

Taxi Review 2024: Unbooked taxi fares and non-cash payment surcharge

Submission received via email

Date submitted: 17 June 2024

Submission written by: Name withheld from public disclosure

Respected Team,

I want to bring into your knowledge extra facts you may want to consider before deciding upon non cash payment surcharge

1. Cabcharge have a monopoly on processing cabcharge payments and they use those powers to kill competition in the industry. Any special benefit passed onto one entity is actually working in best interest of cabcharge while making losses both for the customers and service providers.
2. Cabcharge is getting 6% for processing MPTP subsidy (victorian Govt pay to cabcharge) then cabcharge charge independent operator an instrument fee of \$120 plus GST per month and you can reduce that cost by processing \$3300 worth of credit card, debit card , cabcharge card payments but no consideration for processing of MPTP payments. Which means cabcharge is getting double benefit from their monopoly they get 6% from victorian govt, 120 plus GST (1440 plus GST Annually) and then try to kill the competition by passing on benefit of processing through their platform, that means cutting the competition.

If essential service commission thinks it is competitive practice and it will make industry more competitive then I will say it is exploitation of knowledge gap. Yes regulators can do any thing and there is no challenge but on the right time regulator is answerable to victorian public why they close their eyes to ground realities.

I assume victorian Govt should exploit the situation to let industry bear the burden of payment processing and make it non mandatory.

It is a right time to break monopolies in taxis so that they can really compete with others like Uber and victorian public get more benefits from deregulations. In the present deregulation old people and people with disability are the worst sufferers.

Just trying to calculate value of benefit to cabcharge in victoria before anyone else can start
If there are 8000 taxis in victoria (8000*1440) 11.52 million plus GST from terminals only
MPTP processing approx 100 million a year @ 6% 6 million a year Total benefit 17.52 million approx.

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That is a cost industry and consumer pay before a competitor can think about anything else. On top with a monopoly cabcharge is competing directly with operators with their subsidiary 13 cabs. So one small benefit from the regulator is killing the industry from all the competitiveness.

Thanks in advance

Yours sincerely,
[Name withheld from public disclosure]