

# DETERMINATION OF MAXIMUM TAXI FARES

Maximum taxi fares for the Melbourne Metropolitan  
zone and the Urban and Large Regional zone

October 2016

**An appropriate citation for this paper is:**

Essential Services Commission 2016, *Taxi fare determination 2016*, October.

# PREFACE

This determination sets out the maximum fares for taxis licensed to operate in the Melbourne Metropolitan zone and the Urban and Large Regional zone. It amends and updates the Essential Services Commission's (the Commission's) most recent taxi fare determination made on 17 June 2016.

The amendments include a change to the maximum airport rank fee that taxi drivers may charge passengers. The amendment provides for taxi drivers to charge an airport rank fee up to the amount of the access fee they are charged by Melbourne Airport to access the airport taxi rank and associated facilities. This provision is conditional upon any changes to Melbourne Airport's access fee being transparently published on its website, in a daily newspaper generally circulating in Victoria and communicated to the Taxi Services Commission.

All other amendments in this update involve changes to the wording of a number of clauses in the previous determination's schedule of maximum hiring rates. The changes reduce the prescriptive nature of some of the previous clauses and simplify wording to improve clarity of the document. These wording amendments do not change the magnitude of the maximum fare rates in the previous determination.

The Commission has made this determination following consideration of the objectives and matters to which it must have regard as set out in the *Essential Services Commission Act 2001* and the *Transport (Compliance and Miscellaneous) Act 1983*. The Commission's process in making these amendments is detailed in a consultation paper and final report, both available on our website: [www.esc.vic.gov.au](http://www.esc.vic.gov.au).

This determination will take effect on 1 November 2016.

Dr Ron Ben-David

**Chairperson**

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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 that may be charged by taxis licensed to operate in the Melbourne Metropolitan zone (the metropolitan zone) and the Urban and Large Regional zone (the urban zone).<sup>1</sup>

## REASONS FOR THE MAKING OF THIS DETERMINATION

The Commission is required by legislation to review maximum taxi fare determinations within two years of their making. The Commission's previous determination of maximum taxi fares was made on 17 June 2016 following a comprehensive review of its June 2014 determination.

This update to the June 2016 determination addresses two matters that arose near the completion of our review – namely, the airport rank fee and updates to the wording of the schedule of maximum fares. Due to the timing of those two matters, we did not have the opportunity to adequately consult on those matters within the statutory timeframe for completion of our 2016 review. We therefore resolved to defer our decision on those matters in order to allow for appropriate consultation.

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<sup>1</sup> For descriptions and maps of taxi zones see <http://www.taxi.vic.gov.au/about-us/overview/taxi-zones>

## **NATURE AND EFFECT OF THIS DETERMINATION**

This determination is made under Division 5A of Part VI of the *Transport (Compliance and Miscellaneous) Act 1983* (Transport Act) and determines the maximum charges for taxi services provided by taxis licensed to operate in the Melbourne Metropolitan zone and the Urban and Large Regional zone. This determination amends our previous determination made on 17 June 2016.

The amendments this determination makes are summarised below. Further detail on the amendments and our process for making this determination can be found in our consultation paper and final report, both available on our website: [www.esc.vic.gov.au](http://www.esc.vic.gov.au).

### **AMENDMENTS TO THE SCHEDULE OF MAXIMUM HIRING RATES FOR METROPOLITAN ZONE TAXI LICENCES**

#### **Clause 1 – Tariff components**

The references to the number of metres included in each 10 cent increment have been removed from the description of the flagfall and distance rate charges. We have also clarified that these rates apply on a pro rata basis. The maximum per kilometre distance rates and flagfall charges remain unchanged.

#### **Clause 2 – Out of area hirings**

The 'out of area hirings' clause has been removed.

#### **Clause 3 – Booking fee**

The requirement that the booking fee be entered and displayed on the taximeter at the commencement of the trip has been removed. The magnitude of the maximum booking fee remains unchanged.

#### **Clause 6 – CityLink and EastLink tolls**

The wording of this clause has been simplified by removing unnecessary and duplicative sentences. The nature and effect of the clause remains unchanged.

## **Clause 7 – Melbourne Airport Taxi Rank Fee**

The previous determination allowed for taxi drivers to charge passengers picked up from the Melbourne Airport taxi rank an airport rank fee of up to \$2.70, which was equivalent to the fee Melbourne Airport charged taxi drivers to access its ranks at the time of the determination. The amendment provides for taxi drivers to charge an airport rank fee up to the amount of the access fee they are charged by Melbourne Airport to access the airport taxi rank and associated facilities. This provision is also now made conditional upon any changes to Melbourne Airport's access fee being transparently published on its website, in a daily newspaper generally circulating in Victoria, and communicated to the Taxi Services Commission.

