

Determination of Maximum Fares for Unbooked Commercial Passenger Vehicles (from 1 October 2018)

Maximum fares for commercial passenger vehicles operating in the
Melbourne Metropolitan zone and the Urban and Large Regional zone

13 September 2018

An appropriate citation for this paper is:

Essential Services Commission 2018, Determination of Maximum Fares for Unbooked Commercial Passenger Vehicles (from 1 October 2018): Maximum fares for commercial passenger vehicles operating in the Melbourne Metropolitan zone and the Urban and Large Regional zone, 13 September

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Executive Summary

This determination sets out the maximum fares for unbooked commercial passenger vehicle services that begin in the Melbourne Metropolitan and Urban and Large Regional zones.

This determination maintains the maximum fares for unbooked commercial passenger vehicles at the same levels as the 16 May 2018 determination but it introduces two new items. It introduces a cleaning fee and **optional** 'time **and** distance' tariffs. We have also made some other minor amendments to reflect changes in the regulatory regime that have taken effect since we made our last determination.

We have made this determination following our review of the maximum fares for unbooked commercial passenger vehicles. The draft and final reports for this review are available on our website: www.esc.vic.gov.au.

This determination will take effect on 1 October 2018.

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Introduction

Statement of purpose

The Essential Services Commission (the commission) is the independent economic regulator responsible for determining the maximum fares for unbooked commercial passenger vehicle services that begin in the Melbourne Metropolitan and Urban and Large Regional zones.

Reasons for making of this determination

The commission has made this determination following a review of unbooked commercial passenger vehicle fares. This review included consideration of the objectives and matters to which it must have regard as set out in the Essential Services Commission Act 2001 and the Commercial Passenger Vehicle Industry Act 2017. The commission's review of the maximum fares for unbooked commercial passenger vehicles is detailed in draft and final reports available on our website: www.esc.vic.gov.au.

Nature and effect of this determination

This determination is made under part 6 of the Commercial Passenger Vehicle Industry Act 2017 and determines the maximum charges for unbooked commercial passenger vehicle services that begin in the Melbourne Metropolitan zone and the Urban and Large Regional zone. It amends the commission's previous determination made on 16 May 2018.

This determination maintains the maximum fares for unbooked commercial passenger vehicles at the same levels as the 16 May 2018 determination but it introduces two new items. It introduces a cleaning fee and **optional** 'time **and** distance' tariffs. We have also made some other minor amendments to reflect changes in the regulatory regime that have taken effect since we made our last determination.

The CPV levy recovery fee still applies

The determination continues to include the commercial passenger vehicle service levy (the CPV levy) recovery fare component. Under the Commercial Passenger Vehicle Industry Act 2017, commercial passenger vehicle service providers are liable for the CPV levy which is set at \$1 per commercial passenger vehicle transaction, plus 10 per cent GST.

Drivers may charge a reasonable cleaning fee

The determination allows drivers to charge a reasonable cleaning fee of up to a maximum of \$120 if a passenger soils the vehicle with: food, drink or bodily fluids. The cleaning fee will enable taxi drivers to recover the financial losses associated with cleaning their vehicle in these situations.

Taxi owners may use 'time and distance' tariffs if they choose

The determination will also give unbooked commercial passenger vehicle service providers the ability to choose between two tariff structures: the existing 'time **or** distance' tariffs and the new and more transparent 'time **and** distance' tariffs. On average, fares will be the same regardless of which of these two tariff systems drivers use.

Given that not all meters can be programmed to apply 'time **and** distance' tariffs, using 'time **and** distance' tariffs is **optional**. It is up to unbooked commercial passenger vehicle owners to decide whether they will use 'time **or** distance' or 'time **and** distance' tariffs.

We have made minor changes to reflect the new regulatory regime

We have made some minor amendments to reflect the new regulatory regime which took effect on 2 July 2018. These include changes to wording and the removal of some charges that only apply to booked services.

The wording amendments do not change the magnitude of the maximum fare rates in the previous determination. Some of these reforms include the replacement of the taxi licensing system with a registration system and the deregulation of fares for booked trips, including those undertaken by vehicles that can provide unbooked commercial passenger vehicle services. We have also removed booking and premium services fees because now they do not apply to unbooked trips.

Date at which this determination takes effect

This determination will take effect on 1 October 2018.

