

Essential Services Commission

Review of Victorian Taxi Costs

7 May 2008

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Comments and queries can be directed to:

Scott Lennon
Partner
PricewaterhouseCoopers
201 Sussex Street
Sydney NSW 2000
Phone: (02) 8266 2765
Email: scott.lennon@au.pwc.com

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Executive Summary

The upcoming 2007/08 Victorian taxi fare review will be the second major taxi fare review carried out by the Essential Services Commission (ESC). As part of the review, the ESC commissioned PricewaterhouseCoopers (PwC) to undertake a survey of taxi drivers and operators in the four licence zones of Victoria, with the objective to develop the cost profile for a median taxi.

Survey of taxi drivers and operators

Separate driver and operator surveys were developed by PwC and the ESC in close consultation with the Victorian Taxi Directorate (VTD). A total of 6,631 surveys were mailed by the VTD to:

- 2,523 taxi operators (100% of registered operators in Victoria); and
- 4,108 drivers (50% of active drivers in Victoria).

The survey was undertaken over the period November 2007 to January 2008, with the majority of responses completed and returned in early to mid-December. 431 completed survey responses were received, 204 from operators and 227 from drivers.

Median taxi cost profile

The cost profile for a median taxi was based on the cost items from the ESC's June 2005 *Taxi Fare Review Final Report – Taxi Fare Review 2005*, as shown in **Table ES.1**.

The median taxi costs were determined by PwC based on the responses to the survey questionnaire. The questionnaire also obtained information on the operational characteristics of a median taxi (drivers per taxi, jobs per year, kilometres per year, etc.), which are documented in our report and form the key assumptions used to derive the costs per taxi in **Table ES.1**.

As shown in **Table ES.1**, the cost items with the largest weighting in the median taxi profile are driver payments and assignment fee/plate lease costs, which together comprise 69% of total costs. Given the large weight of driver payments (52%) – which are variable by nature being dependent on factors such as kilometres and shifts travelled – taxi costs may be seen to be largely variable in nature. Costs that are fixed, or relatively fixed, i.e. insurance and registration, network fees and assignment fees, comprise 25% of total costs.

Table ES.1 – Cost profile of operating a median Victorian taxi in 2007

Cost item	Annual cost (\$)	% of total cost
Driver payments	71,411	52%
Lease/vehicle funding payments	6,653	5%
Assignment fee/plate lease costs	23,418	17%
LPG fuel costs	12,314	9%
Network costs	6,739	5%
Repairs, maintenance and cleaning costs	7,416	5%
Tyre costs	1,130	1%
Insurance and registration costs	4,274	3%
Office/miscellaneous costs	2,521	2%
Variable labour/other driver costs	840	1%
Total cost per median taxi	136,716	100%
Cost per total km	1.18	
Cost per paid km	2.36	
Estimated total revenue	142,823	
Margin	4%	
Revenue per total km	1.23	
Revenue per paid km	2.46	
Median fare per job	20.63	

Table ES-2 shows the profile of a median taxi in the metropolitan and outer-suburban licence zone, regional licence zone and country licence zone. The cost profile presented in this table is based on the following respondent numbers to the operator survey: 117 metropolitan respondents; 15 outer-suburban respondents; 31 regional respondents; and 39 country respondents.

As the cost profile in **Table ES-2** indicates, driver payments followed by assignment costs are the most significant cost categories across the licence zones. In addition, while the survey results suggest that country taxis have the lowest total costs and cost per km, the revenue is also the lowest. This may be due to the higher kilometres driven by a median country taxi, with a slightly lower proportion of paid kilometres (47% for a country taxi in comparison to 51% for a metropolitan/outer-suburban taxi).

Table ES-2 – Profile of median metro & outer-suburban / regional / country taxis in 2007

Cost item	Median metro & outer-suburban taxi	Median regional taxi	Median country taxi
Driver payments	71,617	76,830	67,080
Lease/vehicle funding payments	6,648	6,652	6,688
Assignment fee/plate lease costs	24,055	15,340	22,412
LPG fuel costs	12,079	12,365	14,144
Network costs	6,247	10,000	9,000
Repairs, maintenance and cleaning costs	7,183	7,995	8,966
Tyre costs	1,078	1,274	1,467
Insurance and registration costs	4,479	3,750	2,916
Office/miscellaneous costs	2,422	1,920	3,600
Variable labour/other driver costs	786	1,275	1,050
Total cost per median taxi	136,595	137,401	137,323
Cost per total km	1.21	1.06	1.03
Cost per paid km	2.39	2.38	2.17
Estimated total revenue	143,235	153,660	134,160
Margin	5%	12%	-2%
Revenue per total km	1.27	1.18	1.01
Revenue per paid km	2.50	2.66	2.12
Median fare per job	20.71	19.70	20.48

1 Introduction

Background to the project

The upcoming 2007/08 Victorian taxi fare review will be the second major taxi fare review carried out by the Essential Services Commission (ESC). As part of the review process, the ESC commissioned PricewaterhouseCoopers (PwC) to undertake a survey of taxi drivers and operators in the four licence zones of Victoria, with the objective to develop an information base of cost inputs and outputs to better inform decisions of changes to fare adjustment methodologies.

In 2005 the Commission undertook its first review of Victorian taxi fares, with the *Taxi Fare Review 2005* report, which put forward recommendations for fare adjustments, submitted to the Minister in June 2005. The upcoming 2007/08 review will be the second major taxi fare review carried out by the Commission. As a result of the first major review:

- the ESC recommended adopting the CPI-X approach for setting taxi fares, which combines a broad economic cost index with a productivity X-factor (is now in place); and
- a further significant outcome from the 2005 review was the ESC's that additional data collection and analysis was required, which highlights the importance of this survey process.

Prior to the current survey being undertaken, the most recent survey of taxi costs and their relative weightings was undertaken by PwC in 2005 (based on 2000 and 2004 data). This involved survey and data gathering from the Victorian Taxi Directorate (VTD), Victorian Taxi Association (VTA), and eight metro, outer-suburban, regional and rural taxi operators.

The survey process undertaken and presented in this report is the result of a broader and more comprehensive survey of the entire population of operators and half the population of active drivers. The operator survey was mailed to 2,523 taxi operators, and the driver survey was mailed to 4,108 drivers in the metropolitan, outer-suburban, regional and country areas. The licence zones as assumed throughout this report are:

- *metro* – Melbourne;
- *outer-suburban* – Frankston and Dandenong;
- *urban* – Geelong, Ballarat and Bendigo; and
- *country* – remainder of regional Victoria.

Structure of this report

The remainder of this report is structured as follows:

- **Chapter 2** outlines the approach undertaken to develop the 2007 taxi cost profile;
- **Chapter 3** presents the results of the study in terms of the cost components of the profile;
- **Chapter 4** summarises the conclusions of the report;
- **Appendix A** shows the taxi driver survey form; and
- **Appendix B** shows the taxi operator survey form.

2 Approach

Introduction to PwC's approach

PwC's approach to the review of Victorian taxi costs includes:

- data collection through a survey of taxi drivers and operators; and
- development of the cost profile for a median taxi.

Data collection approach

The data collection approach was based on a survey of taxi drivers and operators.

All registered taxi operators and a selection of drivers in Victoria were surveyed as part of this study to ensure a representative sample was obtained.

The survey was developed by PwC and the ESC in close consultation with the VTD to ensure that the survey design adequately captures the relevant costs incurred by the industry, and enables issues to be explored that affect the way in which taxi services are delivered.