## **AMENDMENTS TO THE SCHEDULE OF MAXIMUM HIRING RATES FOR URBAN AND LARGE REGIONAL ZONE TAXI LICENCES.**

Equivalent amendments have also been made to the corresponding clauses of the schedule of maximum hiring rates for urban and large regional zone taxi licences, with the exception of the Melbourne Airport taxi rank fee, as this fee is not applicable for urban zone taxi licences.

## **DATE AT WHICH THIS DETERMINATION TAKES EFFECT**

This determination will take effect on 1 November 2016.

## **HOW TO OBTAIN A COPY OF THE DETERMINATION**

A copy of this determination may be downloaded from our website: [www.esc.vic.gov.au](http://www.esc.vic.gov.au)

Alternatively, a copy may be requested by contacting the Commission:

Essential Services Commission  
Level 37 / 2 Lonsdale Street  
Melbourne Victoria 3000  
P: +61 3 9032 1300 or 1300 664 969  
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E: [publications@esc.vic.gov.au](mailto: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: // October 2016



**Dr Ron Ben-David**  
Chairperson





# SCHEDULE OF HIRING RATES FOR METROPOLITAN ZONE TAXI LICENCES

The hiring rates in this schedule are set under Division 5A of Part VI of the Transport Act and are applicable for metropolitan zone taxi licences from 1 November 2016. All charges are GST inclusive. Under section 144(1)(db) of the Transport Act, no taxi is permitted to charge a fare or hiring rate in excess of those outlined in this determination.

## Definitions

In this schedule, the term 'hirer' includes an agent or agency representing the passenger/s or hirer/s.

1. The hiring rates that must be computed and displayed by the taximeter installed in the taxi can be to a maximum of the following charges:

### 1.1 **TARIFF ONE – 'DAY TARIFF'**

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

<b>Flagfall</b>	\$4.20
<b>Distance Rate</b>	\$1.622 per kilometre while the vehicle speed is greater than 21 kmph calculated on a pro rata basis for each part kilometre travelled
<b>Detention Rate</b>	\$0.568 per minute (\$34.08 per hour) while the vehicle speed is less than 21 kmph calculated on a pro rata basis for each part minute

## 1.2 **TARIFF TWO – ‘OVERNIGHT TARIFF’**

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

<b>Flagfall</b>	\$5.20
<b>Distance Rate</b>	\$1.804 per kilometre while the vehicle speed is greater than 21 kmph calculated on a pro rata basis for each part kilometre travelled
<b>Detention Rate</b>	\$0.631 per minute (\$37.86 per hour) while the vehicle speed is less than 21 kmph calculated on a pro rata basis for each part minute

## 1.3 **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.

<b>Flagfall</b>	\$6.20
<b>Distance Rate</b>	\$1.986 per kilometre while the vehicle speed is greater than 21 kmph calculated on a pro rata basis for each part kilometre travelled
<b>Detention Rate</b>	\$0.695 per minute (\$41.70 per hour) while the vehicle speed is less than 21 kmph calculated on a pro rata basis for each part minute

- 1.4 Taximeters must be programmed to automatically select the correct tariff for the relevant time and date. Manual selection of tariffs is not permitted.

## **2. BOOKING FEE**

- 2.1 A booking fee of up to \$2.00 may be applied if the hirer has requested that the taxi meet the hirer at the point of origin of the hiring.<sup>1</sup>

## **3. PREMIUM SERVICE CHARGE**

- 3.1 If a taxi is nominated as participating in a 'premium service' scheme provided by a network service provider, and displays badging or signage indicating its participation in such a scheme, the driver of that taxi may charge a 'premium service' charge in accordance with clause 3.2.
- 3.2 Where a hirer has booked the taxi through a network service provider that provides a 'premium service' scheme, and has specifically requested the hire of a vehicle that participates in that scheme, the driver of a taxi referred to in clause 3.1 may charge the hirer a premium service charge of up to \$11.00.

## **4. HIGH OCCUPANCY FEE**

- 4.1 A high occupancy fee must not be charged if the taxi 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.
- 4.2 A high occupancy fee of up to \$14.00 may be charged when:
- 4.2.1 the vehicle has been hired for the carriage of five or more passengers, or
  - 4.2.2 the vehicle has been hired on the specific basis that a vehicle larger than a standard taxi is required by the hirer, regardless of

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<sup>1</sup> The booking fee may also be displayed on the taximeter.

the number of passengers to be carried, except where such a booking is for the carriage of a person(s) who uses a wheelchair or other mobility aid.