How to obtain a copy of this determination

A copy of this determination may be downloaded from the commission's website:

www.esc.vic.gov.au

Alternatively, a copy may be requested by contacting the commission by post (Essential Services Commission, Level 37 2 Lonsdale Street, Melbourne Victoria 3000), by phone (+61 3 9032 1300 or 1300 664 969) or by email: publications@esc.vic.gov.au

The **Common Seal** of the
**Essential Services
Commission** was affixed to
this Determination with the
authority of the Commission

Date: 5 September 2018



A blue ink handwritten signature, appearing to be "Ron Ben-David", written over a horizontal line.

Dr Ron Ben-David
Chairperson

Introduction

Essential Services Commission **Determination of Maximum Fares for Unbooked
Commercial Passenger Vehicles (from 1 October 2018)**

Schedule of maximum hiring rates for unbooked trips in the Metropolitan zone and east urban area

The maximum hiring rates in this schedule are set under Part 6 of the Commercial Passenger Vehicle Industry Act 2017 and apply from 1 October 2018 for applicable unbooked services that begin in the Melbourne Metropolitan and the east urban area. For the purposes of this schedule the east urban area is the part of the Urban and Large Regional zone that includes Frankston, Dandenong and the Mornington Peninsula. All charges are GST inclusive.

1. Definitions

The term 'hirer' includes an agent or agency representing the passenger/s or hirer/s.

2. Maximum hiring rates on fare calculation device for unbooked trips

- 2.1 The maximum hiring rates may be based on either 'time **or** distance' tariffs (clause 3) or 'time **and** distance' tariffs (clause 4).
- 2.2 For the purpose of calculating fares for unbooked trips, fare calculation devices should only be programed with either the tariffs in clause 3 or those in clause 4.
- 2.3 The fare sticker in the vehicle must clearly indicate whether the 'time **or** distance' tariff structure (clause 3) or 'time **and** distance' tariff structure (clause 4) applies.

3. Maximum hiring rates – 'time or distance' tariff structure

- 3.1 If using 'time **or** distance' tariffs, the hiring rates that must be computed and displayed by the fare calculation device used for unbooked trips can be to a maximum of the following charges:

Schedule of maximum hiring rates for unbooked trips in the Metropolitan zone and east urban area

TARIFF ONE – DAY TARIFF

Tariff One rates apply as the maximum rates between 9am and 5pm, excluding times when Tariff Three maximum rates apply.

Fare component	Maximum charge
Flagfall	\$4.20
Distance Rate	\$1.622 per kilometre while the vehicle speed is greater than 21 kmph
Detention Rate	\$0.568 per minute (\$34.08 per hour) while the vehicle speed is less than 21 kmph

TARIFF TWO – OVERNIGHT TARIFF

Tariff Two rates apply as the maximum rates between 5pm and 9am, excluding times when Tariff Three maximum rates apply.

Fare component	Maximum charge
Flagfall	\$5.20
Distance Rate	\$1.804 per kilometre while the vehicle speed is greater than 21 kmph
Detention Rate	\$0.631 per minute (\$37.86 per hour) while the vehicle speed is less than 21 kmph

TARIFF THREE – PEAK TARIFF

Tariff Three rates apply as maximum rates:

- from 10pm Friday to 4am Saturday;
- from 10pm Saturday to 4am Sunday;
- all day on Christmas Day;
- all day on Boxing Day; and
- from 6pm on New Year's Eve until midnight at the end of New Year's Day.

Schedule of maximum hiring rates for unbooked trips in the Metropolitan zone and east urban area

Fare component	Maximum charge
Flagfall	\$6.20
Distance Rate	\$1.986 per kilometre while the vehicle speed is greater than 21 kmph
Detention Rate	\$0.695 per minute (\$41.70 per hour) while the vehicle speed is less than 21 kmph

3.2 Fare calculation devices must be programmed to automatically select the correct tariff for the relevant time and date. Manual selection of tariffs is not permitted.

4. Maximum hiring rates for unbooked trips – ‘time and distance’ tariff structure

4.1 If using ‘time **and** distance’ tariffs, the hiring rates that must be computed and displayed by the fare calculation device used for unbooked trips can be to a maximum of the following charges:

TARIFF ONE – DAY TARIFF

Tariff One rates apply as the maximum rates between 9am and 5pm, excluding times when Tariff Three maximum rates apply.

