



1 A service quality culture



BARA is seeking to apply a consistent service level framework with the major international airports, which will promote improved outcomes for passengers and international airlines.

The framework focuses on measuring and improving specific airline operations, safety outcomes and the overall passenger experience. It includes KPIs focused on outcomes; implementing performance improvement projects; understanding and recognising significantly delayed flights; and effective consultative forums with international airlines.

[CLICK HERE TO READ MORE](#)

2 BARA welcomes All Nippon Airways (ANA)



ANA joined BARA as its 32nd member. ANA fly daily direct Tokyo Haneda-Sydney on its Dreamliner aircraft.

BARA's members cover more than 90% of international passenger flights.

Member benefits include improved terms and conditions with suppliers, awareness of aviation policy, support implementing security arrangements, and industrial relations advice and representation.

BARA's vision for international aviation in Australia is 'High quality, adaptive and efficient'.

3 Mitigating the effects of jet fuel supply disruptions



International airlines require prompt and accurate information on emerging jet fuel supply disruptions so they can minimise any disturbance and inconvenience to passengers.

The Department of Industry, Innovation and Science is reviewing the ongoing role of the National Operating Committee on Jet Fuel Supply Assurance.

BARA considers it essential to maintain the current 'traffic light' system, including explanatory commentary, as a key source of data. BARA is open to working with industry stakeholders to improve upon the existing arrangements.

[CLICK HERE TO READ MORE](#)

4 A safe and merry Christmas



BARA wishes everyone a safe and merry Christmas and looks forward to working with you to promote safe and efficient international aviation in 2016.

International airlines will carry over six million passengers during December-January, connecting Australia to the rest of the world during this busy international travel period.



A service quality culture

BARA's policy document *Timely and reasonably priced airport infrastructure* calls for a service quality culture to deliver valued outcomes to passengers and international airlines. To support these outcomes, BARA wants to apply the service level framework recently agreed with Sydney Airport to the other major international airports.

International aviation exists to provide services to people and businesses. Effective co-ordination, the efficient delivery of services and a focus on customers are integral to the industry's success.

Availability, cleanliness and an ongoing culture of safety and efficiency at airports are elements of service quality that are critical for promoting high quality, adaptive and efficient international aviation in Australia.

Current commercial agreements between the international airlines and the major international airports are generally patchy when it comes to their commitments to improving outcomes for passengers and international airlines.

The Australian Competition and Consumer Commission's (ACCC) *2013-14 Airport Monitoring Report* found that while prices and margins for the major international airports had increased over the last 10 years, service quality had not improved or had deteriorated. While some parties continue to criticise the ACCC's report, as far as BARA can see the airports and international airlines are yet to engage at the level necessary to improve service quality.

To promote better outcomes for passengers and industry participants, BARA has devised a service level framework, which underpinned the international agreement recently negotiated with Sydney Airport.

BARA sees merit in negotiating and applying a consistent framework at each of the major international airports. The framework is flexible enough that its detail can differ across airlines and airports to suit individual requirements at each airport.

Outcome-focused KPIs

Solid performance data are necessary to identify areas for improvement and respond to and resolve emerging issues.

BARA proposes establishing two tiers of key performance indicators (KPIs). The first tier will focus on the final outcomes for airlines and passengers, including measures on airline on time performance (OTP) and baggage outcomes (eg the proportion of bags on their correct flight). Improvement in these outcomes often requires the joint effort of all industry participants.

The second tier covers activities more within the direct control of the airport operator, such as the availability of the runways, taxiways and baggage system. Specific improvements here can directly support improved final outcomes. Some airport operators have included such measures in their agreements with airlines. Future agreements would benefit from standardising many of these measures across the major international airports.

Performance improvement projects

A sound understanding of airline and airport performance means the parties are then in a position to implement projects targeted at delivering improved outcomes.

Performance improvement projects need to start with a detailed analysis of current processes and outcomes. It is then possible to identify and rank initiatives to improve performance based on the cost and potential return of each initiative.

Improving final outcomes, such as OTP, often involves the joint efforts of the airport operator, ground handlers and airlines. Yet the need for joint responsibility should not be a reason for



inaction by the airport operator. The airport operator is usually the party best placed to lead and coordinate performance improvement initiatives across the industry participants.

Understanding and recognising significantly delayed flights

Achieving satisfactory OTP outcomes is critical for international aviation to deliver quality services to passengers and to maintain commercial viability at each airport.