Separate surveys were developed for drivers and operators as deemed appropriate for each group. For operators that also drive taxis, there was a separate section inserted at the end of the operator survey to capture driving information. A total of 6,631 surveys were distributed to registered taxi drivers and operators in Victoria by the VTD, with the survey mailed to:

- 2,523 taxi operators (100% of registered operators in Victoria); and
- 4,108 drivers who were not also taxi operators (50% of the active drivers in Victoria).¹

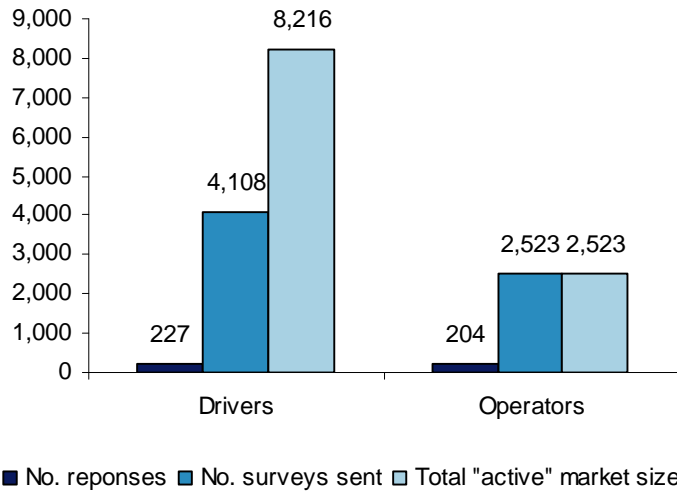
The survey was undertaken over the period November 2007 to January 2008, with the majority of responses completed and returned in early to mid-December. There were 431 completed survey responses received, including 204 from operators and 227 from drivers (a response rate of 8% for operators and 6% for drivers). This sample size provides a confidence interval of +6.58% for operators and +6.41% for drivers at a confidence level of 95%.²

¹ Note: for the purposes of this survey, "active" is defined as a driver that has driven 50 or more times over the last 12 months (every second active driver record was mailed a survey) (Source: 11 February 2008 email communication to PwC from the VTD)

² Note: Assuming worst case percentage 50% (Source: <http://www.surveysystem.com/sscalc.htm#cinneeded>)

A brief profile of respondents in terms of the total market size and survey responses is shown in **Figure 1**.

Figure 1 – Profile of respondents by survey type



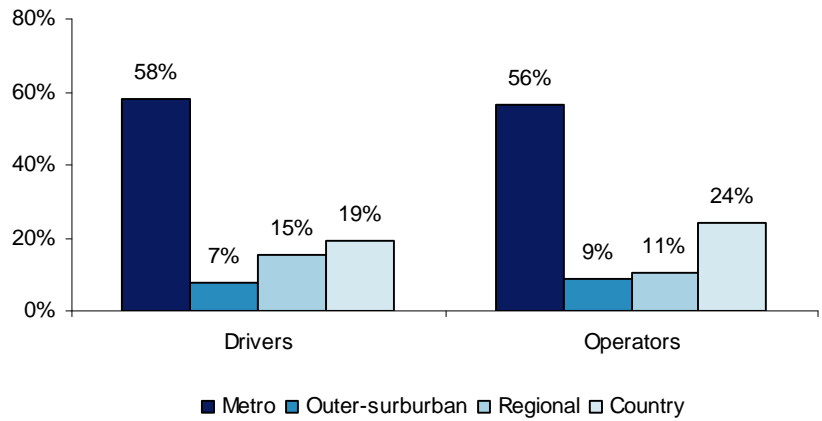
n = 204 operators & 227 drivers

Surveys were received from metropolitan, outer-suburban, regional and country taxi licence zones, with the percentages returned shown in **Figure 2**. Surveys were relatively aligned with the industry as a whole. The industry is characterised by the following split of licences per licence zone:

- *metro* – 81%;
- *outer-suburban* – 3%;
- *urban* – 5%; and
- *country* – 11%.³

³ Source: 29 January 2008 industry statistics – provided to PwC in 29 January 2008 email communication from the VTD

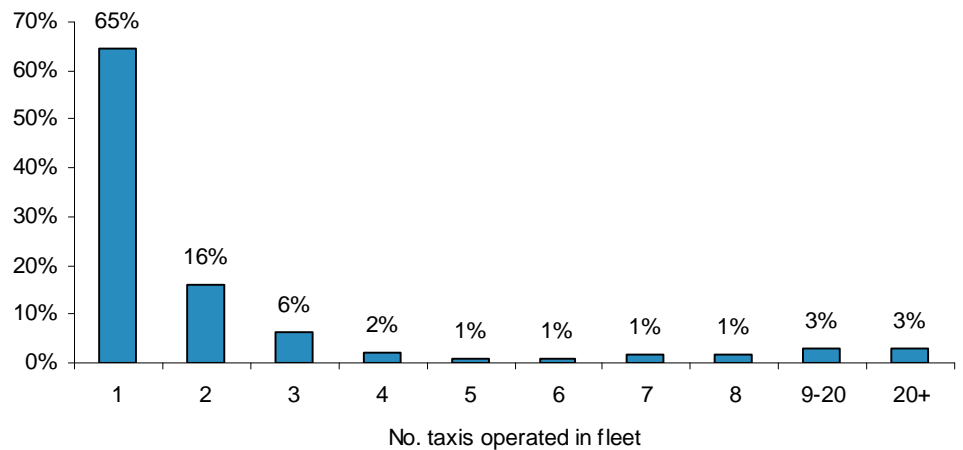
Figure 2 – Profile of respondents by licence zone



n = 202 operators & 227 drivers

Of the operators that responded, the majority (65% per cent) operated only one taxi. The largest number of taxis operated in a fleet by respondents was 60 taxis, with the second highest being 57 followed by 45. The two largest fleets were both operated in the metro area, with the 47-taxi fleet in regional Victoria. A breakdown of the sample by the fleet size is shown in **Figure 3**.

Figure 3 – Profile of respondents by number of taxis operated



n = 201 operators

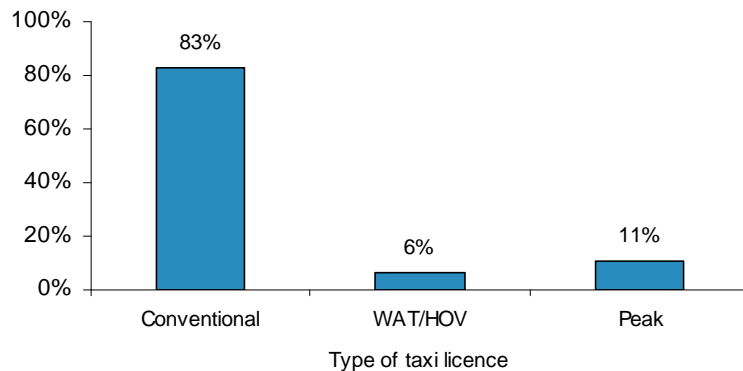
The majority of respondents (83%) operated standard taxis, 6% operated Wheelchair Accessible Taxis (WATs) or High Occupancy Vehicles (HOVs), and 11% operated peak/greentop taxis. Surveys were relatively aligned with the industry as a whole, which is characterised by the following split of licence types:

- standard taxi licence (includes premium taxis) – 81%;
- WAT/HOV licence – 8%; and

- *peak/greentop licence* –11%.⁴

A breakdown of the survey sample by vehicle type operated is shown in **Figure 4**.

Figure 4 – Profile of respondents by type of licence operated



n = 204 operators

A copy of the taxi driver survey is included in **Appendix A**, and a copy of the taxi operator survey can be found in **Appendix B**.

In the process of analysing survey results, PwC held discussions with a small selection of survey respondents who had indicated their willingness to be contacted relating the survey. In addition, the ESC undertook discussions with industry stakeholders, the VTA and VTD to verify information where possible.

Cost profile development approach

Selection of cost items

In developing the cost profile for a median taxi in Victoria, the cost items were based on those in PwC's May 2005 *Report to the ESC on changes in costs of operating taxis in Victoria 2000 to 2004*, which were also stated in the ESC's June 2005 *Taxi Fare Review Final Report – Taxi Fare Review 2005*.

For individual cost items that comprise less than 2% of total costs, they are included in the components "Office/miscellaneous" or "Variable labour/other driver costs", with the exception of "Tyres", which have remained at 1% of total costs in 2004 and 2007.

As cost items additional to those included in the 2004 cost profile were not found to comprise more than 2% of total costs based on survey results, no

⁴ Source: 29 January 2008 industry statistics – provided to PwC in 5 February 2007 email communication from the VTD

new separate cost items have been included in the cost profile. However, the “Office/miscellaneous” and “Variable labour/other driver costs” categories are comprised of costs that vary slightly from the 2004 profile.

Selection of cost values

The cost values proposed for the revised cost profile were based on the survey results, and in certain instances were estimated based on a combination of survey results.

