

Taxi Review 2024: Unbooked taxi fares and non-cash payment surcharge

Submission received through Engage Victoria

Date submitted: 24 November 2023

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Overview

From 31 October 2023, we began accepting submissions on our 2024 taxi review consultation paper via Engage Victoria (www.engage.vic.gov.au). On this website, people were given the option to send us general feedback or respond to questions we provided.

Questions on unbooked taxi fares

Is the cost index we developed during the 2022 review still appropriate?

Yes, but fuel being volatile could perhaps be given a higher weighting.

How has the demand for and supply of unbooked taxi services changed since our 2022 review?

There has been an increase of about 7% in demand for our services.

Does the use of unbooked taxi services continue to decline relative to booked services since our 2022 review?

Demand is probably steady when compared to a year ago but there are noticeable swings depending on events at the time.

Have there been any observable changes to service quality since our 2022 review?

It continues to decline.

Should the taxi cost index encompass the entire index or only fuel and labour?

The entire index.

Questions on non-cash payment surcharges

The maximum non-cash payment surcharge is currently set at 4 per cent for most non-cash payment methods and 6 per cent for specific instruments. Do these represent the reasonable costs for providing non-cash payment options?

No. The figure should return to a flat 5%. The bottom line is that the limited services that utilise specific in-taxi equipment is not large and achieving economies of scale is simply too difficult. On top of this, many independent users are using their own sought devices and charging the 5% anyway.

Have there been substantive changes in the industry, such as changes in demand for payment services, new technologies, changes in terminal usage, or service providers entering or exiting the market, since our 2022 review? Y/N

No

What are these changes and how have they impacted the industry in a way that should inform the non-cash payment surcharge review?

Please share any thoughts you have on our proposed approach of using benchmarking to assess the reasonableness of the current maximum non-cash payment surcharges. Have there been any changes in terminal offerings that might affect the validity of our benchmarking analysis?

The provision of a surcharge should be market driven. If the public do not like the fee, they will not use the service. Cabs should be given the ability to charge up to a certain fee and this fee should be displayed prominently on the taxi along with the fares and then the market can sort it out. If necessary, the figure can be capped at say, 5%.

Are there any other benchmarks that we should consider for the review? Do you have any views on alternative approaches we could adopt?

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