

The essential elements of good taxi fare setting must include:-

- * Flexibility (discounting of maximum fares) to optimise occupancy
- * Incentives and opportunity to target latent demand
- * Adequate and fair reward for taxi owners & operators and for taxi drivers
- * Incentives for passengers to choose a taxi instead of another available form of transport
- * A significant "Value-for-money" component.

The provision of far more reliable and and 'better' taxi services will only occur if taxi drivers are far better rewarded and, for this to occur, careful attention must be given to:-

- * Greatly increased driver remuneration - the payment of award wages provide that driver exploitation ceases forever
- * All driver 'fare incentives' to be wholly given to drivers (late night fees, surcharges, lifting fees, etc.)
- * Drivers should earn nearly twice the amount per hour that is currently available - others take far too much revenue

The structure of the taxi industry must change:-

- * Fleet operators take far too much revenue that must be directed to drivers (drivers owning/driving/managing their own taxis)
- * Drivers who own/drive/manage their own taxi may need to engage other drivers - those engaged drivers must be paid award wages

Fares will need to be increased by a very large amount unless:-

- * The structure of the industry is changed to the owner/driver basis
- * Current licence leasing fees are very significantly reduced
- * All operating costs are closely scrutinised - input costs for fares should reflect "best practice" and not "industry norms"

Moving now to ensure that the fare-setting process encourages innovation, efficiency and (even) structural change will avoid "pain" later.

Fare-setting 'levers' should support industry initiatives and innovative new services (like Share Riding).

I look forward to actively participating in the fare-setting process and to providing much more detailed input as further submissions are called for.

Thankyou Peter Erwin