Given the range of costs reported for many cost items, median costs were used for the proposed profile as reported in the driver and operator surveys. Median costs were used to ensure a consistency of approach in the use of survey data, given the potential bias involved in using average costs for items that showed a large spread between highest and lowest cost outcome, and/or included questionable outliers.

Key assumptions behind cost values

This review assesses the median annual cost of operating a taxi in Victoria.

In order to ensure that survey results were based on a median annual taxi's costs, a set of assumptions were used to convert survey results into an annualised and 'median' taxi basis. For example, the survey posed some questions on a weekly or monthly basis, or requested costs on a 'whole of fleet' as opposed to 'per one taxi' basis, which required adjustment to attain a median taxi profile.

The review makes the following key assumptions:

- each taxi is utilised for 52 weeks a year;
- casual drivers are assumed to generally be used during periods of absence by permanent drivers to ensure that taxis remain operational over this period. Based on this, a Victorian taxi is assumed to have a median number of 1.4 permanent (regular) drivers as derived from the survey;
- the most likely number of taxis operated per operator is 1, which is the median result from the survey;
- all costs are goods and services tax (GST) inclusive;
- all relevant costs incurred in operating and driving a taxi in Victoria have been obtained from the survey of drivers and operators;
- to more accurately reflect a median taxi, survey results have been weighted based on the structure of the actual industry, with results weighted to the split of metropolitan licences (81%), outer-suburban licences (3%), regional licences (5%) and country licences (11%),⁵ and

⁵ Note: unless referred to specifically as 'respondent' results, all results presented in this report are weighted against the licence numbers in the four regions of Victoria.

- annual kilometres (km) travelled (paid and non-paid kilometres) is assumed to be 116,048 km for a median Victorian taxi.⁶ This is based on survey results regarding the median number of kilometres travelled in the last shift, analysed alongside the median number of shifts a taxi is operated per week.⁷

A summary of assumptions that have been determined based on median survey results are provided in **Table 1**.

Table 1 – Key assumptions for a median Victorian taxi

Category	Key assumptions for a median Victorian taxi 2007	Medians
Drivers & fleet	Permanent drivers per taxi	1.4
	Taxis per operator fleet	1.0
Shifts & jobs per annum	Shifts per year	472
	Jobs per shift	15
	Jobs per year	6,923
	Length of weekday shift (hrs)	12
	Length of weekend shift (hrs)	11
Kilometres	Total km per year	116,048
	Total km per month	9,671
	% of total km that are paid (I.e. generate fares)	50%
	Total paid km per year	57,967
	Paid km per job	8.4
Whole-of-industry	Total km per year (million)	539.7
	Total paid km per year (million)	269.6
	Total jobs per year (million)	32.2

A summary of assumptions that have been determined based on median survey results for each of the licence zones are provided in **Table 2**.

⁶ Note: based on the weighted median of metro, outer-suburban, regional and country licences, which travel medians of 112,320 km, 130,000 km, 130,000 km and 133,380 km respectively based on the survey results.

⁷ Note: median kilometres travelled per year influence a number of cost components such as fuel, tyres and maintenance.

Table 2 – Key assumptions for a median Victorian taxi

Category	Key assumptions	Median metro & outer-suburban taxi	Median regional taxi	Median country taxi
Drivers & fleet	Permanent drivers per taxi	1.2	1.50	1.50
	Taxis per operator fleet	0.84	1.00	1.00
Shifts & jobs per annum	Shifts per year	470	520	468
	Jobs per shift	15	15	14
	Jobs per year	6,915	7,800	6,552
	Length of weekday shift (hrs)	12	11	12
	Length of weekend shift (hrs)	11	10	12
Kilometres	Total km per year	112,971	130,000	133,380
	Total km per month	9,414	10,833	11,115
	% of total km that are paid (i.e. generate fares)	51%	44%	47%
	Total paid km per year	57,197	57,720	63,180
	Paid km per job	8.3	7.4	9.6

3 Results

The cost and revenue values obtained for the profile of a median taxi, and our assessment of the appropriate cost for each component, are outlined below.

This chapter presents survey results, states the method used to select cost values, and compares 2007 results with the previous 2004 cost profile. Comparisons with the 2004 profile are undertaken in light of constraints given that the 2004 profile was based on a significantly smaller sample size (based on data from eight metro, outer-suburban, regional and country taxi operators, and VTD and VTA input).

The cost and revenue values in this report are estimated annualised costs/revenues involved in driving and operation of one taxi.

Components of the cost profile

The cost components of that make up the median taxi profile are:

- driver payments;
- vehicle lease/funding payments;
- assignment costs;
- liquefied petroleum gas (LPG);
- network costs;
- repairs, maintenance and cleaning;
- tyres;
- insurance and registration;
- office/miscellaneous; and
- variable labour/other driver costs.

Each of these components is explained below. Some values may appear inconsistent due to rounding.

Driver payments

Survey results indicate that the median annual driver payments per taxi are \$71,411, which is indicative of a fare per job of \$20.63. This represents 52% of total costs for a Victorian taxi.

The cost estimate for driver payments is calculated based on the results of the operator survey in terms of the median number of permanent drivers per taxi, which is 1.4. This was then combined with the median fare-taking per driver of \$50,459 per year to determine the annual driver payment.

The 2007 value for driver payments based on this methodology is not a perfect indicator, as it assumes that casual drivers are used during periods of absence by permanent drivers, with a focus on permanent drivers as the indicator of median drivers per taxi.

Alternative driver payment methodologies:

- an alternative methodology based on the survey responses, which includes casual drivers, is to derive a driver count based on the average number of shifts operated per taxi per week, assuming that a median driver works five shifts per week (i.e. assumes 1.8 drivers per taxi).⁸ This results in annual median driver payments of approximately \$91,548 or \$50,389 per driver (or a fare per job of \$26.45); and
- driver payments have been based on the operator survey as opposed to the driver survey because of the estimated underreporting of driver revenue by drivers. Based on driver survey responses relating to total fare take before pay-in and the median fare take (50%), then assuming a median driver works five shifts per week (i.e. 1.8 drivers per taxi), results in annual driver payments of \$49,368, or \$27,173 per driver. This equates to a fare per job of only \$14.26, and does not take into consideration the significant variation in the driver population. For example driver km driven per week range from 250 km to 4,000 km.

In comparison with the 2004 profile, driver payments have remained at 52% of total costs. The increase in payments from \$66,283 in 2004 to \$71,411 in 2007 indicate payments are 8% higher than in 2004, and have a compound annual growth rate (CAGR) of 3% from 2004 to 2007. CAGR is a more accurate measure of year-over-year growth than straight percentage growth, as it the rate at which driver payments would have grown if they grew at a steady rate.⁹ The growth in driver payments from 2004 indicates the rising cost of labour in Melbourne and Victoria.

Vehicle lease / funding payments

The operator survey results indicate that operators used the following methods to fund their most recent vehicle purchase:

- bank loan (33% of respondents);

⁸ Note: based on median of 11-12 hours per shift and 60 hours per week per median driver.

⁹ Note: driver payments are based on a weighted median of licence numbers across the four licence zones.

- hire-purchase (29% of respondents);
- lease (17% of respondents);
- paid cash (19% of respondents); and
- other (2% of respondents) – including insurance claim and chattel mortgage.

Nearly half (49%) of operator survey respondents indicated that the average vehicle age was 1-2 years when purchased, and 43% of respondents indicated that the average vehicle they purchase is new. The remaining 8% indicated that the average vehicle purchased is 3 years old or more. For second hand purchases, the majority are via a dealer as opposed to via a private sale.

Excluding fit outs, the survey results show the median price paid for the most recent vehicle added to the fleet is \$28,204 (when weighted against the licence numbers in the four zones of Victoria). The survey results also indicate that the median funding term is 5 years with an interest rate of 9% and a residual of 6%.

Based on the median vehicle value and the median funding terms and rates, annual lease/vehicle finding payments for a median Victorian taxi are \$6,653 (5% of total costs in comparison to 4% in 2004). This change may reflect rising interest rates despite an expected decrease in vehicle costs. The 2004 costs did not distinguish vehicle purchases by new and second hand vehicles, and may have allocated a lower weighting to new vehicles than the 2007 survey has indicated.

