reservations about the draft show cause guidelines that were promulgated.

5.3 Conceptually a "show cause" concept can be used in either of two ways:

- as a way of affording procedural fairness to the intended target of regulatory intervention, before potentially unwarranted action is taken by a regulator; or
- as a method of periodically assessing ongoing regulatory compliance.

5.4 The AAA believes the introduction of the former type would be unnecessary. This is because the AAA expects that an affected airport would, as a simple matter of good administration, be afforded an opportunity to make submissions in advance as to why action such as the establishment of a Part VIIA price inquiry should not be taken. And parties seeking the initiation of such action should not have to wait up to a year until the next scheduled "show cause" process to have their request for regulatory intervention considered.

5.5 The AAA understands that, instead, the Commission's previous report was contemplating a show cause process of the latter type and that the underlying motivation was a concern as to whether or not the present regulatory controls constituted a "credible risk" if attention was not periodically drawn to them.

5.6 The AAA remains firmly of the view that an annual process involving the relevant Minister inquiring into and publicly indicating whether or not each airport has a case to answer in relation to its conduct is not needed. The AAA is of this view for two fundamental reasons:

- first, whatever others may think, airports do regard the risks of action under Parts IIA, IV and VIIA of the Competition and Consumer Act or for enforcement or potentially loss of their Commonwealth leases as a more than credible risk, and this regard is only heightened by seeing outcomes such as that in the case of *Purple Parking Limited and Meteor Parking Limited v Heathrow Airport Limited* referred to above; and
- second, airports believe that the introduction of such a regime would promote regulatory "gaming" by positively detracting from the timely conclusion of

commercial agreements in the hope of gaining some advantage by lobbying for regulatory intervention in the annual show cause "hunting season".

5.7 Moreover, before any such process could be introduced, a number of difficult issues would need to be resolved:

- There is now much evidence before the Commission demonstrating that the annual ACCC report on price and service quality outcomes, in its current form, is of very little use in seeking to assess whether an airport is abusing its market power. Introducing any form of review process that even partially relies on the ACCC annual report in its current form would materially increase the risk of poor outcomes.

- In circumstances where the price and non-price terms applicable to an airline at an airport have been settled by agreement between the parties, conduct of the airport in accordance with that agreement could not be construed as inappropriate in respect of an airline which is party to that agreement and has therefore consented to that conduct. This is even more the case in circumstances where the agreement in question includes dispute resolution mechanisms. Any periodic show cause process should not apply where price and non-price terms at an airport are substantially governed by an existing agreement. Further, an airline that is party to such an agreement should not be able to be granted additional rights under an administrative regime to complain about an airport's conduct, potentially triggering further scrutiny of the airport in question.

- It would be essential to properly define both which parties are permitted to place "relevant information" before the Government as part of any show cause process and what "relevant information" could or could not be put forward by those parties. The Government's prior draft guidelines did not limit who could place information before the Government, the outcome of which would be substantial and continuing uncertainty for airports, particularly during commercial negotiations, when the prospect of such information being provided to Government (as a bargaining tactic) would increase. Such developments would be distracting and present the very real risk of disrupting/delaying negotiations that, left to run their course, would likely lead to a mutually acceptable outcome. While such processes are underway the negotiations are unlikely to continue as each party becomes focused on justifying its position. Guidance would also have to be provided in relation to how "commercial-in-confidence" information was treated, noting that it is typical in airport/airline price negotiations that confidentiality deeds are executed.

- It must be said that one of the many imponderables that arises from a show cause process co-existing with complex commercial negotiations is how a government department could reasonably reach conclusions about the relative conduct of the negotiating parties, based on information provided by those parties. The process would seem to have the effect of partially informed and inexperienced Government officials pulling a seat up to the negotiating table.

