

DRAFT SUBMISSION TO THE ESSENTIAL SERVICES COMMISSION

Subject: Response to Draft Decision on Maximum Unbooked Taxi Fares and Non-Cash Payment Surcharges

From: Black & White Cabs Victoria

ESC Transport Team

Essential Services Commission
Level 8, 570 Bourke Street
Melbourne, VIC 3000
transport@esc.vic.gov.au

Dear ESC Transport Team,

Re: Submission on Draft Decision - Taxi Review 2024

I am writing to provide feedback on the draft decision regarding the maximum unbooked taxi fares and non-cash payment surcharges. We appreciate the Commission's efforts in this comprehensive review. However, we have several concerns that we believe need addressing before a final decision is made.

Fare Increase and Cost Model Transparency

Before commenting further on the proposed 5.7% increase in maximum unbooked taxi fares, we need to be supplied with a copy of the cost model and associated explanations of how it has been applied. Transparency in this process is crucial for industry stakeholders to understand and assess the rationale behind the fare adjustments. In Queensland, for example, the findings are released and negotiations with the industry are conducted openly. We strongly advocate for the same open method to be adopted here in Victoria.

Non-Cash Payment Surcharge Cap

We believe the current cap on non-cash payment surcharges is set too low. The operational costs associated with running a mobile payment situation in a taxi are significantly different from those of a static machine in a shop. While the technology costs may be similar, the challenges of a mobile environment add substantial costs. For instance, when payment equipment fails, the loss of revenue due to the car being off the road, coupled with travel costs for repairs or replacements, is an example of an overlooked but significant financial burden. There are other such unconsidered items, such as a driver becoming disenchanted with the equipment and ceasing to drive a taxi with faulty equipment. Replacing drivers is not always an easy process and can add substantial loss of income to operators. These examples are just some of the items that assist in considering why prices need to be above the simple merchant fee and equipment cost that are currently the main contributors to assessments.

Furthermore, Victoria is out of step with other states where the standard non-cash payment surcharge is 5%. Aligning our surcharge cap with that of other states is essential to ensure competitive parity and to adequately cover the additional costs incurred by the mobile nature of taxi operations.

We hope the Commission will consider these points seriously and provide the necessary information and adjustments to support a fair and sustainable operating environment for all stakeholders in the taxi industry.

Thank you for considering our submission.

Yours sincerely,

John Lobwein
General Manager, NSW & Vic
Black & White Cabs Victoria