



Introduction:

Jetport Airport Parking is off-site parking provider servicing Melbourne Airport in competition to the parking offered at the airport itself. Our service has been operating for over 37 years and we provide 2,000 spaces as an alternative choice for the public.

Jetport transports customers to and from the airport via our shuttle busses.

Each year permits are issued for each bus to operate our service through the designated pickup lane. This is provided we pay the ongoing access fees of which we understand is their right to do so.

Over the last 5 years our fees have increased at an alarming rate and our access points being continually moved as it suited the airport. With little or no consultation.

We believe competition is healthy result, for the general public to take advantage of all parking opportunities both at the airport and off-site alternatives.

Request Information 6.1

1. How airport operators engage with landside operators when setting access charges and undertaking investment in landside infrastructure :

Melbourne Airport hold quarterly meetings that is attended by bus operators, taxi companies, off site airport parking providers, rental companies and Skybus.

They prefer these meetings for any engaging matters.

Minutes are sent out often just before the next meeting , leaving little time for any inclusions if something was raised but left out of the minutes , surely this should be done soon after the meeting held.

Originally we were only charged fees for collections only and would submit reports and pay invoices subsequently raised. Each trip, we were allowed to stay in the zone for 15 minutes. In 2013 this changed to every entry would incur a fee whether it was a drop-off or a collection, this increased our operation costs substantially. With our fees effectively increasing 35% overnight.

In 2014 the fee was \$2.53 Inc GST per entry, in 2019 it is \$4.53 that is 79% over 4 and one half years.

Our zones in the beginning we could drop-off upstairs and collections always were in Lane 2 that had covered walkways Then we were restricted from upstairs access and could only pickup and drop off in lane 3 that had little or no shelter from the elements. Recently we were moved back to lane 2.

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Without the access we could not provide our service.

When a fee increase is impending we are advised ahead in the meeting and then letters are sent out. There is no reason why or how they have calculated the figure.

2. How consultation between airports and landside operators could be improved ?

A) Referring back to point 1 , Minutes from meetings should be distributed soon after they have been held not a week before the next meeting. Then any response could be made or even commented on for adjustment. 80 days later things are forgotten and maybe this is a tactic by the airport.

B) There is no framework , procedure or contact for raising matters outside of the meeting timings. There is an email address to send issues of concern too, (this is a general email address) but you would be lucky to get a response if any. Similarly there is a contact phone number but often it is not answered and even if you get through, "oh bother gosh" we are a burden to them.

C) There should be clear procedures and then set out methods for escalating matters that have not been dealt with. There should also be clear timing on each step that should be adhered to.

D) Since the last meeting a few weeks ago we have been advised more staff have been put in this area but yet to notice any changes. An example was I requested via email that overcharges for camera faults be credited. This is where we get charged for overstaying our time limit. It took over 2 weeks to get a response

3. Mechanisms available to landside operators to raise issues with airport operators that relate to landside access and how issues are resolved.

The quarterly meetings held offer literally the only method for contact with the airport on how to raise and resolve matters.

While relationships are in place with staff of the airport but, as listed above in 2 B) there is no method/procedures for raising matters and then actioning of these matters as listed in 2 C).

An example was the camera faults and charging system.

In April 2017 Jetport was overcharged \$38,011.42 in a single month, understandable that mistakes happen however the then action afterwards did not come from airport management but the company that runs the cameras and charges. Errors like this would have sent smaller operators into liquidation.

In the meeting after this had come to light nothing was even mentioned of which was grossly arrogant and dismissive of a matter that at least could have been simply acknowledged and apologies given. Neither happened.

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A further examples in 2017 / 2018 every month I was submitting requests for overcharges to be credited where the camera had glitched and not recorded our bus leaving the zone. For 7 months nothing was credited.

It took an email to head of operations at that time for it to be investigated and then actioned with a credit.

Amazingly it was only tended to after the overcharge in April 2017 had come to light.

Had there been a structure in place of where to raise issues and then escalate it would have never have been raised to that level.

4. Pricing Frameworks airport operators employ to determine the access price of specific and common use landside infrastructure and whether these frameworks, and the associated methodology, are included with negotiations with airport users.

Never has Melbourne Airport ever explained the framework for the charges and neither have they explained with good reason for increases in these charges. How can we ask questions if there is no way ask and then have it explained. It should be transparent and fair.

As mentioned earlier in the introduction, in 2014 the fee was \$2.53 Inc GST per entry, in 2019 it is \$4.53 that is 79% over 4 and one half years.

Other entities that use the area like taxi's have not incurred huge cost increases, and yet they enjoy a large space of airport land and have staff managing their area. While we only occupy a small area for less than 10 minutes and there is no staffing. Yet our costs have risen sharply by 79%.

How can they force through increases exerting market power without justification. The rates they are charging for their parking is in fact almost protected by the fees that they charge us. There is a point where it becomes anti-competitive.

In the last 12 months, 4 off airport parking providers have gone into liquidation as they could no longer compete. With rent, wages and fuel costs etc there is a minimum that is required to be charged.

While annual increases of small amount is acceptable, the initial high base charge is not acceptable.

We have a strong loyal customer base but these increase are eroding our goodwill and making it increasingly difficult to operate.

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5. Airport Operators making take it or leave it offers when negotiating charges and other terms of access with landside operators

Simply if we do not pay we cannot operate, and a 10 Million dollar business disappears. Any rate increase has to be accepted regardless of our position or argument, not that we even have a choice with increases.

It is raised in the meeting and then letters are sent out but there is no position for recourse as we must pay to operate.

So how can you negotiate against that ?

6. Final comment and our position.

Jetport would submit that the cost for access should be in line with other providers that have access to landside facilities like taxi and rideshare services and yet ours is a lot more, almost \$2

There should be a national pricing regulation of all landside services and not a lawless anti – competitive methodology that has abused market power by airport operators. The pricing should be determined by the government as it is in the interest of fair competition and not the airport operators or landside operators.

Should you require any further information please do not hesitate to ask

Thank you.

Regards

Richard Tehan

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