FIJI TAXI ASSOCIATION

"To Protect and Promote the Rights and Interests of the Taxi and Hire Car Proprietors Fiji Wide"

P O Box 123
Sigatoka

fijitaxiassociation26@gmail.com

Mohammed Faiyaz
President
Contact: 9407488 / 7558831

Sohan Prasad
Acting General Secretary
Contact: 9253929

Balram Naidu
Treasurer
Contact: 234 9015

FORMAL SUBMISSION

Taxi Fare Review and the Proposed Reversion to the Pre-July 2026 Rate

Submitted by the Fiji Taxi Association to the Fiji Competition and Consumer Commission

Submitted by: Fiji Taxi Association

Submitted to: Fijian Competition and Consumer Commission

Subject: Retention of the current $1.40 per kilometre rate pending a comprehensive review and determination of a permanent fare

Date: August 2026

Executive summary

The Fiji Taxi Association respectfully submits that the decision to end the interim fare adjustment on 30 September 2026 and return the distance rate to $1.00 per kilometre is unsustainable, economically unjustified and contrary to the long-term public interest. The Association seeks the immediate retention of the current $1.40 per kilometre rate until a comprehensive, transparent and evidence-based cost-of-service review is completed and a permanent fare is determined.

The rate proposed for restoration is described as the pre-July 2026 fare. In substance, however, its distance component is the rate established in 2011: 10 cents per 100 metres, or $1.00 per kilometre. The insignificant and tokenistic 50-cent flagfall adjustment introduced in 2022 did not increase the distance rate and was never accepted by the taxi industry as a meaningful fare review or a sustainable adjustment. The industry is therefore being asked to operate in 2026 on a core earning rate that is fifteen years old.

Fuel is only one operating cost. Tyres, batteries, parts, servicing, repairs, insurance, financing, depreciation, vehicle replacement, labour and household costs have all increased substantially since 2011. A fare that does not allow operators to maintain and replace their vehicles is not affordable transport in any meaningful or sustainable sense.

The Association accordingly requests that FCCC retain $1.40 per kilometre as an interim safeguard, urgently undertake a full cost review, publish the methodology and evidence used, reimburse operators for any second meter recalibration caused by the temporary arrangement, and meaningfully consult the Fiji Taxi Association before any further fare decision.

The evidence set out in this submission includes a detailed 2025 operating-cost model, an illustration of the effect of empty return journeys, and indicative regional and international comparisons. Together, these show that the $1.00 distance rate is detached from both the cost of providing the service and comparable fare levels elsewhere.

P O Box 123 Sigatoka | fijitaxiassociation26@gmail.com | Mohammed Faiyaz, President, Contact: 9407488 / 7558831 | Sohan Prasad, Acting General Secretary, Contact: 9253929 | Balram Naidu, Treasurer, Contact: 234 9015

1. Purpose and immediate position

This submission is made on behalf of the Fiji Taxi Association to place on record the industry's concerns regarding the current taxi fare structure and the proposed reduction from the current interim rate of $1.40 per kilometre to $1.00 per kilometre from 1 October 2026.

The Association's immediate position is clear:

- The current $1.40 per kilometre rate should remain in force.
- The rate should not be reduced while a comprehensive cost-of-service review remains outstanding.
- The review must consider the full cost of operating a taxi, not fuel prices alone.
- The review must be transparent, evidence-based and completed within a defined timeframe.
- The Association must be directly and meaningfully consulted before any subsequent change is made.

The Association's longer-term position is that a permanent fare should be established for a reasonable period of three to five years, with a clear and transparent trigger for a formal review if fuel prices or other major operating costs rise materially.

2. The proposed rate is effectively the 2011 distance fare

The central issue must not be obscured by the description "pre-July 2026 fare". The distance rate that FCCC proposes to restore is 10 cents per 100 metres, equivalent to $1.00 per kilometre. That distance rate was established under the Deed of Agreement entered into between Government and the taxi industry on 7 November 2011. It has not received a permanent increase since that time.