Airlines should be entitled to some level of compensation for flights that are significantly delayed because of issues within the power and control of the airport operator. There is a need to agree: the definitions of 'significantly delayed'; the service failures that can lead to the delay; level of compensation provided; and processes for assessing airline claims for compensation.

Through time, this process will generate a valuable source of data on the reasons for significantly delayed flights.

Effective consultative forums

The service level framework requires effective consultative forums to obtain airline engagement and implement the service level framework.

BARA sees merit in a formal forum with agreed terms of reference to promote effective engagement with the international airlines. Generally, four meetings a year should be enough to implement the service level framework, as much of the actual implementation occurs continually over the course of the year.

These forums would not be there to replace the resolution of operational and other issues through the Airline Operators Committee (AOC) at each airport. Instead they would negotiate KPIs, monitor performance and agree projects to deliver improved outcomes.

Mitigating the effects of jet fuel supply disruptions

Unfortunately, jet fuel supply disruptions occur with more frequency than necessary in Australia. To help mitigate their effects on passengers and airlines, airlines require prompt and accurate information on emerging disruptions at individual airports.

The Department of Industry, Innovation and Science is reviewing the ongoing role of the National Operating Committee of Jet Fuel Supply Assurance (NOC).

Airlines require prompt and accurate information about emerging disruptions to the supply of jet fuel at individual airports. The NOC does consolidate and relay the information provided to it via the Joint User Hydrant Installation (JUHI) owners at each airport. As such, BARA supports a continuation of the current arrangements as the NOC provides a useful information service to international airlines operating to and from Australian airports.

How airlines and fuel suppliers respond to supply disruptions

There are a number of strategies available to the airlines and jet fuel suppliers to minimise the effects of jet fuel supply disruptions.

One option that may be available is to source additional fuel from other airports whose supply is adequate. This may involve diverting an incoming supply ship to the affected airport. To do this, it is critical the fuel suppliers work together to provide coverage for the supplier(s) being prepared to reduce available reserves at an airport to help with the supply situation at the affected airport.

The airlines also have strategies available to reduce their fuel uptakes at the affected airport.



Their ability to do so is usually determined by the flight time between destinations and the aircraft types available.

For shorter trips, the airline may have the option of carrying additional fuel for the flight to the affected airport to reduce the fuel required for the departing flight, known as ‘fuel tankering’. An operating cost is associated with this practice because the aircraft ultimately burns more fuel and incurs more cost than with an ideal fuel load.

For international aviation, opportunities for fuel tankering can be limited because of what are often long flight times (up to 14 hours), such that the aircraft cannot carry additional fuel. There are opportunities for shorter flights (say 4 hours) made by long distance aircraft.

A more expensive option is ‘technical stops’, whereby the aircraft takes enough fuel at the affected airport to fly to an intermediate airport before proceeding to its final destination. Technical stops increase flight times and airline operating costs because they involve an additional landing and takeoff. It can be very costly if a change of crew is required at the intermediate airport. Technical stops also reduce the quality of service to passengers through the need to add an extra stop to the flight.

Finally, airlines may need to cancel some proportion of flights into the airport. This would most likely involve freight aircraft in the first instance but may extend to passenger flights if the fuel shortage is sufficiently severe.

Prompt and accurate information

Whether jet fuel suppliers and airlines can apply the most cost-effective mitigation strategy depends on prompt and accurate information on the emerging disruption.

International aviation requires careful planning and plenty of forward notice to use fuel tankering or organise technical stops. Aircraft already in the air and on their way to Australia cannot increase

their fuel holdings in response to late notice given about fuel disruption at their destination airport.

By being able to implement the most cost effective mitigation strategies as early as possible, it also reduces the likelihood of needing to cancel flights into the airport.

Promoting industry productivity

BARA notes and supports the Australian Government’s current initiatives to reduce ‘red tape and regulatory burden’. It is therefore good public policy to review the merits of organisations, such as the NOC, to ensure the benefits of their activities outweigh the costs involved.

In this instance, BARA would be greatly concerned if the current jet fuel ‘traffic light’ system, including explanatory commentary, for the major international airports was discontinued. While there is scope to improve on the current arrangements, the benefits to airlines of being able to better manage jet fuel supply disruptions greatly outweigh the cost of the industry participants providing the information.

If the traffic light system were abandoned, the effect would be to reduce the productivity of international aviation in Australia, and ultimately increase its operating cost base.

BARA is open to negotiating improved ‘traffic light’ arrangements aimed at promoting industry productivity through streamlining and improving upon the current information service. The Department of Industry, Innovation and Science could facilitate such negotiations between the industry players, as they are consistent with promoting industry-developed solutions and outcomes.