

## **TAXI FARE REVIEW 2016 – Consultation Paper**

### **The Taxi Industry**

The Taxi Industry is a collection of small business that work hard to provide a 24hr personal door-to-door fare regulated , unsubsidised, viable mode of transport. Taxis are affordable, safe and accessible to all sections of the community.

### **Fares**

The Fare Determination Models (which have varied) used to determine all previous and the current Fare Structure would appear to have served all sectors (consumer, operator, and driver) well.

We all understand that we must **embrace** new technology but not **succumb** to it. We must adjust to present/future needs but resist the fanciful/confusing ideas that are a 'because we can' approach.

### **Regulated Fares:**

Should Taxi Fares be regulated?                      **YES**

Why?                      Primarily in the interests of the consumer and for the viability of the Provider. As you state, free negotiation of fares between consumers and taxi providers will not always lead to 'efficient prices'. Fares, simple and transparent, should be set at a reasonable Maximum level with appropriate Fixed Tariff Changes so as to remain accessible to all consumers. Maximum means Maximum and should not be manipulated to allow some to 'buy the service at a higher price' to the detriment of those less fortunate.

### **Fare Levels and Structures:**

Your aim to set the fare level as low as possible for consumers, but sufficient to attract an overall supply of taxis that enables reliable service for consumers , is not that different to previous models.

### **2014 Changes**

The Tariff Structure of 2014 has been accepted as a reasonable structure without much negativity.

However this Fare Structure still needs to be examined in the following areas:-

- a) Cost Stack is still a major part of the structure
- b) Day(Off Peak) Tariff - reduction (approx 10%) from Night Tariff reduced to 5%
- c) Change in car numbers
- d) Drop in Speed Limits.... A 10KPM drop in speed limits has the ability to reduce income \$16.20 to \$19.85 per /hr.

### **Options :**

Minimum Fare:

The 'Minimum Fare' as an attempt to resolve the so-called short-fare problem is not the solution as it does not consider the following:-

- a) Everybody's right to the same cost regardless of destination or length of journey
- b) Social impact on the elderly or disadvantaged who use those small trips to remain connected to the general community
- c) Potential loss of customers
- d) Industry responsibility of supply

This is not a problem that a Fare Structure can solve, unless it is excessive. Why should customers pay additional fares to support what amounts to 'bad practices', or worse, no longer support the Industry with their custom?

As you have noted the limitations of taximeters currently approved for use in Victoria, which have implications for the number and type of innovative fare structures that can be practically implemented. With this in mind and the uncertainty of adequate consumer protection the other Option and Ideas sections would at this stage appear premature but remain for future discussion.

I am available on 0429 056 912 for any further discussion.

Regards,

Brian Gammon

President VUTI