

Commercial passenger vehicle review 2018

Submission received through Engage Victoria

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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 opportunity to send us a response to a set of questions we provided.

1. Fares for commercial passenger vehicles should be:

lower

2. How could the maximum fare structure for unbooked services be improved?

Flagfall to me seems out of step, being an antiquated concept. A straightforward per km charge is more appropriate - drivers can always refuse or negotiate a charge for very short distance travel, if need be. I think a best fare structure is one that uses a per km charge, against a minimum charge per 15 min block (time charge), so that if the per km total falls below the 15 min block charge, the fare bumps up to the 15 min block charge (so that when drivers are stuck in traffic, during peak for example, they are not overly disadvantaged). I don't believe time and distance charges are appropriate as double calculations, rather distance should always be the primary calculation, only to be replaced by time charges when a reasonable period of time has elapsed when distance was limited due to congestion (and I don't think it should be anything less than 15 minutes - short delays should not be subject to higher charges).

3. Given existing metering technology, how should maximum fares be calculated?

Ease of understanding fares for unbooked services is more important than any other factor, given there is limited time to research and evaluate. Fares must be uncomplicated and quick to understand (should be able to identify within five seconds of reading the fare tariff sticker, your likely cost). Anything else will lead to problems and dissatisfaction. I think a day rate, a night rate, and a public holiday rate are appropriate (I think distinctions between weekday and weekend rates are no longer appropriate in today's society). Due to increased security concerns during the night and it is when most want to spend their leisure/rest time, it is justifiable to charge a slightly higher rate over the daytime rate.

4. How could maximum fares change to help unbooked services compete more effectively with booked services?

Uber, while not always cheaper, has none the less changed the commercial passenger vehicle services market, and highlighted free riders in this market, that have lead to poor customer outcomes. In particular, that a significant number of taxi drivers/companies gave their industry a bad name (high charges, yet poor quality). Uber was able to offer generally lower fares, but a generally higher quality service, through technological leverage - even though it provided only minimal training to its drivers. Taxis won't really be on the same level until it too can generally be more price competitive, and have higher quality standards with its drivers (and more monitoring to ensure they are behaving ethically, by not fraudulently inflating their fares by taking the least efficient routes, etc). This more a culture change than a fare change. Increasing fares for example, won't improve outcomes other than for taxi operators. Decreasing fares might make it cheaper, but are unlikely to change the culture either. It is the competition itself that inspires change.

5. Should maximum fares for unbooked services in Melbourne be different to fares in Ballarat, Bendigo, and Geelong? Why?

It could be argued that higher operating costs apply in Melbourne than in regional and rural cities, but I suspect the actual evidence here may be less compelling, particularly when examined against supply/demand factors.

6. What are your views on our assessment approach for maximum fares?

I agree with the Assessment approach for maximum fares outlined on Page 9

7. Which of the following items is most important in relation to setting maximum fares for unbooked commercial passenger vehicles?

Fares are easy for passengers to understand.

8. What other matters should we consider in setting maximum fares for unbooked commercial passenger vehicles?

Don't deregulate taxi fares, as I hate having to play a guessing game in those cities that have fully deregulated taxi fares and let each individual company decide what it will charge. I prefer knowing well in advance what the likely taxi fees will be, for any given taxi (and there is weak evidence to support that deregulation of taxi charges improves cost or quality, with charges generally rising).

9. Upload submission

No file specified