Assignment / licence plate lease costs

According to the survey results, the median annual assignment cost / cost of leasing a licence plate is \$23,418. This cost is in particular impacted by metropolitan costs given that metro licences make up 81% of the industry and have a median cost of \$24,000 based on survey responses.

The variation in survey responses to this question was considerable, with responses ranging from \$4,224 to \$36,000 per annum. This is in part due to the variation in:

- *metro, outer-suburban, regional and country assignment costs* – with median costs of \$24,000, \$25,500, \$15,340 and \$22,412 respectively;¹⁰ and

¹⁰ Note: the median lease cost of a country licence plate is \$22,412 pa based on the survey. This indicates that transferable country licence plate lease costs are nearing metro costs. Transferable country licences (those issued prior to May 2002), make up the majority (95%) of country licences and are those with variable lease costs. In comparison, the remaining 5% of country licences (20 licences) are those leased to operators from the Victorian Government for annual licence fees varying from \$1,444 to \$4,422 (including licence administration fee), dependent on how many taxis are in the area immediately prior to licence issues. (Source: Victorian Country Taxi Industry Review Working Group 2006, *Country Taxi Review – Final Report*, May 2006, p.40)

- *conventional, WAT / HOV and peak taxi assignment costs* – with median costs of \$25,000, \$18,000 and \$6,000 respectively.

The survey results for metropolitan assignment costs are aligned with Bendigo Stock Exchange (BSX) Taxi Market assignment cost data. Metropolitan conventional taxi licence assignments are now able to be traded on the BSX Taxi Market, which commenced in 2006. Over 2007, BSX Market historical data indicates that the average (mean) assignment cost as traded over the year is \$24,527. The licence assignment costs vary from an average of \$24,003 pa traded in January 2007, to an average of \$25,406 pa as traded in November 2007.¹¹

In comparison to 2004 assignment costs, the median annual cost to operators has increased from \$20,580 to \$23,418 in 2007, which indicates a 4% year-over-year CAGR. The proportion of total costs over this time has increased from 16% in 2004 to 17% in 2007.

It should be noted that not all plates are leased by operators, rather some operators buy their own plates and fund them with debt which result in different loan repayments to the lease payments, and other operators own their plates, incurring no costs.

LPG fuel cost

The survey results indicated that 98% of taxi vehicles use LPG fuel, with the remaining 2% using either diesel or unleaded. As a result LPG fuel survey results dominate this cost component. In addition, survey responses indicate that 90% to 96% of operators pay for fuel (from the driver and operator surveys respectively), so the annual median fuel cost has been based on responses from the operator survey.

Combining operator median fuel prices per litre (for the last price paid) with estimates for fuel usage (i.e. the number of litres per 100 km obtained) a cost per kilometre was derived that was weighted against the four licence zones. This was then combined with the annual kilometres travelled for each licence zone to determine an annual cost based on distance travelled.¹²

Survey results relating to fuel usage and costs indicate that the median price paid by drivers per litre of fuel is \$0.59 per litre, with a median fuel consumption rate of 6 kilometres per litre obtained (or 17 litres per 100kms). Based on the above assumptions, the annual cost of fuel is \$12,314 per annum or 9% of total costs.

The \$12,314 annual fuel cost is higher in comparison to the 2004 fuel cost, which was \$10,019 or 8% of total costs. The higher 2007 costs are indicative of a 7% year-over-year CAGR from 2004. The variances in 2004 and 2007 fuel costs are in part explained by:

- 2004 fuel cost was based on actual FuelTrac fuel prices as opposed to survey data (which presented higher fuel costs);

¹¹ Source; BSX Taxi Market 2008, *Historical Transaction Data: Assignment Prices*, averaged per month, http://www.bsxtaximarket.com.au/markets_assignments_hist.aspx

¹² Note: See Chapter 2, p.11 for method of determining kilometres travelled.

- km travelled vary significantly from 11,709 km per month in 2004 to 9,671 km per month in 2007 – which is in part due to a variance in data gathering methodology (with the 2004 survey only including eight operators); and
- fuel cost per 100km has increased from \$7.13 per 100 km in 2004, to \$10.61 per 100 km in 2007. This trend aligns with FuelTrac LPG trends for Melbourne, which indicate 2004 LPG prices ranged from \$0.30 to \$0.50 per litre, in comparison to 2007 prices that range from \$0.50 to \$0.70 per litre.¹³

Network costs

Victorian taxi operators are required to operate taxis from depots authorised by the Government. Depots are network service providers that provide a centralised booking and dispatch service.¹⁴

Based on the survey results, median network fees are \$6,739 per annum (5% of total costs). Survey results indicate that network costs vary significantly based on the licence zone, with metro costs the lowest with a median of \$6,180, and country and regional costs between \$9,000 and \$10,000 per year. This indicates that metropolitan depots achieve comparative economies of scale given the number of metro taxis.

In comparison to the 2004 network costs, the proportion of total costs has remained unchanged at 5% of total costs. In terms of annual cost, it has increased from the 2004 level of \$5,831 at a year-over-year CAGR of 5%.

Repairs, maintenance and cleaning

The survey collected information on repairs, maintenance and cleaning costs per vehicle, which are based on the following sub-components:

- *maintenance labour cost* – based on the median cost per hour and the median number of hours spent on maintenance per taxi per month for each of the four licence zones;
- *repairs and maintenance cost* – based on the median cost of a major and minor service for each of the four licence zones, assuming that services are undertaken every 15,000 km, on a rotational basis of two minor services then one major service; and
- *cleaning cost* – based on the median weekly cost for a basic clean.

¹³ Source: Australian Automobile Association, *FuelTrac Average monthly capital city LPG prices (cpl)* (Feb 1999 – Feb 2008), <http://www.aaa.asn.au/petrol/LPG.pdf>

¹⁴ Source: Department of Infrastructure Website 2008, *Structure of the taxi industry*, <http://www.doi.vic.gov.au/doi/internet/vehicles.nsf/AllDocs/712BF0EEC0458993CA256F320020A3FB?OpenDocument#depots>

Maintenance labour cost

Based on the survey results, operators incur a median of 7 hours of maintenance per month per taxi, at a median cost of \$53.30 per hour. This results in an annualised maintenance labour cost per taxi of \$4,477.

Not included in this cost basis is that a significant proportion of operators (10%) indicate they carry out maintenance themselves. These drivers have chosen to absorb these costs rather than pay for them out of earnings.

As with many answers in the survey, there was a large range of responses, with hourly labour costs ranging from \$0 to \$72 per hours, and the hours spent on maintenance ranging from 2.5 to 41 hours per month.¹⁵

Repair and maintenance cost

Based on the survey results, 80% of respondents typically purchase manufacturer made parts and panels, and 20% typically purchase generic parts. None of the respondents indicated they use second hand parts and panels. In addition, survey results show that the majority (88%) of respondents conduct regular minor and major services, with 11% undertaking regular minor services only, and 2% undertaking reactive services only.

As with the 2004 cost profile (but differing from the NSW taxi cost index), major repairs are generally covered by insurance costs and not included in this category.

The cost of a median minor service is \$158 and the cost of a median major service is \$525. Based on these costs and the assumption that services are undertaken every 15,000 km, on a rotational basis of two minor services then one major service, the median annual repair and maintenance cost is \$1,868.¹⁶

Cleaning cost

Based on the survey results, 98% of respondents carry out cleaning on a weekly basis, with the remaining 2% cleaning over longer (e.g. monthly) periods. The survey asked respondents the weekly cost for a basic wash, with the resulting annual median \$1,070.¹⁷

The 2004 cost profile did not provide a breakdown into maintenance labour, repairs and maintenance, and cleaning costs, presenting these as a total of \$5,553 per annum (or 4% of total costs). This is lower than the 2007 survey results, which indicates total repair, maintenance and cleaning costs of \$7,416 (or 5% of total costs). The difference in 2004 and 2007 outcomes suggests a year-on-year CAGR of 10% per annum from 2004. The difference between the two years' data may be explained by the 2004 report

¹⁵ Note: Country operators reported the highest median maintenance labour costs, with annual costs 16% higher than the median across the industry.

¹⁶ Note: Country operators reported the highest median repair and maintenance costs, with annual costs 34% higher than the median across the industry.