- There would be a need to provide for the legitimate right of the airport in question, and other parties with a valid interest (including airlines which compete with an airline

alleging inappropriate conduct), to be appraised of the nature of the complaint and the information provided to the Government. This is a question of procedural fairness and, at a practical level, it would be necessary to properly define (and narrow) the areas in question that the airport must address.

5.8 Overall, the AAA considers the proposed process of periodic "show cause" to be one that brings with it considerable risk of unintended consequences as Government seeks to introduce such an administrative process into a complex commercial business environment.

6 PRICE AND QUALITY OF SERVICE MONITORING

6.1 As noted above, the AAA agrees with the proposition put in the ACCC submission in relation to price monitoring that:

> *… the benefits of continued monitoring are unlikely to outweigh the costs … In recognition of the costs it imposes, there is little justification for its continuation. Indeed a continuation of monitoring might represent an unnecessary regulatory burden on airport businesses.* (page 6).

6.2 Moreover, the ACCC's annual monitoring of airport pricing is unnecessary because:

- airports routinely publish their airfield services prices on their websites (and would not object to a legislative requirement that they must do so) and
- the Bureau of Infrastructure, Transport and Regional Economics (BITRE) regularly publishes information on charges for the five major airports and a number of regional airports in its *Avline* publication.

6.3 Through these mechanisms not only can the Government and the ACCC readily observe movements in airport pricing, but airlines can be satisfied that the prices they are paying are no higher than those paid by others.

6.4 In relation to quality of service monitoring there is now much information before the Commission demonstrating that the ACCC's current approach is fundamentally flawed. So far as the AAA is aware, the compelling evidence about the flaws in its methodology has not been contested by the ACCC.

6.5 The AAA submits that an appropriate regime for quality of service monitoring and public reporting does not require involvement of the ACCC. AAA has canvassed the views of its member airports that are regulated and the consensus view is that appropriate Government guidelines could be promulgated outlining suitable methodologies for quality of service monitoring and public reporting by each airport.

6.6 The prior submission of the AAA and the submissions of most of our member airports confirm support for accurate public disclosure of trends in quality of service delivered to travellers at their airports.

6.7 The AAA submits, however, that far more care needs to be undertaken in relation to the design of airport quality of service surveying and reporting methodologies. Properly

structured surveys of the views of statistically relevant samples of passengers using airport facilities can provide a suitable basis for reporting trends in the quality of service as experienced by passengers. What is needed is a suitable survey structure and reporting method.

6.8 In this regard the AAA now suggests that a credible option for the Commission to recommend is that the AAA develop (at its cost) for approval by the Minister a survey form (along the lines of the internationally accredited Airports Council International (ACI) airports service quality survey) that would be adopted at all airports currently the subject of formal monitoring, and the results of which would be published on the websites of both those airports and the AAA. In this regard we note that, as a result of Government initiative, the second tier airports are already involved in a self administered quality of service regime.

6.9 However, survey/questionnaire based methodologies are not suitable for gaining accurate information on the quality of service provided to airlines by airports, nor for the purpose of determining whether the airport facilities are suitable for border agencies to meet their statutory responsibilities. The essential reason for this is that, due to small sample sizes and response problems such as those evidenced in the AAA's earlier submission, there is the real prospect of bias and inaccurate responses.

6.10 A more reliable methodology would be based on measurement of defined/unambiguous airport facility performance factors that are relevant to airlines and border agencies, such as:

- Frequency and duration of delays to on-time performance of scheduled airline services due to failures of airport infrastructure.
- Number of times an airline requesting access to an aerobridge is unable to get such access.
- Percentage achievement of service standards defined in agreements between airports and airlines.
- Frequency and duration of failures in airport infrastructure that adversely impacted border agency performance of their statutory functions.
- Average passenger screening processing time versus targeted service standards.

6.11 Such metrics (many of which are already covered by service level standards in commercially negotiated agreements) should be agreed between airports and airlines or border agencies respectively, and the results periodically provided to airlines/border agencies and, if required, to the Minister.