



Victoria Government Gazette

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Transport Act 1983

REVIEW OF TAXI FARES 2007/08

I, Lynne Kosky MP, Minister for Public Transport, give notice that, in accordance with the provisions of section 186 of the **Transport Act 1983**, I have asked the Essential Services Commission to conduct an investigation into Victoria's taxi-cab fares and report on:

- i. an appropriate price setting model to provide for automated fare adjustments for the next 3–5 years, including the timing of such adjustments;
- ii. the appropriateness of the taxi fare structure within the current market for taxi-cab services in Victoria;
- iii. whether a surcharge on taxi fares on New Year's Eve should form a permanent part of the taxi fare structure for non-metropolitan taxi-cabs and, if so, the amount of such surcharge;
- iv. whether a surcharge on taxi fares should form a permanent part of the taxi fare structure where the hirer pre-books and is supplied a premium service taxi and, if so, the amount of such surcharge;
- v. the distribution of taxi fare revenue and measures that may be considered by Government to improve taxi driver remuneration; and
- vi. information reporting by the taxi industry and performance measurement.

In its investigation and report, the Commission is to have regard to the following factors:

- (a) the recommendations contained in the Commission's Report – 'Taxi Fare Review 2005' and the subsequent application of the CPI-X pricing model to taxi fares in 2006 and proposed to be applied in 2007;
- (b) the review of the regulatory structure and operations of Victoria's country taxi industry undertaken by the Department of Infrastructure during 2005/06;
- (c) the relevance and values of the individual components that, when combined in part or in full, make up the total taxi hiring charge – specifically these are the flagfall, time and distance rate, phone booking fee, Late Night Surcharge (metropolitan taxi-cabs only), Late Night Extra (non-metropolitan taxi-cabs), New Year's Eve taxi fare surcharge (non-metropolitan taxi-cabs) and any Premium Service Surcharge currently applied in accordance with permit conditions issued by the VTD;
- (d) the impact on Victorian business and the community including the impact of any proposed variations to taxi fares on the availability and affordability of taxi services to consumers; and
- (e) the impact on taxi industry participants including licence holders, taxi operators, drivers and employees.

The following directions have been given under section 186 (4) of the Act:

- In conducting the investigation the Commission should have regard to the objectives in section 8 of the **Essential Services Commission Act 2001** where relevant.
- Except as otherwise directed by the terms of reference, the Commission is to conduct the investigation in a manner as described in section 187 of the **Transport Act 1983**.
- The Commission is to submit its report to the Minister for Public Transport by 30 June 2008.

LYNNE KOSKY MP
Minister for Public Transport

SPECIAL

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