



Minister for Public Transport Minister for Roads

Dr Ron Ben-David
Chairperson
Essential Services Commission
Level 2
35 Spring Street
MELBOURNE VICTORIA 3000



GPO Box 2392
Melbourne Victoria 3001
Australia
Telephone: +61 3 8392 6000
www.vic.gov.au
DX210292

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 (ESC) for the ESC 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 ESC investigate specified matters relating to taxi fares as set out below. The Minister for Finance has endorsed this proposal.

Consequently, I now ask the ESC to investigate and report to me on fares for taxi services throughout Victoria.

In preparing its advice, the ESC should consider:

- the Victorian Government's response to the final recommendations of the Taxi Industry Inquiry (TII) where relevant for fare setting purposes; and
- the matters it would have to consider or take into account in making a price determination for fares for taxi services under the Transport Legislation Amendment (Foundation Taxi and Hire Car Reforms) Act 2013 had the Act commenced.

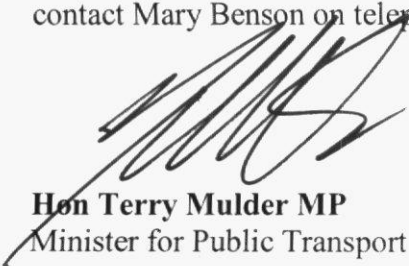
The ESC has been consulting with the taxi industry since September 2013 on setting fares for the metropolitan, urban and large regional areas as part of the reforms announced by the Victorian Government. To achieve the revised timelines specified below, the ESC will use the information it is gathering to report on appropriate fares, including for the country and regional areas.

The ESC is also required to look for an appropriate way of dealing with volatile cost pressures in the industry such as fuel prices.

The ESC is not required to release a draft report. However, the ESC should continue its current consultations with industry and other relevant parties in developing its advice.

The ESC is to provide its report and recommendations to the Minister for Public Transport by no later than the end of March 2014.

If the Taxi Services Commission can be of any assistance during the review, please contact Mary Benson on telephone 03 8683 0712.



Hon Terry Mulder MP
Minister for Public Transport

22 /2014

Transport (Compliance and Miscellaneous) Act 1983

Victorian taxi fare investigation

Following consultation with the Minister for Finance under section 186(2) of the *Transport (Compliance and Miscellaneous) Act 1983*, I, Terry Mulder MP, Minister for Public Transport, give notice that, in accordance with the provisions of section 186 of the *Transport (Compliance and Miscellaneous) Act 1983*, I have asked the Essential Services Commission (the ESC) to investigate and report on fares for taxi services throughout Victoria. These directions are given under section 186 (4) of the Act.

In preparing its advice, the ESC should consider:

- the Victorian Government's response to the final recommendations of the Taxi Industry Inquiry (TII) where relevant for fare setting purposes; and
- the matters it would have to consider or take into account in making a price determination for fares for taxi services under the Transport Legislation Amendment (Foundation Taxi and Hire Car Reforms) Act 2013 had the Act commenced.

The ESC has been consulting with the taxi industry since September 2013 on setting fares for the metropolitan, urban and large regional areas as part of the reforms announced by the Victorian Government. To achieve the revised timelines specified below, the ESC will use the information it is gathering to report on appropriate fares, including for the country and regional areas.

The ESC is also required to look for an appropriate way of dealing with volatile cost pressures in the industry such as fuel prices.

The ESC is not required to release a draft report. However, the ESC should continue its current consultations with industry and other relevant parties in developing its advice.

The ESC is to provide its report and recommendations to the Minister for Public Transport by no later than the end of March 2014.



Hon Terry Mulder MP
Minister for Public Transport

~ 2014