Fare component	Maximum charge
Flagfall	\$4.20
Distance Rate	\$1.342 per kilometre at all times
Duration Rate	\$0.344 per minute at all times

TARIFF TWO – OVERNIGHT TARIFF

Tariff Two rates apply as the maximum rates between 5pm and 9am, excluding times when Tariff Three maximum rates apply.

Schedule of maximum hiring rates for unbooked trips in the Metropolitan zone and east urban area

Fare component	Maximum charge
Flagfall	\$5.20
Distance Rate	\$1.490 per kilometre at all times
Duration Rate	\$0.379 per minute at all times

TARIFF THREE – PEAK TARIFF

Tariff Three rates apply as maximum rates:

- from 10pm Friday to 4am Saturday;
- from 10pm Saturday to 4am Sunday;
- all day on Christmas Day;
- all day on Boxing Day; and
- from 6pm on New Year's Eve until midnight at the end of New Year's Day.

Fare component	Maximum charge
Flagfall	\$6.20
Distance Rate	\$1.648 per kilometre at all times
Duration Rate	\$0.408 per minute at all times

4.2 Fare calculation devices must be programmed to automatically select the correct tariff for the relevant time and date. Manual selection of tariffs is not permitted.

5. CPV Levy Recovery Fee

- 5.1 A CPV Levy Recovery Fee of up to the maximum charge may be charged to the hirer.
- 5.2 The maximum charge for a CPV Levy Recovery Fee is equal to the amount of the levy for a commercial passenger vehicle service transaction as specified in the *Commercial Passenger Vehicle Industry Act 2017*, plus 10 per cent GST.
- 5.3 If applied, the CPV Levy Recovery Fee is to be itemised as a charge on the receipt provided to the hirer.

Schedule of maximum hiring rates for unbooked trips in the Metropolitan zone and east urban area

6. High Occupancy Fee

- 6.1 A high occupancy fee must not be charged if the commercial passenger vehicle does not have the capacity for the carriage of five or more passengers in fixed seats. 'Fixed seats' does not include positions for the carriage of persons in wheelchairs.
- 6.2 A high occupancy fee of up to \$14.00 may be charged when the vehicle has been hired for the carriage of five or more passengers
- 6.3 For the purposes of clause 6.2 above, children under the age of five years are not to be calculated as a passenger.

7. CityLink and EastLink Tolls

- 7.1 The driver of an unbooked commercial passenger vehicle carrying a passenger or parcel on a toll road (CityLink or EastLink) is authorised to charge the hirer an amount up to the appropriate Toll payable by the unbooked commercial passenger vehicle for using the section(s) of that toll road (as published from time to time in the Victorian Government Gazette in accordance with the *Melbourne City Link Act 1995* or the *EastLink Project Act 2004* as applicable).
- 7.2 Hirers must be given the choice of using or not using a toll road if a toll road is one of the route options available for that trip.

8. Airport Taxi Rank Fee

- 8.1 **Melbourne Airport taxi rank fee.** The driver of an unbooked commercial passenger vehicle who accepts a hiring from the Melbourne Airport taxi rank, after that driver has paid for the use of the Melbourne Airport taxi rank queuing facilities and/or waiting bays, is authorised to charge the hirer an Airport Taxi Rank Fee of an amount up to the Airport Access Fee payable by the unbooked commercial passenger vehicle for using that taxi rank as published from time to time by Melbourne Airport in a daily newspaper generally circulating in Victoria and on Melbourne Airport's website.
- 8.2 **Avalon Airport taxi rank fee.** The driver of an unbooked commercial passenger vehicle who accepts a hiring from the Avalon Airport taxi rank, after that driver has paid for the use of the Avalon Airport taxi rank queuing facilities and/or waiting bays, is authorised to charge the hirer an Airport Taxi Rank Fee of an amount up to the

Schedule of maximum hiring rates for unbooked trips in the Metropolitan zone and east urban area

Airport Access Fee payable by the unbooked commercial passenger vehicle for using that taxi rank as published from time to time by Avalon Airport in a daily newspaper generally circulating in Victoria and on Avalon Airport's website.

9. Cleaning fee

- 9.1 The driver may charge a reasonable cleaning fee of up to a maximum of \$120 if a passenger soils the vehicle with: food, drink or bodily fluids.
- 9.2 If applied, the cleaning fee should be itemised as a charge on the receipt provided to the hirer.

