

Unbooked taxi fare review 2022

Submission received through Engage Victoria

Date submitted: 1 July 2022

Submission written by: Rajesh Gupta

From 1 July 2022, we began accepting submissions on our Unbooked taxi fare review 2022: Draft decision via Engage Victoria (www.engage.vic.gov.au). On this website, people were given the opportunity to send us a response to a set of questions we provided.

1. What are your views on our proposed fare adjustment mechanism?

ESC have no understanding of industry and its operations

2. What is the appropriate thresholds for the change in the costs of operating a taxi to trigger maximum fares to change under the proposed fare adjustment mechanism?

At least 20 per cent

3. We also seek your feedback on the length of time it takes to implement a change in fares. We were previously advised that it could take two to three weeks to fully update the meters and replace fare stickers. Your response will help us decide on whether the price determination can take effect earlier than 1 October 2022.

Fares can change in one go as most of our meters are attached to internet and there is no need for physical update.

4. Do you have any other comments on our draft decision?

ESC has to look into the industry practices more closely.

5. Upload submission/s

Yes

I am a taxi driver for last 14 years and a taxi operator for last 8 years. For last 4 years I am an independent operator as cost of attaching to a network is too high to bear.

A lot of drivers like me are dependent upon through understanding Government agencies like ESC to understand how the industry works.

ESC agrees that this fare increase in coming after 8 years. If I look back into last 8 years cost of operation increases in a big way

1. Fuel costs are almost 65% higher than what they were 8 years ago. Fuel is a big part of operation cost of taxis. Just on fuel costs our operation cost has increase approx. 9-10% of the fare.
2. If someone is attached to a taxi depot the fees for the same has increased more than 18%. Uber which started their operation in Victoria as illegal operator started by paying drivers minimum \$50 per hour safety net and then start charging commissions which increases from 25% to 33% and all because of poor policies.
3. Cost of vehicle maintained also increases by 15-18%
4. The CPI index for last 8 years is minimum 15%
5. Citylink costs are almost 60% up in last 8 years.

In last 8 years the only respite provided to operations of taxis is licence costs are reduced in a big way but with the same second driver from taxi is almost eliminated. So as an operator the cost saving coming that way evaporated as second driver income as an operator becomes zero.

Now coming to the operation part taxis have advantage in rank and hail jobs but the same comes with start up cost of security cameras and taxi meters.

With the onset of uber and other ride sharing services who can increase or decrease their prices on a click taxi are unable to compete with them. On top the requirement of big BSPs like 13cabs and silver to install their stickers on vehicles make it difficult for operators to use the taxi as private car either.

As per the law service provider can fix fare for booked services but that leave a lot of operators like me who are independent are dependent upon unbooked service fares.

That was the story from driver and operator point of view.

Now let us think from customer point of view.

There are two types of customers

1. Young, fast and who are technology savvy and look through a lot of options. Can use public transport, drive their own car, and likes the system of app on their phone. Most of them have more than 3-4 taxi/ ride share apps.
2. Old and disability sector who are totally dependent upon old system. 90% of them are not well adopted to modern technology, cannot use public transport as easy as others, cannot drive their own car and are fully dependent upon taxis.

Now because taxi operation is not commercially viable in changing circumstances must wait for their turn on local taxi ranks or at their homes without a proper and timely service.

For a lot of old people taxis are the only way to get out of their homes and get social.

Then we have another very important part of taxis that is wheelchair accessible taxis. These accessible taxis are the lifeline for people on wheelchairs.

Right now, finding a wheelchair cab in after-hours is just like finding a needle from pile of husk.

Because of surge prices and extra income, a driver can make through ride share makes it very difficult to operate a taxi.

Now on top the understanding of ESC in fixing the industry is minimum.

So as per my submission

I would like to make following submissions

1. Surge prices should be capped
2. Commissions of big players like uber, 13cabs should be capped.
3. Prices should increase at least 20%.

I know ESC can have an easy excuse saying that a few things are out of their jurisdiction but still they can recommend those things in their findings to put pressure on authorities to act fast.

End of the say either we fix the things or things will fix themselves. But those fixes bring some extra ordinary benefits for someone, and the others perish.

The present decision to keep too many powers with service providers are only going to make drivers conditions and income worse.

ESC should take an opportunity here to fix long standing problems in this industry.

Thanks

Rajesh