



28 March 2011

The Commissioner  
Economic Regulation of Airport Services  
Productivity Commission  
GPO Box 1428  
CANBERRA CITY ACT 2601

Dear Sir,

I write to respond on behalf of Aerial and the taxi operators that comprise Aerial's network in Canberra (286 cars) and Queanbeyan (7) to the issues paper – Economic Regulations of Airport Services, January 2011.

Aerial's comments with regard to our commercial activities at Canberra Airport will address two areas of the review – i.e. efficient operations and commercially negotiated outcomes pertaining to land transport facility access.

For the period May 2009 to April 2010 Aerial catered for the following passenger movements at Canberra Airport:

- Taxi passenger pickup from the Airport (both rank and prebooked work) 294,604 pickups (note a pickup may be one or more passengers)
- Total Taxi bookings – 2,556,227

Canberra Airport represents 12% of Aerial's pickup jobs. However when including pickup jobs that terminate at the Airport, Canberra Airport represents 25% (1 in 4 jobs) of all work performed by taxis. Aerial considers Canberra Airport as a vital aspect of our service industry and our ability to conduct commercial negotiations with Canberra Airport is fundamental to our viability as a business. As such Landside policy determinations made by Canberra Airport directly affect both the efficiency and viability of our taxi Operators and Aerial's business.

The Landside policies determined by Canberra Airport affecting the ACT Taxi industry are:

- Taxi Airport Toll - \$2 change. The above job statistics imply that Aerial's fleet paid \$589,208 to Canberra Airport in 2010. For this fee the following services were received:
  - A taxi staging area
  - A rank for six taxis
  - Access to a basic toilet facility

Aerial views the \$2 charge as a parking levy. That is the right to access a taxi standby area for queuing prior to accessing the taxi rank. No other services are provided. In

contrast other major Airports provide services to taxis such as covered parking, prayer rooms, a marked and queuing corralled rank, subsidized Commissionaire services, access to a canteen, showers and clean toilets,

One long standing area of conflict has been the manual toll payment of the \$2 levy via a boom gate located before a taxi accesses the rank. During peak periods when the taxi rank is full of passengers this creates a delay for a taxi getting to the rank. Other Airports place the toll barrier after the passenger has been picked up. Negotiations over many years have attempted to replace this inefficient method with alternatives such as e-tags.

Recent changes to the toll barrier have lengthened delays for drivers and there are plans to replace the manual barrier with a single prepaid electronic access card in early April. CTIA's advice to the Airport over many meetings is that this method will make taxi services less efficient and motivate drivers to avoid the airport. Our advice is not being listened to and, regrettably, we have been unable to influence landside policy where it affects our service capacity.

Since 2008 the Taxi industry has made considerable efforts to overcome this inefficiency, and has made many representations to the ACT Government, without success.

Aerial's view is that the Canberra Airport rank is well serviced. Minor problems resulting in extended waiting time for passengers only occur during morning peak periods coincident with delayed flights landings.

To support this claim we provide data on the average waiting time for a taxi at the Airport rank (see attachment). This data provides a sample of the average waiting time (minutes) for a taxi at the Airport standing taxi area (adjacent to the taxi rank) waiting for a job. A sample report from which these data are obtained is attached to this submission.

<b>Time of Day</b>	<b>Non Parliamentary Week (3/3/2010)</b>	<b>Parliamentary Week (10/3/2010)</b>
7.0 am	21	40
8.0 am	4	6
9.0 am	4	4
10.0 am	13	7
11.0 am	24	23
12.0 am	14	22
1.0 pm	20	10
2.0 pm	18	17
3.0 pm	13	3
4.0 pm	16	12
5.0 pm	10	8
6.0 pm	10	8
7.0 pm	7	10
8.0 pm	15	16
9.0 pm	31	10
10.0 pm	19	15

11.0 pm	12	75
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Aerial's view, supported by the email attachment 1, is that the level of service is good/acceptable. Conversely, it is our belief that taxis wait too long for jobs at the Airport. During peak periods, which coincide with concurrent flight arrivals, passengers may experience short delays. Generally these delays are acceptable, given the disruption in flight times. Aerial monitors this data regularly and it was part of our submission to the ACT Gov. Taxi Review 2010 which clearly sought to make the case that the service is adequate and that additional taxis, as called for by the Airport (100 more) is an exaggeration of latent demand, is spawned out of self interest, and in no way recognizes, nor acknowledges, industry issues such as driver availability.

The number of car parking spaces at the Airport has increased significantly over recent years. Aerial feels that the Airport has misrepresented the quality of the taxi service (bad press and calls for 100 more taxi plates), delayed expenditure on infrastructure upgrades (e.g. manual \$2 toll), and refused to allow a commissionaire service to further its own interests e.g. to encourage passengers to use the new paid parking and or rental car services – both of which generate parking revenue for the Airport.

There is a reasonable belief that our ability to negotiate commercial outcomes with the Airport is, in part, impeded by the Airport's desire to grow paid parking revenues.

Canberra Airport does not have competition from "off-airport parking alternatives", and associated land development issues in the ACT mean that it will be many years before this type of service can be provided in the ACT.

In summary Canberra Airport has considerable power to influence and control negotiated outcomes with landside transport service providers. Even the ACT Government has had little success in achieving any resolution to long standing taxi service and infrastructure issues at the Airport.

Certainly, it is our opinion that there needs to be a mechanism that enables oversight of the Airport's commercial policies and behaviour. This is needed to facilitate open and fearless dialogue on a balanced basis to resolve industry concerns, without generating an adversarial climate.

Yours sincerely

Mark Bramston  
Managing Director

## **Attachment 1**

Email from John McKeough (Chairman Canberra Taxi Industry Association (CTIA))– 7 Feb 2011 re- Canberra Airport Taxi Rank.

“This morning I attended the Airport Rank between 8:30am and 9:15am to observe the taxis’ performance.

When I arrived, there were more taxis than people waiting on the rank, but they were behind the boom gate and passengers had to wait until they got through. This should be much smoother.

We ran out of taxis at 8:47 when there were approximately 70 people waiting. The person at the back of this queue was in it for fifteen minutes. The queue of taxis began to grow at about 9:08am.

One airport employee was acting as a commissionaire. I gave him a hand. At about 9:00am another employee began directing taxis to the head of the rank because the loading point kept creeping back and cars were being prevented from moving forward.

I heard nobody in the queue complaining at all about the service. “

## **Attachment 2**

Copy of Aerial’s Area 50 Wait Time Report – MTData dispatch database – 10/3/2010