Commercial passenger vehicle review 2018

Submission received through Engage Victoria

Date submitted: 5 July 2018

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From 28 February 2018, we began accepting submissions on our 2018 commercial passenger vehicle review via Engage Victoria (www.engage.vic.gov.au). On this website, people were given the option to send us general feedback or respond to a set of questions we provided.

This submission responds to questions asked about our draft decision published on 21 June 2018.

1. **Do you agree with our draft decision to keep maximum fares unchanged? Why or why not?**

   Definitely No! By your own stated Objectives:'" .... our objective under the Essential Services Commission Act, which is to promote the long term interests of Victorian consumers." Taxi owners and drivers are consumers and are subject to the same cost of living increases endured by all other Victorians. We are not immune in this regard. By your own statistics, since the last (small) fare increase in 2014 (the first in 8 years), taxi trips and therefore the income derived from these trips has declined significantly. The cost of living during the same period has increased significantly. People in the taxi industry are being squeezed from both ends and we are expected to accept this? I don't think so! We are the only group of self-employed small business people in the entire country that have our incomes determined by a Government Department. And, we are expected to pay GST and the new CPV levy, even though are incomes are well below the ATO threshold. Does this make sense? I think not! Would any employed person tolerate going 6 years without a wage/salary increase? I don't think so! Our competitor in this space (UberX), has recently increased their fares by 15%. At least they have recognised that an increase was warranted. They also have the ability to "surge" their fares ostensibly dependent on demand. We don't have this ability! A fare increase is definitely needed as a matter of urgency. Might I suggest that the current tariff 2 (Overnight) rates apply to all taxi trips, irrespective of the time of day. This simplifies the fare structure and provides a small increase in fares. The tariff 3 (Peak) rate should apply to all Public Holidays.

2. **Is the 'time AND distance' tariff system easier to understand than the current 'time OR distance' tariffs? Why or why not?**

   As both systems require at least 2 calculations I can't see the benefit of changing. To approximate a fare using current tariffs, $2 /kilometre will give a result that is pretty close. I see no need to change a system that has served us well for decades.

3. **What are the positive and negative sides of using 'time AND distance' tariffs?**

As stated above, I really don't see the need for change. The BIG negative is the cost the operator will incur to change meters, with little or no benefit (except to the meter manufacturers). As you have stated in your report, the fare itself will be virtually identical, so the consumer and/or the operator derives no benefit either.

4. **Should maximum fares include a cleaning fee?**

Absolutely, however collecting it provides it's own challenges. I notice in New Zealand, it is either $150 or $300 depending on which part of the country you are in. Fortunately, in reality, this does not occur very often, but it would be nice to be able to recoup the costs incurred.

5. **Are there any other matters we should consider in our final decision on maximum fares for unbooked CPVs?**

Fares should be reviewed annually, and adjusted in line with the CPI - just like all Government fees and charges, CityLink tolls, etc. Differentiating between "booked and unbooked" CPV fares is a nonsense. All CPV bookings are "on demand" irrespective of the way they are obtained. Uber has stated many times that they are not interested in "rank and hail" work, yet they have ranks at the airport and at major sporting events. Makes you wonder, doesn't it?

6. **Upload submission**

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