The 2022 adjustment did not change this reality. While the flagfall and waiting charges were adjusted, the core amount earned for each kilometre travelled remained unchanged. The ordinary daytime flagfall adjustment of approximately 50 cents per journey was insignificant and entirely tokenistic in relation to the industry's cost pressures. It was never accepted by the taxi industry as a meaningful, adequate or final fare increase. It did not address the cost of each kilometre travelled, which is the principal basis on which taxis earn revenue over the course of a working day.

> *The fare FCCC proposes to restore is not merely a pre-July 2026 fare. Its core distance component is the 2011 fare. A distance rate effectively set fifteen years ago cannot credibly be treated as a current and sustainable fare in 2026.*

The question for FCCC is therefore straightforward: how can a distance rate set in 2011 remain fair, reasonable or economically viable in 2026 when virtually every significant cost of operating a taxi has increased?

3. Rising operational costs since 2011

The cost of operating a taxi has increased drastically since 2011. Taxi businesses depend on a regulated fare, but their expenses are exposed to inflation, imported goods, freight charges, exchange-rate movements, commercial interest rates and rising labour and household costs. FCCC cannot determine the viability of the industry by looking only at whether fuel prices rose or fell during one particular month.

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Parts and maintenance

Vehicle parts and consumables are predominantly imported and therefore affected by freight costs and currency fluctuations. Global shipping costs surged during the pandemic, at points multiplying several times over, and this fed directly into the prices of tyres, batteries and other parts in Fiji.

The Association's operating evidence indicates that a set of taxi tyres costing around FJD 600 approximately a decade ago may now cost well over FJD 1,200. Engine oil, filters, brake pads and other consumables have also increased. Older high-mileage vehicles can incur repair bills exceeding FJD 4,000 a year, while newer hybrid taxis face expensive battery-pack, ABS and electronic-component replacements that did not form a material part of industry costs in 2011. Overall maintenance and repair costs are estimated to have risen by approximately 40 to 50 per cent since 2011.

Labour and driver livelihoods

The cost of labour and the livelihood of drivers must form part of the review. Fiji's national minimum wage has more than doubled from approximately FJD 2.00 to FJD 2.50 per hour in the early 2010s to FJD 4.00 by 2023 and FJD 5.00 in 2025. Although many taxi drivers operate under contractual or revenue-sharing arrangements rather than hourly employment, they still need to earn a sustainable living.

Operators commonly have preset weekly income arrangements with drivers. When fares remain effectively frozen for fifteen years, driver incomes fall behind inflation and wage growth elsewhere. This makes it increasingly difficult to attract and retain experienced and reliable drivers, particularly given the long hours and personal-safety risks involved in taxi work.

Fuel and price volatility

Fuel remains one of the largest and most unavoidable operating expenses because every kilometre travelled consumes fuel, whether or not a passenger is in the vehicle. Petrol prices have also been highly volatile. In 2022, petrol rose above FJD 3.40 per litre amid global energy-market disruption. Subsequent reductions do not erase the cash-flow pressure, uncertainty and losses imposed during periods of elevated prices.

Small operators working on narrow margins cannot readily absorb major fluctuations without a corresponding fare mechanism. A fare review should therefore consider not only the price on a particular review date, but also fuel-price volatility and the need for a predictable trigger when prices rise materially.

Financing and vehicle replacement

Vehicle replacement is a major and unavoidable cost. Operators may need to replace a heavily used taxi every four to five years to avoid escalating repairs and reliability problems. Many must borrow at commercial interest rates to purchase a replacement vehicle. Interest and loan repayments substantially reduce net income and must be treated as a genuine cost of providing the service, not as an optional private expense.

Fuel, parts, maintenance, insurance, financing and vehicle-replacement costs have all climbed while the core regulated distance rate has remained unchanged. This imbalance is unsustainable.

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4. Cost of operating a taxi in Fiji (2025)

The following conservative model estimates the annual cost of operating one relatively modern taxi in the Central Division, assuming approximately 50,000 kilometres of travel a year. It excludes fuel and loan costs, which are considered separately below.