10. Further Conditions

- 10.1 Fees or charges which are not permitted include:
- any additional charge for the carriage of goods or luggage accompanied by a passenger
 - any charge that would result in a person with a disability paying more than an able-bodied person would for the same service.

Schedule of maximum hiring rates for unbooked trips in the Metropolitan zone and east urban area

Schedule of maximum hiring rates for unbooked trips in Large Regional areas

The maximum hiring rates in this schedule are set under part 6 of Commercial Passenger Vehicle Industry Act 2017 and are applicable from 1 October 2018 for applicable unbooked services that begin in the Large Regional areas of the Urban and Large Regional zone. For the purposes of this schedule, Large Regional areas are all areas of the Urban and Large Regional zone, except the east urban area, as defined in the above schedule, and include Geelong, Ballarat and Bendigo SA3s as defined in the Australian Statistical Geography Standard 2011. All charges include GST.

1. Definitions

The term 'hirer' includes an agent or agency representing the passenger/s or hirer/s.

2. Maximum hiring rates on fare calculation device for unbooked trips

- 2.1 The maximum hiring rates may be based on either 'time **or** distance' tariffs (clause 3) or 'time **and** distance' tariffs (clause 4).
- 2.2 For the purpose of calculating fares for unbooked trips, fare calculation devices should only be programmed with either the tariffs in clause 3 or those in clause 4.
- 2.3 The fare sticker in the vehicle must clearly indicate whether the 'time **or** distance' tariff structure (clause 3) or 'time **and** distance' tariff structure (clause 4) applies.

3. Maximum hiring rates for unbooked trips – 'time or distance' tariff structure

- 3.1 If using 'time **or** distance' tariffs, the hiring rates that must be computed and displayed by the fare calculation device used for unbooked trips can be to a maximum of the following charges:

TARIFF ONE – STANDARD TARIFF

Tariff One rates apply as the maximum rates at all times except circumstances when Tariff Two maximum rates may apply.

Fare component	Maximum charge
Flagfall	\$3.60
Distance Rate	\$1.838 per kilometre while the vehicle speed is greater than 21 kmph
Detention Rate	\$0.643 per minute (\$38.58 per hour) while the vehicle speed is less than 21 kmph

TARIFF TWO – HIGH OCCUPANCY TARIFF

- 3.2 Tariff Two must not be charged if the commercial passenger vehicle does not have the capacity for the carriage of five or more passengers in fixed seats. 'Fixed seats' does not include positions for the carriage of persons in wheelchairs.
- 3.3 Tariff Two may only be charged when the vehicle has been hired for the carriage of five or more passengers.
- 3.4 For the purposes of clause 3.3 above, children under the age of five years are not to be calculated as a passenger.

Fare component	Maximum charge
Flagfall	\$3.60
Distance Rate	\$2.757 per kilometre while the vehicle speed is greater than 21 kmph
Detention Rate	\$0.965 per minute (\$57.90 per hour) while the vehicle speed is less than 21 kmph

4. Maximum hiring rates for unbooked trips – 'time and distance' tariff structure

- 4.1 If using 'time **and** distance' tariffs the hiring rates that must be computed and displayed by the fare calculation device used for unbooked trips can be to a maximum of the following charges:

TARIFF ONE – STANDARD TARIFF

Tariff One rates apply as the maximum rates at all times except circumstances when Tariff Two maximum rates may apply.

Fare component	Maximum charge
Flagfall	\$3.60
Distance Rate	\$1.494 per kilometre at all times
Duration Rate	\$0.491 per minute at all times

TARIFF TWO – HIGH OCCUPANCY TARIFF

- 4.2 Tariff Two must not be charged if the vehicle does not have the capacity for the carriage of five or more passengers in fixed seats. 'Fixed seats' does not include positions for the carriage of persons in wheelchairs.
- 4.3 Tariff Two may only be charged when the vehicle has been hired for the carriage of five or more passengers.
- 4.4 For the purposes of clause 4.3 above, children under the age of five years are not to be calculated as a passenger.

Fare component	Maximum charge
Flagfall	\$3.60
Distance Rate	\$2.441 per kilometre at all times
Duration Rate	\$0.529 per minute at all times

5. CPV Levy Recovery Fee

- 5.1 From 1 July 2018, a CPV Levy Recovery Fee of up to the maximum charge may be charged to the hirer.
- 5.2 The maximum charge for a CPV Levy Recovery Fee is equal to the amount of the levy for a commercial passenger vehicle service transaction as specified in the *Commercial Passenger Vehicle Industry Act 2017*, plus 10 per cent GST.