- 4.3 For the purposes of clause 4.2.2 above, a standard taxi means a taxi with seating for up to four passengers, and includes station wagon type vehicles.
- 4.4 For the purposes of clause 4.2.1 above, children under the age of five years are not to be calculated as a passenger.

## **5. CITYLINK AND EASTLINK TOLLS**

- 5.1 The driver of a taxi carrying a passenger or parcel on a toll road (CityLink or EastLink) is authorised to charge the hirer an amount up to the appropriate Taxi Toll payable by the taxi 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).
- 5.2 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.

## **6. MELBOURNE AIRPORT TAXI RANK FEE AND BOOKING FEE**

- 6.1 The driver of a taxi 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 Rank Fee of an amount up to the greater of (i) \$2.70; or (ii) an Airport Access Fee payable by the taxi for using that taxi rank as published from time to time by Melbourne Airport in a daily newspaper generally circulating in Victoria, on Melbourne Airport's website and as advised to the Taxi Services Commission.
- 6.2 An Airport Booking Fee of up to \$3.00 may be charged where a hirer has pre-booked a taxi to meet the passenger at Melbourne Airport. The Airport Booking Fee may be charged in addition to the standard booking fee (maximum of \$2.00) referred to in item 2 of this schedule.

## **7. MULTIPLE HIRING**

7.1 While carrying more than one hirer in accordance with the provisions of regulation 40 of the *Transport (Buses, Taxi-Cabs and Other Commercial Passenger Vehicles) Regulations 2005*, the hiring charge for each hirer must not exceed 75 per cent of the maximum fares applicable in this determination.

## **8. FURTHER CONDITIONS**

8.1 Fees or charges which are not permitted include:

- any additional charge for the carriage of goods or luggage accompanied by a passenger, except where clause 4.2.2 applies
- any additional charge for cleaning of the taxi (money freely offered by the passenger as a tip may be accepted)

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 HIRING RATES FOR URBAN AND LARGE REGIONAL ZONE TAXI LICENCES

The hiring rates in this schedule are set under Division 5A of Part VI of the Transport Act and are applicable for Urban and Large Regional zone (urban zone) taxi licences from 1 November 2016 and are GST inclusive. Under section 144(1)(db) of the Transport Act, no taxi is permitted to charge a fare or hiring rate in excess of those outlined in this determination.

The schedule of hiring rates that may be charged by an urban zone licensed taxi will vary depending on the origin and destination of the taxi trip. Either the metropolitan or urban zone schedule of hiring rates may be charged, depending on the following:

- a) Unless item c) applies, the hiring rates set out in this schedule apply to any hiring of an urban zone taxi where the pick up and/or drop off point is located within the boundaries of the Geelong SA3, the Ballarat SA3, and the Bendigo SA3, as determined by the *Australian Statistical Geography Standard 2011* (that is, within the areas of the urban zone surrounding Geelong, Ballarat and Bendigo).
- b) Unless item c) applies, the hiring rates set out in the schedule of hiring rates applicable to metropolitan zone taxis apply to any hiring of an urban zone taxi where the pick up and/or drop off point is located within any part of the urban zone not identified in item a) above.
- c) In the case of a hiring of an urban zone taxi where:
  - i. neither the pick-up point nor drop-off point is located within the urban zone,
  - or

- ii. the pick-up point is located in a section of the urban zone identified in item a) and the drop-off point is located in a section of the urban zone identified in item b), or
- iii. the pick-up point is located in a section of the urban zone identified in item b) and the drop-off point is located in a section of the urban zone identified in item a),

the hiring rates applicable to that hiring may be calculated according to either this schedule of hiring rates or the schedule of hiring rates applicable to the metropolitan zone.

- d) Operators of urban zone taxis who wish to make their taxis available for hire in the areas of the urban zone identified in both items a) and b) may have the taximeters fitted in those vehicles programmed to calculate and display the hiring rates applicable under both this schedule of hiring rates and the schedule of hiring rates applicable to metropolitan taxis. Drivers of vehicles with taximeters programmed in this manner must charge the appropriate hiring rates for each hiring as determined by items a) and b).

## Definitions

In this schedule, the term ‘hirer’ includes an agent or agency representing the passenger/s or hirer/s.