¹⁷ Note: Country operators reported the highest median cleaning costs, with annual costs 17% higher than the median across the industry; which is in part linked with 100% of respondents indicating they undertake cleaning on a weekly basis.

indicating that “most respondents were not very clear about the actual costs” that made up this cost component, which suggests that the 2004 costs were not reliable.

Tyres

Based on survey results, the cost of one median tyre is \$117, excluding balance and alignment. The cost per tyre varies dependent on the licence zone, ranging from a median of \$73 for outer-suburban taxis, to \$120 for metro taxis.

The survey indicated that operators replace tyres every 48,095 km. Based on tyre replacement occurs at this km level and the median annual km travelled of 116,048 km, and assuming that all four tyres are replaced on each occasion, each set of tyres needs to be replaced between 2.2 to 3.7 times per year (dependent on the licence zone).

These assumptions result in a median annual tyre cost of \$1,130, which is 1% of total costs. The 2004 tyre costs, which included a mix of new tyres, remoulds or retreads based on the eight operators surveyed, were lower at \$683 per annum, or 1% of total costs. This indicates a year-on-year CAGR of 18% from 2004 to 2007. The difference in costs is likely indicative of a broader sample of operators included in the 2007 survey, which have encompassed 204 operators in contrast to 8 in the 2004 survey.

Insurance and registration

This cost component includes registration, compulsory third party and insurance costs.

Registration and compulsory third party insurance (Transport Accident Commission Charge (TAC)) were provided in the taxi operator survey, with the variance between respondents consistent with VicRoads TAC, which vary dependent on risk level. The median annual registration and TAC costs provided in the survey is \$2,056.

For other insurances extending beyond the compulsory insurances, such as comprehensive insurance and third party property, the survey results indicate that a range of different arrangements are in place amongst operators. For example, the median comprehensive insurance cost from the survey is \$1,778; however this is based on responses ranging from \$180 to \$9,000 per annum (with a response rate of 87%). Likewise, the median annual third party property insurance cost from the survey is \$440, though this is based on responses ranging from \$150 to \$3,900 per annum, and a response rate of only 25%.

The issues with variability of data reflect similar issues with comparing 2007 insurance and registration costs with the 2004 cost profile. In 2004 this component was \$5,003 and 4% of total costs, in comparison to \$4,274 and 3% of total costs from the 2007 survey results (or a decrease in insurance and registration costs of -5% year-over-year CAGR).

Office/miscellaneous costs

The office / miscellaneous cost category includes expenditure on items such as phone, electricity, accountant fees, administrative staff wages, rent, computers, and other related costs.

The survey questionnaire posed a question surrounding these costs, which achieved a response rate of 86%. There was significant variation in the response to this question, with costs ranging from \$10 to \$25,000 per month.

According to the survey results, the median annual office/miscellaneous cost is \$2,521, or 2% of total costs. In comparison, this cost component was \$5,247 per annum in 2004, or 4% of total costs. Given that the 2004 costs were based on a survey of eight operators in comparison to 204 operators in the 2007 survey, it is likely that the results are not perfectly comparable.

Variable labour/other drivers' costs

Included in variable labour and drivers costs are workers compensation payments, driver uniforms, and driver entitlements.

The median annual variable labour/other driver cost are \$840 or 1% of total costs. This consists of:

- median cost of \$275 per annum for drivers uniforms (based on a 94% response rate);
- median cost of \$565 per annum for workers compensation, or a median of 1% of driver payments (based on a 77% response rate); and
- median cost of \$0 for driver entitlements (sick leave and holiday pay) based on a 93% response rate. (For the 9% of operators that reported paying driver entitlements, their median annual cost is \$500 per annum.)

These sub-categories of costs total \$840 per annum (1% of total costs), which in comparison to the 2004 annual cost of \$3,229 (3% of total costs), indicates a year-on-year CAGR of -36%.

The difference in costs between these years is primarily related to the different sub-categories of costs included. In 2004, additional costs such as income protection insurance, training and superannuation were included in this cost component; however in the 2007 survey these costs were not included as significant costs for operator respondents, and so have not been included in the 2007 cost profile. For sub-categories such as training costs, these are generally incurred by drivers or networks, and not by operators indicating that these costs are included in the cost profile as part of driver payments or network fees.

Median taxi profile

Table 3 presents the cost profile for operating a median Victorian taxi in 2007. This is presented alongside the profile of operating a taxi based on the smaller-scale survey undertaken in 2004.

Table 3 – Profile of a median Victorian taxi in 2007 and 2004

Cost item	2007 profile (\$)	2007 % of total costs	2004 profile(\$)	2004 % of total costs	CAGR from 2004 to 2007 (%)
Driver payments	71,411	52%	66,283	52%	3%
Lease/vehicle funding payments	6,653	5%	5,397	4%	7%
Assignment fee/plate lease costs	23,418	17%	20,580	16%	4%
LPG fuel costs	12,314	9%	10,019	8%	7%
Network costs	6,739	5%	5,831	5%	5%
Repairs, maintenance and cleaning costs	7,416	5%	5,553	4%	10%
Tyre costs	1,130	1%	683	1%	18%
Insurance and registration costs	4,274	3%	5,003	4%	-5%
Office/miscellaneous costs	2,521	2%	5,247	4%	-22%
Variable labour/other driver costs	840	1%	3,229	3%	-36%
Total cost per median taxi	136,716	100%	127,823	100%	2%
Cost per total km	1.18	-	0.91	-	9%
Cost per paid km	2.36	-	N/A	-	N/A
Estimated total revenue	142,823	-	132,566	-	3%
Margin	4%	-	4%	-	0%
Revenue per total km	1.23	-	0.94	-	9%
Revenue per paid km	2.46	-	N/A	-	N/A
Median fare per job	20.63	-	N/A	-	N/A
Total industry revenue (million)	664.27	-	N/A	-	N/A

The estimated revenue per median taxi in **Table 3** is based on double the driver payments given that survey responses indicate fare take is divided 50% between drivers and operators.

As indicated in **Table 3**, the margin of a median Victorian taxi is approximately 4% based on the 2007 taxi survey. This indicates no change from the 2004 margin of 4%, though the 2004 survey covered a sample of only eight operators, which is not as representative as the 2007 sample of 227 drivers and 204 operators. Given that the survey results suggest that total costs and revenues have increased while kilometres travelled have decreased this results in both a higher cost per km and revenue per km.

Table 4 shows the profile of a median taxi in the metropolitan and outer-suburban licence zone, regional licence zone and country licence zone.

Table 4 – Profile of median metro & outer-suburban / regional / country taxis in 2007

Cost Item	Median metro & outer-suburban taxi	Median regional taxi	Median country taxi
Driver payments	71,617	76,830	67,080
Lease/vehicle funding payments	6,648	6,652	6,688
Assignment fee/plate lease costs	24,055	15,340	22,412
LPG fuel costs	12,079	12,365	14,144
Network costs	6,247	10,000	9,000
Repairs, maintenance and cleaning costs	7,183	7,995	8,966
Tyre costs	1,078	1,274	1,467
Insurance and registration costs	4,479	3,750	2,916
Office/miscellaneous costs	2,422	1,920	3,600
Variable labour/other driver costs	786	1,275	1,050
Total cost per median taxi	136,595	137,401	137,323
Cost per total km	1.21	1.06	1.03
Cost per paid km	2.39	2.38	2.17
Estimated total revenue	143,235	153,660	134,160
Margin	5%	12%	-2%
Revenue per total km	1.27	1.18	1.01
Revenue per paid km	2.50	2.66	2.12
Median fare per job	20.71	19.70	20.48

As with **Table 3**, the estimated revenue per median taxi in **Table 4** is based on double the driver payments given that survey responses indicate fare take is divided 50% between drivers and operators. The cost profile presented in this table is based on the following respondent numbers to the operator survey: 117 metropolitan respondents; 15 outer-suburban respondents; 31 regional respondents; and 39 country respondents.

As the cost profile in **Table 4** indicates, driver payments followed by assignment costs are the most significant cost categories across the licence zones. In addition, while the survey results suggest that country taxis have the lowest total costs and cost per km, the revenue is also the lowest. This may be due to the higher kilometres driven by a median country taxi, with a slightly lower proportion of paid kilometres (47% for a country taxi in comparison to 51% for a metropolitan/outer-suburban taxi).

