

Unbooked taxi fare review 2022

Draft decision

Public forum

19 July 2022

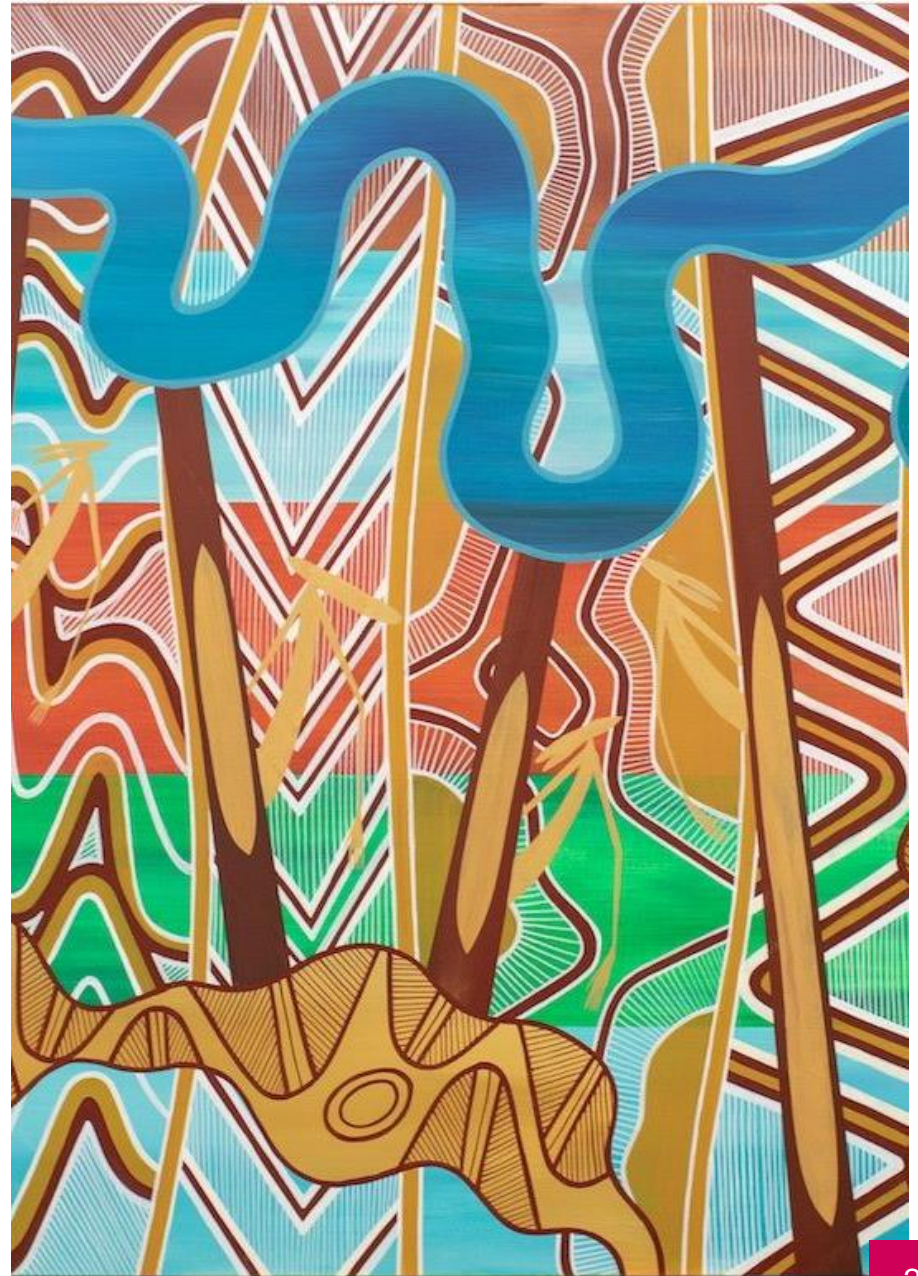


Acknowledgement of country

We acknowledge the Traditional Owners on all of the lands wherever you are today.

We pay our respects to Elders past, present and emerging who may be here today.

We also acknowledge the connection that Indigenous Australians hold to country and culture.