- 1. The hiring rates that must be computed and displayed by the taximeter installed in the taxi can be to a maximum of the following charges:

### 1.1 TARIFF ONE – STANDARD TARIFF

<b>Flagfall</b>	\$3.60
<b>Distance Rate</b>	\$1.838 per kilometre while the vehicle speed is greater than 21 kmph calculated on a pro rata basis for each part kilometre travelled
<b>Detention Rate</b>	\$0.643 per minute (\$38.58 per hour) while the vehicle speed is less than 21 kmph calculated on a pro rata basis for each part minute

## 1.2 TARIFF TWO – HIGH OCCUPANCY TARIFF

- 1.2.1 the vehicle has been hired for the carriage of five or more passengers, or
- 1.2.2 the vehicle has been hired on the specific basis that a vehicle larger than a standard taxi is required by the hirer, regardless of the number of passengers to be carried, except where such a booking is for the carriage of a person(s) who uses a wheelchair or other mobility aid.

<b>Flagfall</b>	\$3.60
<b>Distance Rate</b>	\$2.757 per kilometre while the vehicle speed is greater than 21 kmph calculated on a pro rata basis for each part kilometre travelled
<b>Detention Rate</b>	\$0.965 per minute (\$57.90 per hour) while the vehicle speed is less than 21 kmph calculated on a pro rata basis for each part minute

- 1.3 A high occupancy fee must not be charged if the taxi 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.
- 1.4 The high occupancy rate may be charged when:
- 1.4.1 the vehicle has been hired for the carriage of five or more passengers, or
- 1.4.2 the vehicle has been hired on the specific basis that a vehicle larger than a standard taxi is required by the hirer, regardless of the number of passengers to be carried, except where such a booking is for the carriage of a person(s) who uses a wheelchair or other mobility aid.



- 1.5 For the purposes of clause 1.4.2 above, a standard taxi means a taxi with seating for up to four passengers, and includes station wagon type vehicles.
- 1.6 For the purposes of clause 1.4.1 above, children under the age of five years are not to be calculated as a passenger.

## **2. BOOKING FEE**

- 2.1 A booking fee of up to \$2.10 may be applied if the hirer has requested that the taxi meet the hirer at the point of origin of the hiring.<sup>1</sup>

## **3. PREMIUM SERVICE CHARGE**

- 3.1 If a taxi is nominated as participating in a 'premium service' scheme provided by a network service provider, and displays badging or signage indicating its participation in such a scheme, the driver of that taxi may charge a 'premium service' charge in accordance with clause 3.2.
- 3.2 Where a hirer has booked the taxi through a network service provider that provides a 'premium service' scheme, and has specifically requested the hire of a vehicle that participates in that scheme, the driver of a taxi referred to in clause 3.1 may charge the hirer a premium service charge of up to \$11.00.

## **4. LATE NIGHT FEE**

- 4.1 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 taximeter at the commencement of the hiring.

## **5. HOLIDAY SURCHARGE**

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

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<sup>1</sup> The booking fee may also be displayed on the taximeter.

- 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.

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

5.2.1 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*,<sup>2</sup>

5.2.2 exclude:

- 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.

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<sup>2</sup> 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.

- 5.3 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.
- 5.4 The late night fee must not be applied in addition to the holiday surcharge.

## **6. CITYLINK AND EASTLINK TOLLS**

- 6.1 The driver of a taxi carrying a passenger or parcel on a toll road (CityLink or EastLink) is authorised to charge the hirer an amount up to the appropriate Taxi Toll payable by the taxi 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).
- 6.2 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.

## **7. MELBOURNE AIRPORT BOOKING FEE**

- 7.1 An Airport Booking Fee of up to \$3.00 may be charged where a hirer has pre-booked a taxi to meet the passenger at Melbourne Airport. The Airport Booking Fee may be charged in addition to the standard booking fee (maximum of \$2.10) referred to in item 2 of this schedule.

## **8. MULTIPLE HIRING**

- 8.1 While carrying more than one hirer in accordance with the provisions of regulation 40 of the *Transport (Buses, Taxi-Cabs and Other Commercial Passenger Vehicles) Regulations 2005*, the hiring charge for each hirer must not exceed 75 per cent of the maximum fares applicable in this determination.

## **9. FURTHER CONDITIONS**

- 9.1 Fees or charges which are not permitted include:

- any additional charge for the carriage of goods or luggage accompanied by a passenger, except where clause 1.4.2 applies
- any additional charge for cleaning of the taxi (money freely offered by the passenger as a tip may be accepted)
- any charge that would result in a person with a disability paying more than an able-bodied person would for the same service.