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Airport Regulation inquiry
Productivity Commission
Locked Bag 2
Collins Street East Vic 8003

25 March 2019

SUBMISSION - ECONOMIC REGULATION OF AIRPORTS
COMMERCIAL PASSENGER VEHICLE ASSOCIATION OF AUSTRALIA

Thank you for the opportunity to offer our perspective on the inequality of landside and fee arrangements between taxis, hire car and other commercial passenger vehicle (CPV) operators at Melbourne Airport.

We have three main concerns.

1. Landside arrangements and fees

Premium landside waiting areas have been allocated to CPVs registered with Uber, GoCatch, Didi and Ola. These vehicles pay a flat fee of \$4.48 to pick up a passenger, regardless of how long their vehicle remains in the holding area prior to engaging a fare. Facilities provided for rideshare services along with the dedicated waiting area include a café, restrooms and dedicated pick up zones in the forecourt outside terminal 2 and in the terminal 4 carpark¹.

Hire car operators and pre-booked taxis are forced to pay anywhere from \$3 (up to 5 minutes) to \$24 (60 to 180 minutes, beyond this drive up rates apply), charged incrementally, to park in dedicated VHA parking bays further from the terminal. There are no other facilities provided nearby.

2. Landside Vehicle Authority

Hire car operators are required to obtain both a Landside Vehicle Authority (LVA) at \$50 per annum and a Landside Driver Authority (LDA) at \$150 on application and \$125 per annum on renewal to access the VHA holding area.

¹ Productivity Commission Inquiry into the Economic Regulation of Airports, Melbourne Airport Response to Issues Paper September 2018, https://www.pc.gov.au/data/assets/pdf_file/0013/231214/sub033-airports.pdf



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Pre-booked taxis using the same holding area do not require these permits, nor any other taxi or CPV operator in any other designated holding area.

This is an impost on one type of hire car business over another type - rideshare - and is an unfair and unjust burden on legitimate operators of hire car services.

3. *Private commercial arrangements*

Four ridesharing operators (Uber, GoCatch, Didi and Ola) have established agreements to operate at Melbourne airport, resulting in the reshuffling of landside arrangements, with existing hire car and pre-booked taxis moved to their current location. There was no engagement or negotiation with the hire car and taxi sectors of the industry, merely a notification of the airport's final decision.

Conclusion

The CPVAA believes Melbourne Airport has created a clear commercial advantage, both financial and through convenience for clients, for some CPV operators over other CPV operators. Under current legislation there is no legal differentiation between taxis, hire cars or rideshare operators – they all hold the same licenses.

We ask for an open, transparent and inclusive process for allocating landside areas to the various stakeholders in the commercial passenger vehicle industry.

We also ask for some justification provided to support the inconsistency in the fee structure across different CPV operators.

We recommend stronger regulatory oversight for these activities beyond the current monitoring arrangements and we urge the Commission to provide a formal direction to the ACCC to monitor landside access arrangements.

We would welcome the opportunity to appear before the committee to discuss my submission and my concerns.

Kind regards

André Baruch
President
Commercial Passenger Vehicle Association of Australia