- 5.3 If applied, the CPV Levy Recovery Fee is to be itemised as a charge on the receipt provided to the hirer.

6. Late Night Fee

- 6.1 A late night fee of up to \$3.40 may be applied to hirings that commence between the hours of 7pm on Friday and 6am on Saturday, 7pm on Saturday and 6am on Sunday, and between the hours of midnight and 6am on all other days. If applied, the late night fee must be entered and displayed on the fare calculation device at the commencement of the hiring.

7. Holiday Surcharge

- 7.1 A holiday surcharge of up to \$4.20 may be applied:

- all day on Christmas Day;
- all day on Boxing Day;
- from 6pm on New Year's Eve until midnight at the end of New Year's Day;
- from 7pm on the evenings prior to every other Victorian public holiday until 6am on the morning of the public holiday.

- 7.2 For the purposes of this clause, public holidays are defined as per the *Public Holidays Act 1993* and:

- 7.2.1 include:

- additional public holidays, as per Section 7 of the *Public Holidays Act 1993*; and
- days that the Minister has appointed as a substitute holiday for Melbourne Cup Day for the relevant non-metropolitan Council, as per Section 8A of the *Public Holidays Act 1993*;¹

- 7.2.2 exclude:

¹ The holiday surcharge may only be applied in the geographic area of the Council subject to the substitute holiday. For example, a holiday surcharge in relation to Geelong Cup Day may only be applied in the area of the urban zone surrounding Geelong.

- the Monday after 1 January (New Year's Day) when New Year's Day is a Saturday or Sunday;
- the Monday after Christmas Day when Christmas Day is a Saturday and the Tuesday after Christmas Day when Christmas Day is a Sunday; and
- the Monday after 26 December (Boxing Day) when Boxing Day is a Saturday and the Tuesday after Boxing Day when Boxing Day is a Sunday.

7.3 Where the Minister appoints a substitute public holiday for Melbourne Cup Day in a non-metropolitan Council, a public holiday surcharge must not be charged in relation to Melbourne Cup Day in that non-metropolitan Council.

7.4 The late night fee must not be applied in addition to the holiday surcharge.

8. CityLink and EastLink Tolls

8.1 The driver of an unbooked commercial passenger vehicle carrying a passenger or parcel on a toll road (CityLink or EastLink) is authorised to charge the hirer an amount up to the appropriate Toll payable by the unbooked commercial passenger vehicle for using the section(s) of that toll road (as published from time to time in the Victorian Government Gazette in accordance with the *Melbourne City Link Act 1995* or the *EastLink Project Act 2004* as applicable).

8.2 Hirers must be given the choice of using or not using a toll road if a toll road is one of the route options available for that trip.

9. Airport Taxi Rank Fee

9.1 **Melbourne Airport taxi rank fee.** The driver of an unbooked commercial passenger vehicle who accepts a hiring from the Melbourne Airport taxi rank, after that driver has paid for the use of the Melbourne Airport taxi rank queuing facilities and/or waiting bays, is authorised to charge the hirer an Airport Taxi Rank Fee of an amount up to the Airport Access Fee payable by the unbooked commercial passenger vehicle for using that taxi rank as published from time to time by Melbourne Airport in a daily newspaper generally circulating in Victoria and on Melbourne Airport's website.

9.2 **Avalon Airport taxi rank fee.** The driver of an unbooked commercial passenger vehicle who accepts a hiring from the Avalon Airport taxi rank, after that driver has paid for the use of the Avalon Airport taxi rank queuing facilities and/or waiting bays, is authorised to charge the hirer an Airport Taxi Rank Fee of an amount up to the Airport Access Fee payable by the unbooked commercial passenger vehicle for using that taxi rank as published from time to time by Avalon Airport in a daily newspaper generally circulating in Victoria and on Avalon Airport's website.

10. Cleaning fee

10.1 The driver may charge a reasonable cleaning fee of up to a maximum of \$120 if a passenger soils the vehicle with: food, drink, or bodily fluids.

10.2 If applied, the cleaning fee should be itemised as a charge on the receipt provided to the hirer.

11. Further Conditions

11.1 Fees or charges which are not permitted include:

- any additional charge for the carriage of goods or luggage accompanied by a passenger
- any charge that would result in a person with a disability paying more than an able-bodied person would for the same service.

