



FOR IMMEDIATE RELEASE

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Passenger satisfaction highest in 10 years: ACCC

- **ACCC report finds passenger satisfaction ratings the highest in 10 years**
- **Major investments and improvements to facilities, capacity, value and choice**
- **Online parking offers allow customers to save up to 73 per cent off standard rates**

Sydney Airport welcomed the ACCC's monitoring report released today, which found that passenger satisfaction at Sydney Airport has increased to its highest level in 10 years as a result of greater value and choice across the airport and strong investment in improved facilities.

"We're listening to our customers and are taking their feedback on board," Sydney Airport Chief Executive Officer Kerrie Mather said.

"As a result, improving our facilities, increasing capacity and providing more value and choice for our customers across the airport has been a key focus and we're delighted that the results were reflected in today's ACCC report.

"In fact, Sydney Airport was the only airport to have increased its passenger rating this year¹, a result of the investments we've made to add capacity, streamline check-in, screening and arrivals processes and add value for passengers, including free WiFi and improved terminal facilities.

"Even though we've made significant investment, the report acknowledges that our price increases have been the lowest of all the airports and passengers appreciate the results with the highest quality of service rankings in a decade.

¹ ACCC Airport Monitoring Report 2011-12, p xv.

“Since we introduced online parking offers 18 months ago, we’ve seen an increase in people parking at the airport as nearly 200,000 customers have taken advantage of discounts of up to 73 per cent off standard rates and daily rates as low as \$5.95. As a result, since the period of the report we’ve also invested significantly in more parking capacity, including a new 2,300 space multi-storey car park at T1 and more spaces at the Blu Emu long-stay car park to meet the demand generated by our value offers.

“For most Sydney-siders, our online offers compare favourably with catching a taxi to and from the airport, but unfortunately the ACCC report only looks at standard drive-up rates.

“Nearly half of all people parking at the domestic terminal also took advantage of 10 minutes’ free parking, while 29 per cent of drivers parked for free at the international terminal.

“Our rates are about one-third cheaper than the CBD and compare to other car parks in high demand areas in Sydney.

“We’ve had excellent feedback from business parkers at the airport that our service is convenient at prices that compare favourably to the CBD.

“There is significant choice in options for accessing Sydney Airport and our focus has been on improving public transport services, access and affordability and advocating strongly to reduce the fare to encourage greater usage of the service, as well as adding more bus services.

“We’ve invested strongly this year in major construction and improvement works across the airport, including the construction of a terminal extension and addition of five new gates at T2 – Australia’s busiest airport terminal – and more check-in capacity and SmartGates at T1.

“As a result, passengers have experienced shorter waiting times for check-in and arrivals, as well as shorter waiting times for taxis.

“More than \$2 billion has been invested in new facilities and additional capacity since 2002 and we will continue to invest to meet customer demand.

“Our development concept plan to evolve Sydney Airport into two integrated terminal precincts with international, domestic and regional services in each will unlock more capacity and ensure we have an airport for future decades.”

ENDS

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BACKGROUND

The ACCC is currently reviewing its methodology for service quality monitoring. The following compares statements in the report and media release regarding Sydney Airport to the facts.

STATEMENT	PAGE	FACT
<p>“Overall, Sydney Airport is perhaps of greatest concern given the pattern of price and earnings increases, lower service standards and low investment levels compared with other airports.”</p>	Media release	<ul style="list-style-type: none"> • The information in this report is 10 months old. Since the monitoring period ended, completed projects have included a 4,500m² terminal expansion with five new gates and 28 per cent more capacity, a new 2,300-space multi-storey car park, additional capacity at the Blu Emu car park, additional check in counters at T1 and T2, self-service check-in kiosks at T1, bathroom upgrades across both terminals and repaving of roads and forecourts at T1. • Our higher prices and earnings reflects the fact that we have more international passengers than any other airport. More than 50 per cent of our revenue comes from aeronautical fees. • Our passenger rating is the highest in 10 years in this report and we were the only airport to improve its passenger score. Our own customer surveys has found 87 per cent of passengers rated us at seven or above out of 10 and more than one-third of passengers were highly satisfied, providing a rating of 9 or 10 out of 10.
<p>“Sydney Airport remained the airport with the highest aeronautical revenue per passenger at \$14.96.”</p> <p>“Sydney Airport continued to be the airport with the highest aeronautical margin per passenger at \$7.33.”</p>	viii	<ul style="list-style-type: none"> • We have the most international passengers of any Australian airport – 42 per cent of all international passengers arrive at Sydney. The report averages out aeronautical fees across international and domestic operations at all airports. • Services provided to international passengers are more complicated than domestic and are regulated by government – eg. Customs, screening, baggage and segregation of arriving and departing passengers.
<p>“Sydney Airport continues to be rated lowest overall. Passengers increased their ratings within the satisfactory category, while airlines’ ratings dropped from satisfactory to poor.”</p>	viii	<ul style="list-style-type: none"> • Sydney Airport was the only airport to improve its passenger rating. • Our passenger rating was the highest it has been for 10 years. • All airports are rated in the satisfactory category. • The ACCC report comprises passenger surveys and airline ratings. The Productivity Commission said in its 2012 report that the strongest weighting should be given to the passenger surveys as airline surveys can be problematic. For example, each airline is weighted equally, regardless of their size or service frequency.
<p>“Sydney Airport continues to earn the highest revenue and margin per car park space (\$7654 and \$5290 respectively) while Perth Airport reported the lowest (\$3239 and \$2187 respectively).”</p>	ix	<ul style="list-style-type: none"> • Patronage of Sydney Airport car parking went up and parking revenue per space declined in 2011-12 due to the expansion of online deals. • Our rates reflect our proximity to the CBD and higher land values and compare favourably to CBD rates. • Compared to other airports, the vast majority of our car parking is multi-storey, which is far more expensive to provide than at-grade parking. • There is free parking at both our terminals, with nearly half of drivers to the domestic terminal and 29 per cent parking at international parking for free. • Shopping centres that offer longer periods of free parking do so as a loss-leader to attract customers.