4 Conclusions

The cost and revenue profile of a median Victorian taxi is shown in **Table 5**.

Table 5 – Profile of a median Victorian taxi in 2007

Cost/revenue item	Cost/revenue (\$)	% of total cost
Driver payments	71,411	52%
Lease/vehicle funding payments	6,653	5%
Assignment fee/plate lease costs	23,418	17%
LPG fuel costs	12,314	9%
Network costs	6,739	5%
Repairs, maintenance and cleaning costs	7,416	5%
Tyre costs	1,130	1%
Insurance and registration costs	4,274	3%
Office/miscellaneous costs	2,521	2%
Variable labour/other driver costs	840	1%
Total cost per median taxi	136,716	100%
Cost per total km	1.18	
Cost per paid km	2.36	
Estimated total revenue	142,823	
Margin	4%	
Revenue per total km	1.23	
Revenue per paid km	2.46	
Median fare per job	20.63	
Total industry revenue (million)	664.27	

As shown in **Table 5**, the cost items with the largest weighting in the median taxi profile are driver payments and assignment fee/plate lease costs, which together comprise 69% of total costs. Given the large weight of driver payments (52%) – which are variable by nature being dependent on factors such as kilometres and shifts travelled – taxi costs may be seen to be largely variable in nature. Costs that are fixed, or relatively fixed, i.e. insurance and registration, network fees and assignment fees, comprise 25% of total costs.

Appendix A

Taxi Driver Survey

Dear Taxi Driver,

You are invited to participate in a survey on taxi costs which will be used by the Essential Services Commission (ESC) in their review of taxi fares. The ESC has been requested by the Minister for Public Transport to conduct a review of taxi fares for 2007/08 and this survey will assist the ESC in carrying out this role.

Survey responses need to be lodged with PricewaterhouseCoopers (PwC) no later than 20 December 2007.

Managing the Survey

PwC has been engaged to manage the survey and report on the results to the ESC.

Survey Participation

A sample of all taxi drivers have been invited to participate in this survey. A related survey has been sent to taxi operators.

You are strongly encouraged to participate as this will help the ESC obtain a better understanding of the costs associated with operating and driving a taxi. Please answer each question carefully.

Privacy

This survey will not be released to any third parties and survey responses will be destroyed following processing. All surveys will be treated as confidential.

The survey contains an optional cell to provide your name and contact details. Whilst providing your contact details is not mandatory, we encourage you to provide a daytime contact number in the event that PwC needs to clarify aspects of your survey response.

How Do I Return My Survey?

Your survey responses can be delivered in 2 ways:

1. Fax the completed form to: (02) 8286 1734
2. Fill-in the hardcopy attached to this letter and return in the pre-paid envelope provided.

If you have any questions in relation to this survey feel free to contact Sarah Latham at PwC on (02) 8266 1734

Yours sincerely,

Michael Cunningham
Manager Industry Sectors & Special References
Essential Services Commission

Taxi Driver Survey

Please tick most appropriate answer **ALL COSTS SHOULD INCLUDE GST**

Should you need help completing this survey, please call Sarah Latham at PricewaterhouseCoopers on (02) 8266 1734.

Surname (optional):		First name (optional):		Residential postcode:			
Contact ph number (optional):		Name of Network:					
Are you happy to be contacted to discuss this survey? Yes <input type="checkbox"/> No <input type="checkbox"/>							
1) Place where you usually drive	Metro (Melbourne)	<input type="checkbox"/>					
	Outer Suburban (Frankston Dandenong)	<input type="checkbox"/>					
	Urban (Geelong, Ballarat, Bendigo)	<input type="checkbox"/>					
	Country (remainder of regional Victoria)	<input type="checkbox"/>					
2) Type of taxi driven	Standard sedan or station wagon	<input type="checkbox"/>					
	Wheelchair Accessible Taxi (WAT)	<input type="checkbox"/>					
	Premium Silver service	<input type="checkbox"/>					
	Peak / Green top	<input type="checkbox"/>					
	High Occupancy Vehicle (HOV) / Maxi	<input type="checkbox"/>					
	(includes taxi with capacity for 2 wheelchairs)						
3) Average number of km you drive in your taxi per week	less than 499 <input type="checkbox"/>	500-749 <input type="checkbox"/>	750-999 <input type="checkbox"/>	1,000-1,249 <input type="checkbox"/>	1,250-1,499 <input type="checkbox"/>	1,500-1999 <input type="checkbox"/>	
	2,000-2,999 <input type="checkbox"/>	3,000-4,000 <input type="checkbox"/>	more than 4,000 <input type="checkbox"/>				
4) Which shifts do you generally drive each week?	Mon AM <input type="checkbox"/>	Tues AM <input type="checkbox"/>	Wed AM <input type="checkbox"/>	Thurs AM <input type="checkbox"/>	Fri AM <input type="checkbox"/>	Sat AM <input type="checkbox"/>	Sun AM <input type="checkbox"/>
	Mon PM <input type="checkbox"/>	Tues PM <input type="checkbox"/>	Wed PM <input type="checkbox"/>	Thurs PM <input type="checkbox"/>	Fri PM <input type="checkbox"/>	Sat PM <input type="checkbox"/>	Sun PM <input type="checkbox"/>
5) Average hours worked per shift (Friday & Saturday)	Less than 5 hours <input type="checkbox"/>	6 hours <input type="checkbox"/>	7 hours <input type="checkbox"/>	8-hours <input type="checkbox"/>	9 hours <input type="checkbox"/>	10 hours <input type="checkbox"/>	
	11 hours <input type="checkbox"/>	12 hours <input type="checkbox"/>	13 hours <input type="checkbox"/>	14 hours <input type="checkbox"/>	15 hours <input type="checkbox"/>		
	More than 15 hours <input type="checkbox"/>						
6) Average hours worked per shift (Sunday-Thursday)	Less than 5 hours <input type="checkbox"/>	6 hours <input type="checkbox"/>	7 hours <input type="checkbox"/>	8-hours <input type="checkbox"/>	9 hours <input type="checkbox"/>	10 hours <input type="checkbox"/>	
	11 hours <input type="checkbox"/>	12 hours <input type="checkbox"/>	13 hours <input type="checkbox"/>	14 hours <input type="checkbox"/>	15 hours <input type="checkbox"/>		
	More than 15 hours <input type="checkbox"/>						
7) What is the average revenue for the following types of shifts?	Shift	Average Revenue					
	<i>Weekday (Mon-Fri)</i>	Revenue per shift \$ _____					
	<i>Week night (Mon-Thurs)</i>	Revenue per shift \$ _____					
	<i>Weekend day (Sat-Sun)</i>	Revenue per shift \$ _____					
	<i>Friday night</i>	Revenue per shift \$ _____					
	<i>Saturday night</i>	Revenue per shift \$ _____					
	<i>Sunday night</i>	Revenue per shift \$ _____					
8) What is the basis of your driver engagement?	a) Full-time Bailee <input type="checkbox"/>						
	If Full-time Bailee, how many weeks did you work last year? _____ weeks						
	b) Casual Bailee <input type="checkbox"/>						
9) What is the payment arrangement you operate under?	a) Percentage of fare revenue (e.g. 50/50 split) <input type="checkbox"/>						
	If so, what percentage of fare revenue do you get? ____%						
	OR						
	b) Fixed pay-in	<input type="checkbox"/>	If so, how much is the pay-in? \$_____ per shift				
10) When you entered into your driver engagement were you offered a choice between different payment	Yes <input type="checkbox"/>						
	No <input type="checkbox"/>						