Welcome

 This public forum is being **recorded**

 Please mute your microphone

 Use the **chat** function to ask questions while someone is speaking

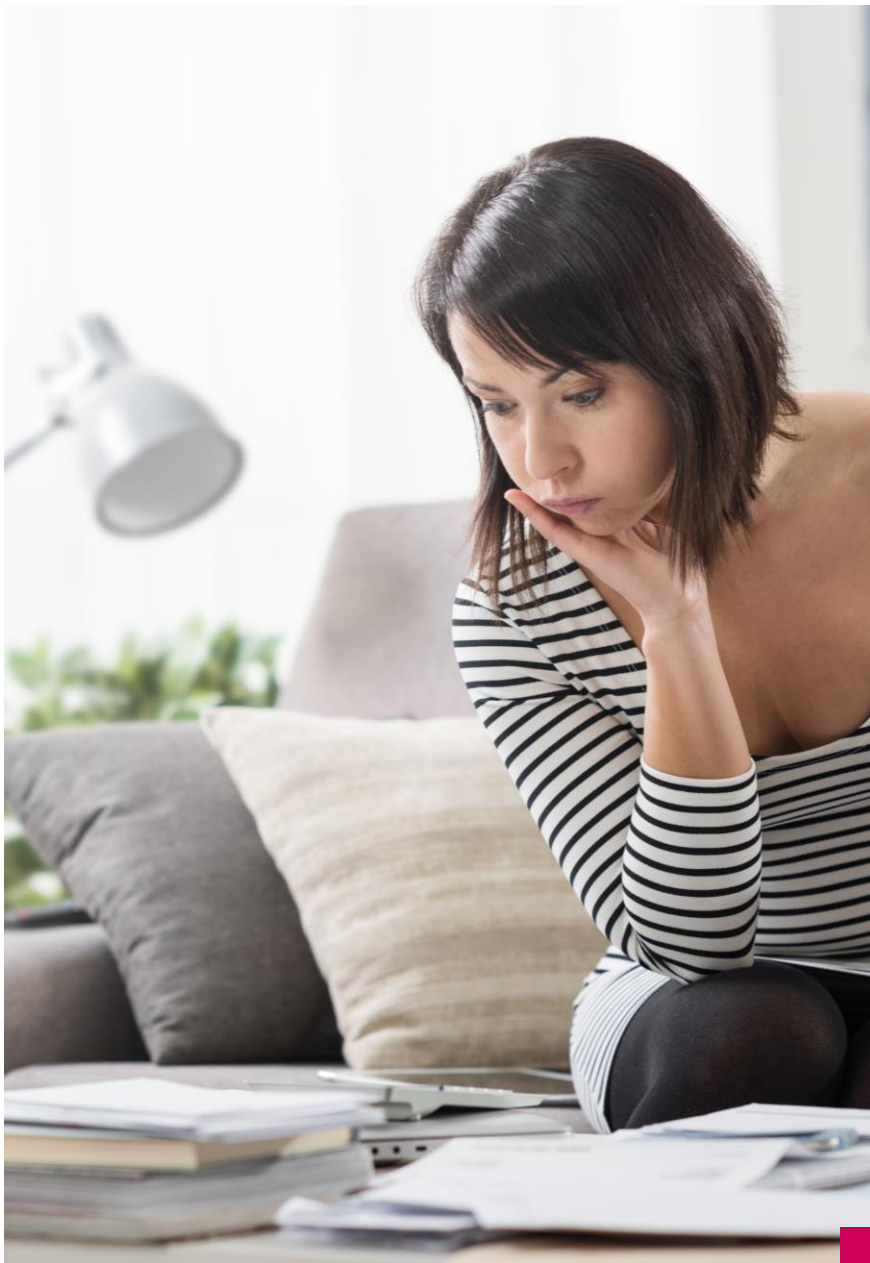
We will respond to any questions during the Q&A session.

Our approach today

We're interested to hear from you

We will engage on matters you would like to explore further

Please make submissions via Engage Victoria by
1 August 2022



Today's agenda

Time	Session	Speakers
11:00am	Welcome and introductions	Kate Symons, Chairperson
11:05am	Our regulatory role	Marcus Crudden, Executive Director (Price Monitoring & Regulation)
11:10am	Overview of draft decision	Sonia Madamba, Acting Project Manager
11:15am	Question & Answer session	Marcus Crudden, Executive Director Craig Madden, Senior Regulatory Manager Sonia Madamba, Acting Project Manager
12:00pm	Summary and next steps	Marcus Crudden, Executive Director (Price Monitoring & Regulation)

Our role in the commercial passenger vehicle industry

We regulate:

- max. fares for unbooked commercial passenger vehicle services
- the maximum non-cash payment surcharge
- the commercial passenger vehicle trip levy.

