



4 July, 2016

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Dear Tim,

**RE: Taxi Fare Review 2016 - Melbourne Airport taxi access fee**

Melbourne Airport acknowledges the Essential Service Commission (the Commission) for its final report on its Taxi Fare Review 2016.

In addition, Melbourne Airport thanks the Commission for its commitment to further consult industry and stakeholders to make a determination regarding the airport taxi access fee.

As the Commission is aware, despite a reduction in demand for taxi services across Victoria, Melbourne Airport continues to see strong demand for taxi services with a 4 per cent annual increase in taxi demand. This sustained growth in taxi demand has required significant investment from Melbourne Airport to ensure continued service levels for customers.

Recent investments include the new ground transport hub at Terminal 4 and the new entrance to the airport via the M80 Ring Road, Airport Drive. In addition, over the next four years, Melbourne Airport is forecast to invest a further \$200 million to further improve landside facilities and infrastructure.

As we indicated in our preliminary submission to the Commission, it is necessary for the airport to increase the access fee for ground transport operators to recover the cost of capital infrastructure investment fairly across all users of those facilities.

Melbourne Airport expects those who benefit from those investments to pay for the improvements, and as with road tolls, taxi drivers are not able to avoid this cost. As such, the airport believes the consumer should bear the cost rather than taxi drivers and has sought the support of the Commission, on behalf of taxi drivers, to pass the costs through to the consumer.

To ensure Melbourne Airport continues to meet its obligations to develop the airport to manage forecast growth and to support Victoria's expanding economy, we must continue to invest in service levels, facilities and infrastructure. Therefore it will be necessary to impose the increased airport access fees effective from 1 October 2016.

We believe the intervening three months allows the ESC time to uphold its commitment to consult with industry and the community and hope the Commission will make a determination to support a pass through of the increased fee to the consumer within this timeframe.

If you have any questions or queries please contact me on (03) 9297 1084.

Yours sincerely,



Matthew Carney  
**Head of Operations**  
Parking and Ground Transport