

Taxi non-cash payment surcharge review 2019

Submission received through Engage Victoria

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Submission written by: Victorian Taxi Association

From 11 December 2018, we began accepting submissions on our 2019 taxi non-cash payment surcharge review via Engage Victoria (www.engage.vic.gov.au). On this website, people were given the opportunity to send us a response to a set of questions we provided.

- 1. Is the current 5 per cent non-cash payment surcharge for taxis too low, too high or at the right level?**

At the right level.

- 2. What major differences exist between payment processing in the taxi industry and other industries?**

Transactions are made in vehicles which rely on Mobile data networks to conduct transactions. At times these networks are susceptible to reduced or no coverage particularly in remote Country areas. It is essential that the in vehicle equipment is of a standard to enable the best possible service as there is no back landline service available.

- 3. What are your views on our methodology and approach for assessing the maximum surcharge?**

I would argue that some of the methodology is very city centric. Taxis are Victorian wide and statements such as most taxis are booked via smartphone applications may be true in Metro areas however the opposite would be the case in Country and Rural area.

- 4. Should there be a single maximum non-cash payment surcharge or a separate maximum for each type of payment method accepted in taxis?**

Should the 5% surcharge remain across the board then this should cover all providers.

5. What other matters should we consider in setting the maximum non-cash payment surcharge for taxis?

I would estimate 90 - 95% of Country taxis use Cabcharge terminals for Non cash payments. This is because of the extra service that Cabcharge afford these taxi operators which allow them to operate 24/7 365 days a year. Cabcharge provide each group of taxi operators within an area spare equipment which can be swapped out on the spot at any time of day or night. Cabcharge also have service agents spread across the state who provide extra support with wiring or other issues who are generally on call 24/7 also. Should the surcharge be reduced we would be very concerned that services we now enjoy would be reduced and as a consequence our taxi operators and customers will be severely affected and that this may also impact the ability to continue to remit daily payments to taxi operators. We would also note that since the reduction from a 10% surcharge down to 5% generally there has been no negative comments in regard to the current charge. We would also have major reservations in regard to the comprehensive involvement by cabcharge with the Multi-purpose taxi program which we feel may be placed in jeopardy. This would be a massive concern for all of our members in Urban and Country areas where in some areas this amounts to up to 70% of their daily transactions. For the above reasons the VTA would recommend that the current 5% surcharge remains in force.

6. Upload submission

No file specified.