Cost item	Annual cost (FJD)	Cost per km (FJD)
Insurance (full year)	800	0.02
Annual registration and fees	300	0.01
Regular servicing, including oil	960	0.02
Tyres	1,350	0.03
Repairs and maintenance	2,000	0.04
Depreciation and vehicle wear	2,500	0.05
Base operating permits and levies	1,560	0.03
Total, excluding fuel and loans	**9,470**	**0.19**

Table 1. Conservative estimate of core operating costs for one taxi in the Central Division. Fuel and financing costs are excluded.

The model assumes a relatively modern and fuel-efficient vehicle. For older cars, annual repairs may exceed FJD 4,000. Hybrid vehicles can reduce fuel consumption but expose operators to significant battery-pack and specialised-component costs. The FJD 2,500 depreciation allowance assumes the operator can set aside capital for eventual replacement, although many operators cannot do so and must instead rely on loans.

Fuel may be purchased directly by the driver under some operating arrangements, but it is still paid from fare revenue and must be included when assessing viability. Using the current fuel price of approximately FJD 3.10 per litre, a hybrid consuming about 5.5 litres per 100 kilometres incurs fuel costs of roughly FJD 0.17 per kilometre. A standard sedan consuming about 8 litres per 100 kilometres incurs approximately FJD 0.25 to FJD 0.28 per kilometre.

Once fuel is included, total running costs may reach approximately FJD 0.44 to FJD 0.49 per kilometre for a hybrid and FJD 0.49 to FJD 0.54 for a conventional vehicle. Financing may add a further approximately FJD 0.05 per kilometre. Around half of the FJD 1.00 distance rate can therefore be consumed by vehicle costs before any adequate allowance is made for driver income or operator profit.

One operator's experience illustrates the financing burden. After purchasing a taxi for approximately FJD 50,000 and having to replace the vehicle a year later, the operator incurred annual interest of around FJD 2,700 and monthly loan repayments of approximately FJD 870. For the five-year loan term, the business produces little or no distributable return and may require further personal investment simply to sustain operations.

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5. Taxi operators are experiencing a decline in real income

Because the distance fare has remained unchanged, the $300 that a taxi earned from a given amount of metered travel in 2011 is still the same $300 today. However, the real value of that $300 has significantly diminished. It buys far less food, fuel, clothing, housing and other necessities than it did fifteen years ago.

At the same time, the cost of earning that $300 has increased substantially because fuel, tyres, parts, servicing, insurance and vehicle replacement are all more expensive. A smaller amount therefore remains after operating expenses, and the amount that remains has considerably less purchasing power. Taxi operators and drivers have suffered twice: they retain less income after paying their operating costs, and the income that remains is worth substantially less than it was in 2011.

Workers in virtually every other sector have received wage or salary increases over the past fifteen years in recognition of inflation and the rising cost of living. Taxi drivers and operators deserve the same opportunity to improve their earnings. They work long and irregular hours, frequently alone and late at night, while facing the risks of road accidents, robbery, assault and even loss of life. It is grossly unfair to expect them to meet the costs and service standards of 2026 while effectively locking their earning structure to a distance rate established in 2011.

6. Profitability challenges at current fare levels

At the regulated distance rate of FJD 1.00 per kilometre, running costs alone may consume around half of gross distance revenue. The remainder must cover driver income, unpaid kilometres, financing, depreciation and any return to the owner. On many journeys, the actual margin is minimal or non-existent.

A simple scenario illustrates the problem. A taxi making a 10-kilometre paid journey may earn approximately FJD 11.50 including flagfall. If it must then return 10 kilometres without a passenger, it has earned FJD 11.50 for 20 kilometres of vehicle use. This is an effective return of FJD 0.575 per kilometre before accounting for driver remuneration, financing, depreciation and profit. In many cases, the journey produces no profit and may result in a loss.

At FJD 1.00 per kilometre, a taxi may need a paying passenger for at least two of every three kilometres travelled, an occupancy rate of approximately 66 per cent, merely to cover costs and make a modest return. Many taxis cannot sustain that utilisation because of empty return journeys, trips to collect passengers, time spent waiting at ranks, uneven demand and competition from illicit operators.