The Parliament has **not** given us a role to regulate:

- fares for booked commercial passenger vehicle services
- taxi drivers' income
- fares in the country zone.

Unbooked taxi fare review 2022: Our role

- We review maximum fares every two years
- Our current price determination was made in September 2020
- The new max. fares will apply from 1 October 2022 (or earlier)

What we heard from stakeholders:

- Maximum fares should increase
- Driver shortages and high fuel prices are affecting the supply of taxi services
- Preference for unbooked taxi fares to be deregulated

Note: the fuel prices we used include the full fuel excise tax

Unbooked taxi fare review 2022: Draft decision

Maximum fares will increase by **10.4 per cent**

- change in fuel costs: 6 per cent
change in driver labour costs: 4.3 per cent
- \$5 increase for a trip from the CBD to the airport
\$1 increase for a 3km trip within the CBD
- same level of increase for high occupancy vehicle trips

Increase in maximum fares may change in the final decision

We propose a fare adjustment mechanism

- Given high fuel prices, stakeholders suggest that we include a variability mechanism in our fare setting approach
- This would allow fares to increase or decrease in between reviews, if needed
 - only based on changes in fuel and driver labour costs, above an agreed threshold (e.g., +/- one per cent)
- We are seeking your views on our proposal including the most appropriate threshold to trigger a fare adjustment

Unbooked taxi fare review 2022: Our approach

- New taxi cost index
 - informed by a cost survey
 - gives regard to recent amendments to the legislation on the commercial viability of operating a taxi and the Fair Work Commission's annual wage review
- Balance of demand and supply
 - demand has improved but supply is currently constrained due to a shortage of drivers
- Stakeholder feedback

Our draft decision meets our objectives

- Our draft decision will:
 - enable operators to recover the efficient costs of providing unbooked taxi services
 - help attract new drivers
 - facilitate continued service provision to consumers.
- We also seek your feedback on the length of time required to update meters and replace stickers.

We are open to an earlier effectivity date for the new maximum fares.

Unbooked taxi fare review 2022: Our process

Key milestone	Indicative date
One-on-one meetings with stakeholders	November – December 2021
Consultation paper released	February 2022
Submissions on consultation paper closed	March 2022
Section 36 notices issued	March 2022
Responses to section 36 notices closed	April 2022
Draft decision released	1 July 2022
Public forum	19 July 2022
Submissions on draft decision close	1 August 2022
Final decision and price determination	Early September 2022
Operators update meters and replace stickers	September 2022
New maximum fares take effect	1 October 2022 <u>or earlier</u>

Question and Answer session

- Reminder: this public forum is being **recorded** (including questions, comments and the chat)
- Click on the 'raise hand' button or use the chat function to ask questions
- The presentation slides, recording of the forum, and responses to your questions (including those we may not be able to answer today) will be available on our website.

Questions/ comments

1. 'Requesting data as to the current number of taxis logged in to operate, average trips per shift and revenue per trip'
2. Did the commission's decision ensure a minimum wage for drivers?
3. Why is the weighting for LPG lower when fuel costs were estimated?
4. It seems that the commission's decision did not consider the full fuel excise tax.
5. The fare adjustment mechanism should not allow for a downward adjustment in fares.
6. Why not adjust fares using CPI in between reviews instead of the proposed fare adjustment mechanism.
7. Unbooked taxi fares should be deregulated.

Unbooked taxi fare review 2022: Next steps

Responding to our draft decision paper

- Please make submissions or comments via Engage Victoria www.engage.vic.gov.au
- You can also contact us by e-mail at transport@esc.vic.gov.au

Key dates

- Submissions on draft decision paper due: 1 August 2022
- Final decision and price determination: early September 2022
- New maximum fares take effect: 1 October 2022 or earlier

Non-cash payment surcharge review 2022

Responding to our consultation paper

- Please make submissions or comments via Engage Victoria www.engage.vic.gov.au
- You can also contact us by e-mail at transport@esc.vic.gov.au

Key dates

- Submissions on consultation paper due: 22 July 2022
- Decision and price determination: early September 2022