



Department of Justice

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-2 JUL 2008

Mr Greg Wilson
Chairperson,
Essential Services Commission
Level 2, 35 Spring Street
MELBOURNE VIC 3000

Dear Mr Wilson

Draft Report on Review of Taxi Fares 2007/08

Thank you for your letter inviting comment on the Essential Services Commission's (ESC) Draft Report on its review of taxi fares for Victoria, received on 13 June 2008.

Consumer Affairs Victoria (CAV) believes that the Draft Report provides a comprehensive study of the cost pressures directly affecting the adequacy of fare levels in the present economic environment. CAV also notes that the Draft Report acknowledges the impact on competition of the licensing regime, as well as the restrictions currently placed on the pricing of hire car services.

Effective competition plays an important role in enabling consumers to gain access to affordable and reliable products and services. Promoting competition therefore features in the comprehensive strategies CAV has in place to achieve its objective of encouraging markets to work more effectively by protecting and promoting the interests of consumers.

Promoting competition also features in the work program of the organisation as it aims to improve the policy instruments used to address problems in particular markets. Notably, as part of its commitment to the Victorian Government's aim of reducing the regulatory burden placed on industry, CAV has commenced a program of occupational licensing reviews.

Whilst the scope of the ESC's current review of the taxi industry centres on pricing, CAV supports further examination of existing barriers to market entry and of any other artificial constraints indirectly affecting consumer choice and, therefore, cost. CAV welcomes the opportunity for future interaction with the ESC regarding regulatory mechanisms that apply to the passenger services industries and any other related matters you consider relevant.

Thank you again for the opportunity to comment.

Yours sincerely


Dr Claire Noone
Acting Director

Reference: CD/08/114803