Operators have attempted to improve efficiency by moving to hybrid vehicles, working longer hours and operating shifts. Those measures cannot overcome a fifteen-year freeze in the core earning rate. The real fare has declined while expenses have risen, leaving many operators worse off despite working longer. Some defer essential repairs or vehicle replacement because the business does not generate sufficient funds, ultimately creating risks for passenger safety and service quality.

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7. Regional and international fare comparisons

The following indicative comparison, places Fiji's FJD 1.00 distance rate alongside approximate rates in selected Pacific, Asian and small-island markets. Tariff structures vary by city and country, so the figures should be read as broad comparators rather than exact like-for-like prices.

Country	Approximate fare per km (FJD)
Fiji, pre-July 2026 distance rate	1.00
Samoa	3.10
Tonga	1.25
Vanuatu	2.70
Solomon Islands	2.80
Papua New Guinea	3.20
Maldives	3.70
Trinidad and Tobago	1.70
Mauritius	7.50
Jamaica	7.20

Table 2. Indicative international comparison in Fiji dollars. Actual fares may vary by locality, flagfall, waiting charges, time of day and tariff design.

Fiji's FJD 1.00 rate is at the lowest end of this group. Indicative urban rates in India are approximately FJD 1.40 to FJD 1.80 per kilometre, while rates in the Philippines are approximately FJD 1.00 to FJD 1.20. Those markets generally benefit from cheaper vehicles, parts, labour and servicing than Fiji.

Within the Pacific, the comparison places Fiji well below Samoa, Papua New Guinea, Vanuatu and Solomon Islands. The Association is not suggesting that Fiji should match the highest international rates. The comparison demonstrates that a reasonable increase can be made while Fiji's taxis remain among the more affordable in the region.

8. Public interest requires viable taxi services

The Association recognises the importance of affordable transport for the travelling public. Taxi passengers should receive a fair price and a safe, reliable and accessible service. Consumer protection, however, cannot mean protecting passengers by impoverishing taxi owners and drivers or requiring small businesses to subsidise public transport from their own diminishing incomes.

Financially viable taxi operators are better able to:

- maintain vehicles properly and address defects promptly
- replace unsafe or uneconomical vehicles
- purchase quality tyres and parts

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- retain reliable drivers and reduce fatigue caused by excessive working hours
- provide services at night and in lower-demand areas
- meet insurance, licensing and other regulatory obligations
- continue serving passengers rather than exiting the industry

If Government considers affordable taxi transport to be a public good, any subsidy required to achieve that social objective should be transparent and publicly funded. It should not be imposed invisibly on individual taxi operators who are already carrying the risks of vehicle ownership, financing, maintenance, personal safety and regulatory compliance.

The travelling public did not demonstrate widespread opposition to the July fare adjustment. Passengers generally understood that an adjustment was overdue after fifteen years without a permanent increase to the distance rate. FCCC has not explained why it is overriding this practical public acceptance and restoring a fare that bears no credible relationship to present-day operating costs.

9. The temporary adjustment has created avoidable costs and disruption

The Fiji Taxi Association never requested a temporary fare increase. The Association consistently sought a permanent and comprehensive fare review based on the full cost of operating a taxi. Its detailed submission proposed a permanent distance rate of $1.50 per kilometre, while retaining the existing flagfall and waiting charges, as a reasonable and necessary adjustment that would still leave Fiji's taxis comparatively affordable.

Instead, FCCC introduced a temporary increase from $1.00 to $1.40 per kilometre and required operators to recalibrate their meters. Operators paid approximately $50 each to have meters reprogrammed, tested and sealed. In the West, the cost has been approximately $55, excluding travel and related expenses. Because there are too few authorised meter service providers, the first recalibration exercise took between three weeks and one month in many areas.

Some operators did not want to incur this expense for a temporary adjustment. Nevertheless, members report that FCCC inspections required operators to have their meters recalibrated. Those same operators are now expected to pay approximately another $50 to return the meters to the old rate, again join lengthy queues and again lose working time before 1 October.

