



## Minister for Public Transport Minister for Roads

Ref: MBN016669R

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Essential Services Commission  
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Dear Dr Ben-David

### **REVIEW OF TAXI FARES – NOTICE OF REFERENCE UNDER SECTION 186 OF THE TRANSPORT (COMPLIANCE AND MISCELLANEOUS) ACT 1983**

Under Division 9 of Part VI of the *Transport (Compliance and Miscellaneous) Act 1983* (the Act) the Minister administering the Act may, by written notice, refer any matter relating to taxi-cab fares or hiring rates to the Essential Services Commission for the Commission to conduct an investigation into that matter.

As required by the Act, the Minister for Finance has been consulted in relation to a proposal that the Commission investigate a specific matter relating to taxi fares as set out below. The Minister for Finance has endorsed this proposal.

Consequently, I now ask the Commission to investigate and report to me on an appropriate fixed fare per head pricing structure for late-night, share-ride taxi trips in high occupancy taxi-cabs operating from taxi ranks designated by the Victorian Taxi Directorate for such purposes.

The core objective of the late-night share-ride taxi service is to both grow the taxi market and to maximise taxi occupancy by providing an incentive for passengers to share a high occupancy taxi with others travelling in the same general direction. This will relieve pressure on the conventional taxi fleet from patrons of late night entertainment venues attending the Queen Street mega rank.

The Commission's investigation, report, and recommendations should be consistent with the following:

- the service should present a viable alternative to taxi users who individually may seek a lower cost taxi trip than hiring a taxi exclusively for their own use, but who require door to door transport not facilitated by other late night transport services
- the service should be supported by taxi drivers on the grounds that they will receive payment equal to or greater than the comparable taxi fare calculated by a taximeter according to time and distance

- the late-night share-ride taxi service is initially proposed to operate from a site adjacent to the Queen Street Melbourne 'mega rank' to places within the Metropolitan Melbourne and Outer Suburban taxi-cab zones
- the appropriate passenger numbers per share-ride taxi trip to ensure the service is both viable for the taxi industry and attractive to taxi users, and
- any marshal levy as suggested by the Victorian Taxi Association will be an add on to the Commission's recommendations on the 'fixed fare per head' pricing structure, and hence the Commission does not need to incorporate any potential marshal levy into its recommended fare structure.

Further, the Commission is to have regard to:

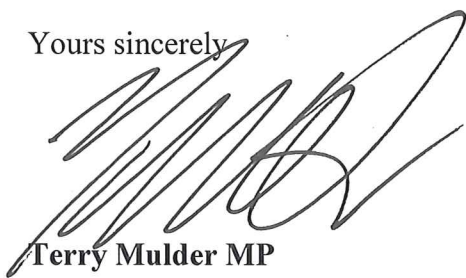
- the findings contained in the draft report of the Taxi Industry Inquiry *Customers First: Service, Safety, Choice*; particularly recommendation 12 – 'New and more flexible taxi services' and recommendation 13 – 'Fares'; and
- the operational details in relation to the service as developed by the Victorian Taxi Association.

I give the following directions under section 186(4) of the Act:

- The Commission is to conduct the investigation in a manner as described in section 187 of the *Transport (Compliance and Miscellaneous) Act 1983*; and
- The Commission is to provide its report and recommendations to the Minister for Public Transport by 23 November 2012.

If the Victorian Taxi Directorate can be of assistance to the Commission during this review, please contact Garry Ellis on telephone (03) 8683 0713.

Yours sincerely



**Terry Mulder MP**  
Minister for Public Transport

11 / 10 / 2012