arrangements (see Question 9)?	
11) What is your total fare take before pay-in?	\$_____ per week (not including tolls) How much on average is collected in tolls? \$_____ per week How many incidents of fare evasion have you encountered in the previous year? _____ incidents
12) Do you receive entitlements, such as sick leave or holiday pay?	No <input type="checkbox"/> Yes <input type="checkbox"/> If yes, how much do you receive? \$_____ per year OR _____ days per year
13) What costs do you cover out of your share of revenue?	Daily wash and vacuum <input type="checkbox"/> If so, what is the cost? \$____ per week Mobile phone costs (calls and/or SMS for contacting passengers upon approach) <input type="checkbox"/> If so, what is the cost per week? \$____ per week Cleaning / other maintenance on your driver uniform <input type="checkbox"/> If so, what is the cost per week? \$____ per week GPS navigation device <input type="checkbox"/> If so, what is the cost? \$____ Administration and paperwork costs (e.g. worksheets and pay-ins) <input type="checkbox"/> If so, what is the cost? \$____ per week OR _____ hours per week How often is this cost incurred? _____ Other <input type="checkbox"/> If so, Please specify _____ at \$_____ every _____ (time period) _____ at \$_____ every _____ (time period) _____ at \$_____ every _____ (time period)
14) Fuel use and cost	Fuel type: LPG <input type="checkbox"/> Diesel <input type="checkbox"/> Unleaded <input type="checkbox"/> _____ km per litre obtained Last price paid \$_____ /litre
15) Who usually pays the fuel costs?	You (i.e. after the end of shift settlement) <input type="checkbox"/> The Operator <input type="checkbox"/>
16) About your last shift If possible this information should be obtained from the meter Please provide a copy of the meter printout if the meter has that facility	Date: _____ Time: from _____ am/pm to _____ am/pm Number of passenger trips provided: _____ (number) Number of radio bookings accepted (if information available): _____ (number) Number of kilometres travelled: _____ (kms) Number of booked kms: _____ (kms) Number of kilometres travelled for which fares were generated: _____ (kms) OR _____ % of km Estimated waiting time: _____ (hours per shift) Odometer reading at beginning of last shift _____ (kms) Odometer reading at end of last shift _____ (kms)
16) Use of toll roads (as compared to alternative routes)	Frequency of use: Never <input type="checkbox"/> Rarely <input type="checkbox"/> Regularly <input type="checkbox"/> Always <input type="checkbox"/> Percentage time saving per trip: Less than 10% <input type="checkbox"/> 11-20% <input type="checkbox"/> 21-30% <input type="checkbox"/> more than 30% <input type="checkbox"/> Do you usually use toll roads without passengers on the return trip? Yes <input type="checkbox"/> No <input type="checkbox"/>
17) Change in proportion of fare generating kilometres, compared to this time last year	<input type="checkbox"/> No change, the same proportion of fare generating kilometres as last year <input type="checkbox"/> There has been an increase in fare generating kilometres <input type="checkbox"/> There has been a decrease in fare generating kilometres

18) Rank the following in terms of the frequency of the trips you make on average? (from 1–most frequent, to 6-least frequent)	2 kms or less	_____
	>2 – 5 kms	_____
	>5 -10 kms	_____
	>10 -15 kms	_____
	>15 -20 kms	_____
	Greater than 20kms	_____

Appendix B

Taxi Operator Survey

Dear Taxi Operator,

You are invited to participate in a survey on taxi costs which will be used by the Essential Services Commission (ESC) in their review of taxi fares. The ESC has been requested by the Minister for Public Transport to conduct a review of taxi fares for 2007/08 and this survey will assist the ESC in carrying out this role.

Survey responses need to be lodged with PricewaterhouseCoopers (PwC) no later than 20 December 2007.

Managing the Survey

PwC has been engaged to manage the survey and report on the results to the ESC.

Survey Participation

All taxi operators have been invited to participate in this survey. A related survey has been sent to a sample of drivers.

You are strongly encouraged to participate as this will help the ESC obtain a better understanding of the costs associated with operating and driving a taxi. Please answer each question carefully.

Privacy

This survey will not be released to any third parties and survey responses will be destroyed following processing. All surveys will be treated as confidential.

The survey contains an optional cell to provide your name and contact details. Whilst providing your contact details is not mandatory, we encourage you to provide a daytime contact number in the event that PwC needs to clarify aspects of your survey response.

How Do I Return My Survey?

Your survey responses can be delivered in 2 ways:

2. Fax the completed form to: (02) 8286 1734
2. Fill-in the hardcopy attached to this letter and return in the pre-paid envelope provided.

If you have any questions in relation to this survey feel free to contact Sarah Latham at PwC on (02) 8266 1734

Yours sincerely,

Michael Cunningham
Manager Industry Sectors & Special References
Essential Services Commission

Taxi Operator Survey

Please tick most appropriate answer. **ALL COSTS SHOULD INCLUDE GST.**

Should you need any help completing this survey, please call Sarah Latham at PricewaterhouseCoopers on (02) 8266 1734

Surname (optional):		First name (optional):		Residential postcode:	
Contact phone number(optional):		Name of Network:			
Are you happy to be contacted to discuss this survey? Yes <input type="checkbox"/> No <input type="checkbox"/>					
1) Place where you usually drive	Metro (Melbourne)	<input type="checkbox"/>			
	Outer Suburban (Frankston Dandenong)	<input type="checkbox"/>			
	Urban (Geelong, Ballarat, Bendigo)	<input type="checkbox"/>			
	Country (remainder of regional Victoria)	<input type="checkbox"/>			
2) Number and type of taxis operated	Standard sedan or station wagon	<input type="checkbox"/>	Number operated _____		
	Wheelchair Accessible Taxi (WAT)	<input type="checkbox"/>	Number operated _____		
	Premium / Silver service	<input type="checkbox"/>	Number operated _____		
	Peak / Green top	<input type="checkbox"/>	Number operated _____		
	High Occupancy Vehicle (HOV) / Maxi taxi (includes taxi with capacity for 2 wheelchairs)	<input type="checkbox"/>	Number operated _____		
3) Number of types of taxi licence	Conventional _____	WAT/HOV _____	Peak Service _____	Other _____	
4) Status	Driver only <input type="checkbox"/>	Operator only <input type="checkbox"/>	Operator & Driver <input type="checkbox"/>	Operator, Driver & licensee <input type="checkbox"/>	Owner only <input type="checkbox"/>
5) Number of drivers by engagement basis	Casual Bailee	<input type="checkbox"/>	_____ number of drivers		
	Permanent Bailee	<input type="checkbox"/>	_____ number of drivers		
	Driven by owner/operator	<input type="checkbox"/>			
6) If leasing licence (plate), what is the cost per year?	\$_____,000				
	If plate funded by debt: Funding term ___ years Interest rate _____%				
	Residual _____% Deposit paid \$_____,000				
7) What is the estimated value of your licence(plate) type (if owned)?	\$_____,000				
8) Average vehicle age when purchased	New <input type="checkbox"/>	1 year <input type="checkbox"/>	2 years <input type="checkbox"/>	3 years <input type="checkbox"/>	4 years <input type="checkbox"/> More than 5 years <input type="checkbox"/>
9) Typical approach to purchase	New via dealer <input type="checkbox"/>	2 nd hand via dealer <input type="checkbox"/>	2 nd hand via private sale <input type="checkbox"/>	2 nd hand at auction <input type="checkbox"/>	
10) Price paid for most recent addition to the fleet (on-road including GST) EXCLUDING taxi fit-out costs (e.g. meter, camera, LPG conversion, accessibility conversion costs)	\$_____,000				
	Paid _____ years ago				
	Vehicle type: _____				
	OR				
	If you bought your vehicle with fit-outs included, what was the price paid?				
	\$_____,000				
	Paid _____ years ago				

