

Price stability key to taxi industry viability

08 September 2020

Commercial passenger vehicles

The state's economic regulator has left maximum fares unchanged for cabs hailed from the street or taxi ranks, citing a need to maintain price stability.

The Essential Services Commission has released its [final decision on maximum fares for unbooked taxis](#) following a biennial review of fares.

Unbooked services include hailing a vehicle from the street or taking a taxi from a rank. Booked services are arranged through an app, online or over the phone, and are not regulated by the commission.

The commission's director of pricing Marcus Crudden says the decision takes service levels, the cost of providing taxi services and the impact of the coronavirus pandemic on the industry into account.

"The current environment is a challenging one for the taxi industry and their passengers; increasing fares would simply reduce demand even further," he said.

"Leaving maximum fares unchanged is the best option currently available to help operators remain viable and provide stability for customers, along with support being provided by Victorian Government."

The government's [\\$22 million industry support package](#) aims to support drivers who have lost work due to lower demand and support vulnerable consumers who rely on taxi services.

The commission has also decided to avoid changes to fare structures that may affect price stability at this time.

The decision covers fares for trips that start in metropolitan Melbourne, urban and large regional zones including Geelong, Ballarat, Bendigo, Frankston, Dandenong and the Mornington Peninsula.

The commission has also decided to delay planned [changes to the maximum surcharge on taxi fares paid by non-cash methods](#) due to commence in October, until 1 February 2021, recognising that some operators would have difficulty meeting the deadline due to current restrictions.

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