An operator who managed to have a meter recalibrated only on 30 July may have to return to a service provider in early September to ensure that the meter is restored before the deadline. That operator may therefore receive only a few weeks of uninterrupted benefit from the temporary rate before paying again to reverse it.

> *FCCC has recognised that taxi fares cannot be changed every time fuel prices move because meters must be reprogrammed, tested and calibrated. Yet the present arrangement has produced precisely that problem: one nationwide recalibration in July and another only three months later.*

The cost of this avoidable administrative burden should not be passed to small operators who are already struggling to remain viable. If FCCC required operators to recalibrate their meters for the temporary rate, it

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must accept responsibility for the cost of reversing that adjustment, including reasonable costs imposed by the shortage of authorised service providers.

10. Proposal for a fair permanent fare

The Association proposes a permanent distance rate of 15 cents per 100 metres, equivalent to FJD 1.50 per kilometre, while retaining the existing flagfall and waiting charges. This is the rate previously sought by the Association on the basis of the substantial rise in the full cost of operating a taxi.

Fare component	Association proposal
Distance rate	FJD 0.15 per 100 metres, equivalent to FJD 1.50 per kilometre
Flagfall	No change to the existing authorised charge
Waiting charge	No change to the existing authorised charge

Table 3. Fiji Taxi Association's proposed permanent fare structure.

The proposal concentrates the adjustment on distance rather than flagfall, preserving affordability for short journeys while recognising the cost of each kilometre travelled. For a five-kilometre journey, the distance component would increase by FJD 2.50. For a 10-kilometre journey, it would increase by FJD 5.00 before flagfall. Even at FJD 1.50 per kilometre, Fiji would remain below many of the indicative regional rates set out above.

The immediate request in this submission remains narrower. FCCC should retain the present interim rate of FJD 1.40 per kilometre while it completes the comprehensive review. The FJD 1.50 proposal should then be assessed transparently as the Association's preferred permanent rate.

11. A permanent and predictable fare is preferable

The Association's preference is for a fixed and sustainable fare for a period of three to five years. This would give operators and passengers certainty, reduce repeated meter-calibration costs and allow businesses to plan maintenance, loan repayments and vehicle replacement.

The Association is prepared to enter into a formal agreement with the relevant authorities to maintain the agreed fare for the fixed period, subject to mutually agreed terms. A clear review mechanism should apply if fuel reaches FJD $3.60 per litre or above, or if another objectively measurable cost shock materially changes the cost of service.

A fixed three-to-five-year arrangement would provide:

- greater certainty for taxi operators and passengers
- better financial planning and more reliable vehicle maintenance
- a realistic opportunity to build funds for vehicle replacement
- reduced loss of working time caused by meter recalibration
- less need to purchase replacement meters
- better utilisation of existing meters

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- a transparent basis for addressing exceptional increases in major operating costs

12. Matters that must be included in the comprehensive review

A credible fare review must assess the full cost of service and the conditions under which taxis actually operate. The Association requests that the review include, at minimum:

- fuel prices and fuel-price volatility
- tyres, batteries, lubricants, filters and other consumables
- spare parts, freight and exchange-rate impacts
- servicing, mechanical labour, repairs and cleaning
- insurance, registration, permits and regulatory charges
- vehicle depreciation and the cost of purchasing a replacement vehicle
- interest, loan repayments and other financing costs
- driver remuneration and the cost of retaining drivers
- waiting time, rank queues and time spent without a paying passenger
- empty return journeys and collection trips
- differences between older vehicles, standard vehicles and hybrids
- the cost of maintaining a safe, roadworthy and reliable fleet
- the financial impact of illegal and unlicensed operators on compliant businesses
- the effect of inflation and the decline in the purchasing power of taxi income since 2011
- the affordability of fares for passengers and the need to maintain an accessible public service

The methodology, assumptions, data sources and timeframe for the review should be published. The Association is ready to provide anonymised or aggregated operator information, invoices, meter-calibration records, fuel receipts, vehicle-financing information and other evidence required to ensure that the determination is grounded in actual operating conditions.

