

# AUSTRALIAN TAXI DRIVER'S ASSOCIATION

Rozelle NSW 2039 [www.tda.net.au](http://www.tda.net.au)

Submission on Taxi Fares 2022 ESC Draft

The Victorian ESC Draft Report on Taxi Fares indicates that a Taxi Operator will cover his Operating Costs, based on the Taxi cost Index, at the point when Total Fares received reach \$75,000 per annum, even with the current, and substantial, Fuel increases not within the Draft. His Return On Investment is not mentioned, and it presumably comes from the portion of the 35% of Fares in excess of the break-even point. What is not addressed are the hours of Operation and or level of Fares required to provide Taxi Drivers with a reasonable level of Income.

Assuming the minimum Hourly Wage and Commercial Passenger Vehicle Award as a starting measure and additional amounts to cover Entitlements, Superannuation and excess hours, the base figure of \$30.00 per hour may be considered a reasonable Taxi Driver Hourly Rate. The ESC notes that an Operator will need to engage his Drivers at competitive rates to secure their participation.

Certainly the 10.4% increase in Fares will cover the Fair Work Commission's 5.2% increase to the Minimum Wage. The duality of a \$40.00 per week actual increase is, however, at question. Complicating matters is the need to account and provide for the extra amount for Entitlements and Superannuation not part of the Taxi Driver's normal income flow. The July Minimum Wage increase to \$ 812.60+ 25%, ( \$1015.75 ) when applied to the 55% Fare split presumes Fares of at least \$1847 over a 38 hour week. ( \$ 460 per 4 shifts and \$370 per five shifts )

Where is the verifiable evidence of Average Fares of this magnitude ?

Assuming also a Four Day / Ten Hour Shift, a Driver's weekly Gross Income of \$1200.00 can only be achieved if the average Shift obtains \$545 in Total Fares per Shift, with a 55/45 split.

Assuming a Five Day / Eight Hour shift, a Driver's weekly Gross Income of \$1200.00 can only be achieved if the average Shift obtains \$435 in Total Fares per Shift, with a 55/45 split.

That is not currently achievable, on the perceived current level of Taxi activities

The Taxi Operator has 600 available Shifts to recover his Operating Costs and ROI. The Taxi Cost Index notes Operating Costs of \$32,000 and with an \$8000 per vehicle ROI, that can be recovered over the 600 shifts at \$65 per Shift.

But the Taxi Driver is effectively restricted to 40 hours of driving to obtain his income.

Certainly, he can and does work for more than the 38 Hour Standard to achieve a living wage for himself and his family, but he should not have to be so obliged.

Unless a private Agreement between Driver and Operator is made to vary the Regulated 55 /45 % split is made, a Driver is absolutely unlikely to obtain that \$30 an hour return on his labour.

To provide an equitable outcome, the ESC must develop and present data as to the level of Fares received, Hours Driven and Fare Revenue, and then make recommendations as to a variation of the Fare split. The data as to current Trips, Hours and Total Fares is available to the ESC, but they appear to have very studiously avoided presenting that essential information.

The omission of Taxi Washing as a expense item in the Cost Index is possibly validated by it, Tolls, and Tips being deducted from Gross Fares before the 55% ( or otherwise greater amount) Driver's Commission is calculated.

Notwithstanding some 89 % of Taxis are operated by a single Owner / Driver the impact on their "engaged" Drivers is to maintain a level of Hourly Earnings manifestly below the Minimum Wage.

The Australian Taxi Drivers Association suggests that a workable and acceptable solution be to require that an Engaged Worker retains from Net Fares the equivalent of \$30 an hour over a five day week of 40 Hours and thereafter splits the Net Fares on a 50 / 50 % with the Operator. We note that this requires Legislative action, and the presumption of an average of \$370 in Fares per Shift.

We specifically note that this would oblige the Operator / Bailor to authorise the deduction from Fares of \$30.00 per hour of Driving, and a Split of Net Fares in excess, and would ensure that payment for Drivers engaged to Drive the Taxi. It would put an end to the exploitation of Taxi Drivers.

The ESC is in a position to access and analyse Taxi Data, and it would be desirable to have such information as validates average weekly Fare Revenue for Taxis.

We would also advise the ESC of the emergence of new Networks now not charging Network Fees as such, but, rather charging for services actually provided and charged within the Booking Fee. The impact is to reduce the Cost Index by 25%, and significantly improve Industry sustainability for the future.

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