

Essential Services Commission

Level 37,2 Lonsdale St

Melbourne VIC 3000

Before I address the specific questions, I wish to put the following scenario to justify a significant taxi fare increase for Metropolitan.

In 2008 ,ESC determined that each metropolitan taxi could earn \$2750 per week. There being 3789 metro cabs ,the notional FARE BOX was  $3789 \times \$2750 \times 52 \text{ weeks} = \$541\text{mill approx}$

The population of Melbourne metro in 2008 was 3.5 million which fare box equates to notional fare box of \$155 per head.

In 2013, there are 4319 metro cabs including conventional, green tops and WATS so the notional fare box should be  $4319 \times \$2750 \times 52 \text{ weeks} = \$619\text{million}$ .

The population of Melbourne in 2013 is estimated to be 4.25 million which equates to \$147.50 per head of population.

This represents a real reduction of \$7.50 per head of population or 4.75%

In addition we have not had a fare increase since 2008 and official inflation rates have averaged 2.5% per annum Or 12.5% over 5 year period.

This equates to a real reduction in fares of 17.25% over the period since last review.

If the figures provided by Network Service Providers(ATO) would indicate that there are 32 million trips per annum at an average fare of \$20.00 per trip, then the notional fare box is only \$640million

I would also comment from a driver's point of view that there is a significant over supply of cabs, particularly WATS for the available work.

I also suggest that Green Tops become real Peak Service cabs operating only on Thursday, Friday & Saturday nights as well as peak service days of Christmas week, New Years Eve, Race Carnival Days, Cruise Boats and Football Finals and other major events. The idea of Green Tops was to assist in change-over times. Not for hundreds of them to queue at airport to start their shift-should be in city or suburbs.

The biggest scourge of the current operating system is Short Fare Refusal. To address this the Flag Fall must be minimum\$10.(which includes first 4km) plus booking fees at the determined distance rate.

This is fair and reasonable and would cover most jobs in CBD. Drivers would then have no reason to refuse short fares.

A surcharge of 20% should be applicable to all hirings (as in Sydney) from 10pm until 6am on Sunday, Monday, Tuesday, Wednesday, Thursday nights and from 6pm to 6am on Friday and Saturday nights as well as on major public holidays. This will incentivize drivers to be available to work as well as earning a minimum of 55% of Fare Box on their shift.

Day rates must also be increased by a minimum of 17.5% so that operators can make a profit as well as drivers earning a fair wage for their services provided. The current earnings of most drivers apart

from Friday and Saturday nights must surely be considered as “slave labour”-it is certainly less than the Minimum Wage.

Education of Drivers, Operators and the Public will be required.

Accessibility to ranks is a major concern in CBD and inner areas. It is of no benefit directing patrons to secure ranks if the cabs are unable to get access to these ranks. These secure ranks are a great idea but drivers can't get to them in peak hours-Melbourne City cutting out traffic lanes for bikes which affects taxi drivers ability to pick up these fares.

Taxi fares to and from Melbourne and Avalon airport are very scarce as VHA/VHB, private chauffeurs and buses now take the majority of work. Queues at the Airports are dependent on travel arrangements of individuals. WATS vehicles in increasing numbers choose to sit at airport rather than do dedicated wheelchair work. There is a tendency for some drivers to charge higher tariffs T3/4 from airport to unsuspecting passengers(as well as wheelchair clients. I believe the availability of these higher tariffs encourages drivers to make a business decision to operate at airport instead of doing wheelchair work. It is a licence condition for every accredited WAT driver to give priority to wheelchair work.

If you require further clarification, please do not hesitate to contact me

Regards

David Brumby