13. Formal requests of the Fiji Competition and Consumer Commission

The Fiji Taxi Association respectfully requests that FCCC take the following actions:

1. Immediately suspend or withdraw the decision to return the distance rate to $1.00 per kilometre on 1 October 2026.
2. Retain the current $1.40 per kilometre rate until a comprehensive cost-of-service review is completed and a permanent fare is determined.
3. Commence that review urgently and assess the full cost of operating a taxi, including fuel, tyres, parts, maintenance, labour, insurance, depreciation, financing, vehicle replacement, empty return journeys and waiting time.
4. Publish the methodology, evidence, assumptions and timeframe that will be used for the permanent fare determination.

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5. Recognise that the proposed $1.00 distance rate is effectively the unchanged 2011 distance rate and that the 2022 fifty-cent flagfall adjustment was not a meaningful review or sustainable industry-wide fare increase.
6. Reimburse operators for any second meter recalibration required as a result of the temporary arrangement, including reasonable costs associated with travel and lost working time where properly evidenced.
7. Ensure that the fare system fairly recognises both running time and waiting time, including time spent in queues and at ranks without a paying passenger.
8. Consult directly and meaningfully with the Fiji Taxi Association before making any future decision affecting taxi fares.
9. Consider a fixed fare arrangement for three to five years, supported by a clear trigger for a formal review where fuel reaches FJD $3.60 per litre or another material cost threshold is reached.
10. Work with the Land Transport Authority and other relevant authorities to take effective action against illegal operators who take business from licensed operators without carrying the same regulatory, safety and financial obligations.
11. Provide the Association with an urgent meeting and a written response to this submission before operators are required to begin the second meter-recalibration exercise.

14. Proposed way forward

The Association remains willing to work constructively with FCCC, Government, the Land Transport Authority and consumer representatives. The dispute should be resolved through evidence, consultation and a fair fare framework rather than repeated temporary adjustments that create cost and uncertainty for operators.

The Association proposes the following immediate process:

- retain the current $1.40 per kilometre rate as an interim safeguard
- convene an urgent meeting between FCCC and the Association
- agree the scope, methodology and timetable for a full cost-of-service review
- collect and analyse anonymised operator evidence across the Central, Western and Northern divisions
- publish the review methodology and key findings
- determine a permanent fare for three to five years with an agreed review trigger
- resolve responsibility for the second meter recalibration before imposing further compliance costs on operators

In return, the Association is prepared to reinforce its members' commitment to the consistent use of meters, clean and roadworthy vehicles, respectful treatment of passengers, and compliance with all lawful fare and licensing requirements. A sustainable fare and a strong service commitment should be treated as complementary objectives, not competing ones.

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Conclusion

The Fiji Taxi Association is not seeking frequent or unnecessary fare increases. It is seeking recognition that the current $1.00 per kilometre distance rate is no longer a current fare in any meaningful economic sense. It is the core distance rate established in 2011, and the tokenistic 50-cent flagfall adjustment in 2022 did not change that reality.

The recent reduction in fuel prices has not returned Fiji's economy to 2011. Tyres, parts, servicing, labour, insurance, vehicle prices, household costs and financing have not returned to 2011 levels. The cost of providing the taxi service has increased while the distance rate has remained frozen. The result is a substantial decline in the real income of taxi operators and drivers and an increasing threat to the safety, reliability and long-term availability of the service.

A fare that leaves legal operators unable to earn a decent living, maintain their vehicles or replace ageing vehicles is not sustainable. Nor is it fair to impose the costs of a temporary regulatory decision twice on small operators through repeated meter recalibration.

The Association therefore respectfully urges FCCC to retain the current $1.40 per kilometre rate, commence an urgent and transparent permanent fare review, reimburse the avoidable recalibration costs and establish a fixed, evidence-based fare arrangement for the future. The taxi industry has been patient for fifteen years. That patience must not be mistaken for consent to a fare established in 2011.

A 2011 distance rate has no place in Fiji in 2026.

Submitted respectfully by:

Mohammed Faiyaz Khan

President

Fiji Taxi Association