

Taxi non-cash payment surcharge review 2019

Submission received through Engage Victoria

Date submitted: 22 July 2019

Submission written by: Victorian Taxi Association

From 30 May 2019, we began accepting submissions on our 2019 taxi non-cash payment surcharge review draft decision 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. Do you agree or disagree with our decision to reduce the maximum surcharge for taxis to 4.5 per cent (including GST)? Why, why not?

Our Members have severe reservations regarding the Essential Services Commission draft decision to reduce the maximum surcharge for taxis to 4.5 per cent. We have recently canvassed members across the state who fear that the current level of service will be severely affected due to this decision. Currently members or accredited Cabcharge installers are provided equipment to be kept on hand and swapped out in case of equipment failure, this is critical to Country and Urban taxi operators maintaining a 24/7 service. Recently members have commented that the swap out equipment is now refurbished equipment as opposed to new equipment which used to be supplied. It is fair to assume that this has eventuated because of the reduction from a 10 per cent surcharge to 5 per cent surcharge and reduced profit margins affecting Cabcharge's ability supply new equipment. It is therefore reasonable to assume that with a further reduction in the surcharge the availability and quality of equipment may suffer and as a flow on effect Country and Urban taxi services to customers may be affected. This equipment is critical to our members ability to supply continuous 24/7 services and with the Multi Purpose Taxi program a massive part of country and urban services it would seem incredulous that this service would be placed at risk.

2. Do you agree with our draft decision to delay the implementation of the changes until 1 January 2020?

As discussed at our recent meeting with any software change there is a risk of a malfunction, we would therefore suggest that any change be implemented at a time when personnel are available to quickly resolve any issue that may arise. New Years Eve is one of the busiest

times of the year for the taxi industry so 1st January could not be recommended. Timing should be conducive with the availability of personal to quickly address any issue which could arise both from a network perspective and Cabcharge perspective.

3. Are there any other matters you would like us to consider in our final decision?

All members canvassed reported no negative feedback from any of their customers in regard to the current 5 per cent surcharge and in fact the amount of clients paying by EFT has increased exponentially. There are also a number of other providers in the market now offering EFT equipment so each taxi provider has plenty of options should they wish a cheaper alternative.

4. Upload submission

No file specified.