

FROM THE CEO

On 4 May the State Government brought down its budget for the forthcoming year. Later that day the Minister for Public Transport and the Minister for Roads and Ports briefed transport industry stakeholders more specifically about the transport budget. Taxis failed to rate a mention at the briefing, so the budget papers were scrutinized for any mention.

Apart from the usual line items for the MPTP and VTD operations, the budget included projected revenue for the leasing of the additional 530 metropolitan and outer-suburban licences. It is understood that tenders for the additional licences might be called towards the end of June/early July.

Apart from the spectre of the additional licences, the VTA remains focussed on what is a most important and threatening matter for the taxi industry, particularly the metropolitan industry; namely, the taxi licence assignment system and the emerging propensity of sub-assignment arrangements.

It needs to be said that the current fare setting model adopted by Government in 2008 is a root cause of the problems today. That model failed to adopt real operating costs and, in particular, the real cost of licence assignment fees.

Work done recently by the VTA indicates that fares need to rise by at least 15.5 percent just to get back to some reasonable starting point. At the same time licence assignment fees need to be controlled to stop the vicious "circular economic rent".

The VTA acknowledges that the Department of Transport (DOT) now recognises that the structure and substance of licence assignment regulation has gaps and flaws, and that these must be fixed. To this end, the VTA is having discussions with the DOT to nail down the issues and develop an action plan to remedy them. The matter has also been discussed with the Minister.

As many will know, the VTA is concerned that new driver in-flow to the industry has been severely impacted by changes to the Federal Government's overseas student and immigration policies, concerns held by prospective students on the safety of living in Victoria, and the screening process established by the VTD for those who have not held a full Victorian driver licence for 12 months.

The VTD has indicated its willingness to assist the VTA in encouraging already accredited, but inactive, drivers to return to taxi driving.

The VTA has also developed an information session for people who are thinking that taxi driving might be suitable for them. These sessions will commence shortly.

I leave you with two contrasts – the beauty and wealth of Brunei and the devastation and poverty of Rabaul (PNG) after the devastation of the 1994 eruption when the village was covered in 2 metres of ash. Despite this contrast, both places have one thing in common – the people are wonderful.

Neil Sach
VTA CEO

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