		<ul style="list-style-type: none"> Unfortunately, the ACCC report does not acknowledge discounts of up to 73 per cent off drive-up rates offered by Sydney Airport online, despite close to 200,000 customers taking advantage.
<p>“Sydney Airport reported the largest increase in landside* revenues (36.9 per cent) and continued to be the airport with the highest revenues from landside charges (\$13.3 million).”</p> <p><i>*Bus, taxi and hire car fees</i></p>	ix	<ul style="list-style-type: none"> Higher revenues reflect the fact that Sydney is Australia’s busiest airport with the most passengers. Sydney Airport is closer to the city than other major Australian airports, so we have a higher proportion of taxis, hence has a lower proportion of parkers – eg. just 10 per cent of our revenue is parking, compared to 20 per cent at Melbourne Airport. We commenced a new e-tag system for buses, limos and taxis during the monitoring period, which resulted in more accurate reporting compared to the previous manual system.
<p>“Sydney Airport had the lowest overall rating among monitored airports for 2011-12.”</p>	xv	<ul style="list-style-type: none"> ACCC monitoring of airports comprises two measures: airline surveys and passenger surveys. Sydney Airport achieved its highest passenger rating in a decade and was the only airport to increase its passenger rating last year. All Australian airports are within the “satisfactory” range. No airport has ever been rated “good”. Sydney Airport has been consistently rated as satisfactory since ACCC monitoring began.
<p>“Sydney Airport’s revenue from landside access was the highest of all five airports at about \$13.3 million, increasing by around 36.9 per cent in 2011-12. Sydney Airport accounted for around 46 per cent of the combined land-side revenue earned by monitored airports.”</p>	xix	<ul style="list-style-type: none"> Our proximity to the city means that more taxis, buses and hire cars service Sydney Airport compared to other airports where private vehicle is the predominant form of access. This means our landside earnings are a greater proportion of revenue than for other airports, where parking is a greater proportion of revenue. During the reporting period (5 July 2011) Sydney Airport introduced an e-tag system to replace the manual “pay and display” system, resulted in more accurate charging.
<p>“The ACCC noted that airlines consistently identified Sydney Airport as the least responsive of the airports in relation to the delivery and quality of aeronautical services over a long period of time.”</p>	14	<ul style="list-style-type: none"> We have significantly stepped up our engagement with airlines over the past 18 months, increasing communication and appointing dedicated managers who are the point of contact for airlines operating at both terminals. In our own airline surveys, airlines have given improved feedback on responsiveness and accessibility as a result.
<p>“In 2011-12, airlines decreased their rating for Sydney Airport from satisfactory to poor. In last year’s AMR, the ACCC noted that although higher airline ratings for Sydney Airport were a positive step, airlines still had concerns about particular services and facilities. The results from the latest airlines surveys suggest that Sydney Airport may not have addressed these concerns during 2011-12.”</p>	14	<ul style="list-style-type: none"> The ACCC’s own report acknowledges that in an airport environment where airlines are in competition, as well as negotiating commercial agreements with airport operators, relying on airline surveys to rate airports can be problematic as there is “potential incentive for airlines to deliberately under-report quality for airports” (p525). Runway availability, which is subject to a regulated cap of 80 movements an hour, was the main reason airlines provided negative feedback this year. At the same time, Sydney Airport is investing to upgrade runways to Cat II operations, which will enhance our ability to operate during fog.
<p>“Airlines raised concerns about inadequate check-in services and aerobridges, a concern that is still being raised by airlines in 2011-12.”</p>	15	<ul style="list-style-type: none"> See above. Projects completed last year included: <ul style="list-style-type: none"> Expansion of check-in facilities; A 4,500m² expansion of T2, including five new gates, which increased capacity by 28 per cent;

		<ul style="list-style-type: none"> ○ Installation of self-service check-in kiosks at the international terminal; and ○ Addition of more SmartGates. ● Airline concerns contradict feedback by passengers to the ACCC that waiting times at check-in and for taxis had significantly improved.
<p>“Sydney Airport had the highest aeronautical revenue per passenger and the lowest overall rating for quality of service in 2011-12.”</p>	52	<ul style="list-style-type: none"> ● The Productivity Commission’s report on the Economic Regulation of Airport Services in 2012 found that airports were strong investors in infrastructure, had a good level of service provision and reasonable aeronautical charges, revenues and profits compared to international benchmarks. ● The PC found no evidence of a systemic misuse of market power by airports.