

Submission to the Taxi Fare Review Team at the
Essential Services Commission 2016.
Herald Sun editor.

Dear Dr Ron-Ben David, Mr Andrew Chow, and the ESC team.

Hybrid technology has off-set some basic taxi operating costs.

Recent calls for taxi fare increases completely ignore the fact that taxi operating costs have dropped with the growth of hybrid technology and lower fuel prices.

The Herald Sun nonetheless reports, see "New inner-city taxi price slug flagged", Thursday, 5 May, 2016, submissions have been made for unsustainable taxi fare increases.

The Essential Services Commission must reject poorly-informed submissions calling for \$20.00 and \$30.00 fare increases for taxi tariffs. Any increase of this magnitude would be unfair and inappropriate during the present economic climate.

While it is true that many taxi trips may only be for 2 to 3 kilometers it is also true that many taxi passengers could not possibly sustain any taxi fare increase at all. Taxi operators, however, have achieved significant cost savings by buying hybrid vehicles. Increasing numbers of taxis now have more efficient fuel and servicing technology. Consequently, taxi operating costs have actually dropped. The price of fuel has dropped. The costs of servicing hybrid vehicles is significantly cheaper than servicing LPG vehicles.

Wages growth in the community has been the lowest on record.

Recent RBA decisions on interest rates show that prices have deflated. I call on the ESC committee to reject any submissions for taxi fare increases and review the situation in 12 months time.

Sincerely,

John Glazebrook,