	Vehicle type: _____
11) Most recent purchase funding method	Paid cash <input type="checkbox"/> Lease <input type="checkbox"/> Hire purchase <input type="checkbox"/> Bank loan <input type="checkbox"/> Other <input type="checkbox"/> (Please specify) _____
12) Funding details (if relevant)	Funding term ____ years Interest rate ____% Residual ____% Deposit paid \$____,000
13) Average kilometres of travel per taxi per week	less than 1,000 <input type="checkbox"/> 1,000-1,499 <input type="checkbox"/> 1,500-1,999 <input type="checkbox"/> 2,000-2,499 <input type="checkbox"/> 2,500-2,999 <input type="checkbox"/> 3,000 – 4,000 <input type="checkbox"/> more than 4,000 <input type="checkbox"/>
14) Average number of day & night shifts operated per taxi per week	0-6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 <input type="checkbox"/> 11 <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/>
15) Average hours worked per taxi per shift (Friday & Saturday)	Less than 5 hours <input type="checkbox"/> 6 hours <input type="checkbox"/> 7 hours <input type="checkbox"/> 8-hours <input type="checkbox"/> 9 hours <input type="checkbox"/> 10 hours <input type="checkbox"/> 11 hours <input type="checkbox"/> 12 hours <input type="checkbox"/> 13 hours <input type="checkbox"/> 14 hours <input type="checkbox"/> 15 hours <input type="checkbox"/> More than 15 hours <input type="checkbox"/>
16) Average hours worked per taxi per shift (Sunday-Thursday)	Less than 5 hours <input type="checkbox"/> 6 hours <input type="checkbox"/> 7 hours <input type="checkbox"/> 8-hours <input type="checkbox"/> 9 hours <input type="checkbox"/> 10 hours <input type="checkbox"/> 11 hours <input type="checkbox"/> 12 hours <input type="checkbox"/> 13 hours <input type="checkbox"/> 14 hours <input type="checkbox"/> 15 hours <input type="checkbox"/> More than 15 hours <input type="checkbox"/>
17) Maintenance provider	Self maintenance <input type="checkbox"/> Taxi base garage <input type="checkbox"/> Mainly small garage <input type="checkbox"/> Mainly Franchise (e.g. Ultratune) <input type="checkbox"/> Dealer workshop (e.g. Ford dealer) <input type="checkbox"/> Other <input type="checkbox"/> (Please specify) _____
18) Maintenance strategy	Regular minor services only <input type="checkbox"/> Regular minor & major services <input type="checkbox"/> Reactive (only to fix a breakdown) <input type="checkbox"/>
19) Maintenance labour cost (if known)	Cost per hour Just my time <input type="checkbox"/> less than \$30 <input type="checkbox"/> \$30-\$34 <input type="checkbox"/> \$35-\$39 <input type="checkbox"/> \$40-\$44 <input type="checkbox"/> \$45-\$49 <input type="checkbox"/> \$50-\$54 <input type="checkbox"/> \$55-\$59 <input type="checkbox"/> \$60-\$64 <input type="checkbox"/> \$65-\$69 <input type="checkbox"/> \$70+ <input type="checkbox"/> Average number of hours spent on maintenance per taxi per month Less than 5 <input type="checkbox"/> 5-9 <input type="checkbox"/> 10-15 <input type="checkbox"/> 16-20 <input type="checkbox"/> 21-24 <input type="checkbox"/> 25-30 <input type="checkbox"/> 31-35 <input type="checkbox"/> 36-40 <input type="checkbox"/> More than 41 <input type="checkbox"/>
20) Typical type of parts and panels	Manufacturer made (e.g. Ford) <input type="checkbox"/> Generic parts (e.g. Repco) <input type="checkbox"/> 2 nd hand parts <input type="checkbox"/>
22) Total cost of last minor service	\$ _____
23) Total cost of last major service	\$ _____
24) Average kms per tyre replacement	30,000km <input type="checkbox"/> 35,000km <input type="checkbox"/> 40,000km <input type="checkbox"/> 45,000km <input type="checkbox"/> 50,000km <input type="checkbox"/> More than 50,000km <input type="checkbox"/>
25) Cost per tyre	\$ _____ (excl balance/alignment)
26) Average operator time per week spent on admin, shift changeover, rostering etc over your whole fleet	less than 5 hours <input type="checkbox"/> 5-9 hours <input type="checkbox"/> 10-14 hours <input type="checkbox"/> 15-19 hours <input type="checkbox"/> 20-24 hours <input type="checkbox"/> 25-29 hours <input type="checkbox"/> 30-34 hours <input type="checkbox"/> 35-39 hours <input type="checkbox"/> 40-44 hours <input type="checkbox"/> 45-49 hours <input type="checkbox"/> more than 49 hours <input type="checkbox"/>
27) Office / miscellaneous expenses (phone, electricity, accountant fees, admin staff wages, rent, computers, etc)	\$ _____ per month

28) Average cost of driver uniforms per vehicle per year	Less than \$150 <input type="checkbox"/> \$150-400 <input type="checkbox"/> \$401-\$650 <input type="checkbox"/> \$651-\$900 <input type="checkbox"/> \$901-\$1,400 <input type="checkbox"/> \$1,400-\$1,900 <input type="checkbox"/> \$1,901-\$2,500 <input type="checkbox"/> More than \$2,500 <input type="checkbox"/>																					
29) Do you pay your drivers sick leave pay or holiday pay?:	No <input type="checkbox"/> Yes <input type="checkbox"/> If yes, how much do you pay? \$ _____ per year OR _____ days per year																					
30) What type of payment arrangement do you have for drivers?	% of fare revenue <input type="checkbox"/> What % do drivers get? _____% OR Fixed pay-in <input type="checkbox"/> What is the pay-in? \$ _____ per shift																					
31) Average fare-taking per driver	\$ _____ per week OR Don't know <input type="checkbox"/>																					
32) In general, what shifts are driven by operator or a driver, and what revenue is taken per shift?	<table border="0"> <thead> <tr> <th>Shift</th> <th>Driver</th> <th>Average Revenue</th> </tr> </thead> <tbody> <tr> <td>Weekday (Mon-Fri)</td> <td>Operator-driven shift <input type="checkbox"/> OR Casual driver shift <input type="checkbox"/></td> <td>Revenue per shift \$ _____</td> </tr> <tr> <td>Week night (Mon-Thurs)</td> <td>Operator-driven shift <input type="checkbox"/> OR Casual driver shift <input type="checkbox"/></td> <td>Revenue per shift \$ _____</td> </tr> <tr> <td>Weekend day</td> <td>Operator-driven shift <input type="checkbox"/> OR Casual driver shift <input type="checkbox"/></td> <td>Revenue per shift \$ _____</td> </tr> <tr> <td>Friday night</td> <td>Operator-driven shift <input type="checkbox"/> OR Casual driver shift <input type="checkbox"/></td> <td>Revenue per shift \$ _____</td> </tr> <tr> <td>Saturday night</td> <td>Operator-driven shift <input type="checkbox"/> OR Casual driver shift <input type="checkbox"/></td> <td>Revenue per shift \$ _____</td> </tr> <tr> <td>Sunday night</td> <td>Operator-driven shift <input type="checkbox"/> OR Casual driver shift <input type="checkbox"/></td> <td>Revenue per shift \$ _____</td> </tr> </tbody> </table>	Shift	Driver	Average Revenue	Weekday (Mon-Fri)	Operator-driven shift <input type="checkbox"/> OR Casual driver shift <input type="checkbox"/>	Revenue per shift \$ _____	Week night (Mon-Thurs)	Operator-driven shift <input type="checkbox"/> OR Casual driver shift <input type="checkbox"/>	Revenue per shift \$ _____	Weekend day	Operator-driven shift <input type="checkbox"/> OR Casual driver shift <input type="checkbox"/>	Revenue per shift \$ _____	Friday night	Operator-driven shift <input type="checkbox"/> OR Casual driver shift <input type="checkbox"/>	Revenue per shift \$ _____	Saturday night	Operator-driven shift <input type="checkbox"/> OR Casual driver shift <input type="checkbox"/>	Revenue per shift \$ _____	Sunday night	Operator-driven shift <input type="checkbox"/> OR Casual driver shift <input type="checkbox"/>	Revenue per shift \$ _____
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34) Cleaning frequency	Never <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Six monthly <input type="checkbox"/> Annually <input type="checkbox"/>																					
35) Fuel use & cost	Fuel type: LPG <input type="checkbox"/> Diesel <input type="checkbox"/> Unleaded <input type="checkbox"/> Last price paid \$ _____ / litre _____ litres per 100km obtained																					
36) Insurance	Average policy cost per taxi for greenslip: \$ _____ per year. Average policy cost per taxi for comprehensive insurance: \$ _____ per year. Comprehensive excess: \$ _____ No claim bonus: 20 <input type="checkbox"/> 40 <input type="checkbox"/> 60 <input type="checkbox"/>																					
37) Other cover	3 rd party property <input type="checkbox"/> Average policy cost per taxi \$ _____ p.a. Excess: \$ _____ Registration <input type="checkbox"/> Average policy cost per taxi \$ _____ p.a. Workers Compensation <input type="checkbox"/> Average policy cost per taxi \$ _____ p.a.																					
38) Any other cost items which may not be covered in the above	<input type="checkbox"/> Network Fees at \$ _____ per vehicle per year <input type="checkbox"/> LPG Conversion at \$ _____ per vehicle																					

