



Minister for Public Transport
Minister for the Arts

Mr Greg Wilson
Chairman
Essential Services Commission
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Our Ref:

REVIEW OF TAXI FARES – NOTICE OF REFERENCE UNDER SECTION 186 OF THE TRANSPORT ACT 1983

Dear Mr Wilson

Under Division 9 of Part VI of the *Transport Act 198* 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 for the Commission to conduct an investigation into that matter.

As required by the Transport Act, the Minister for Finance has been consulted and in a letter dated 31 July 2007, the Minister agreed with the draft Terms of Reference for a review of taxi-cab fares. Consequently, I now require the Commission to investigate and report on:

- The appropriateness of the level of each component within the existing fare structure;
- Whether the fare components should be varied and the magnitude of such variations; and
- A potential process for dealing with future fare variations including timing of future reviews.

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

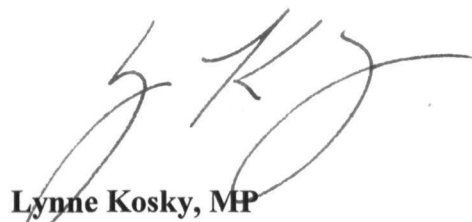
- The impact on Victorian business and the community including the impact of any proposed variations to taxi fares on the availability and affordability of taxi services to consumers;
- The impact on the taxi industry, including licence holders, assignment holders, drivers and employees;
- Regional issues including accessibility of services in regional Victoria; and
- I authorised an increase in taxi fares in Victoria in August 2007. Taxi fares in all other States/Territories have also increased since the last review.

The following directions are 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 this notice, the Commission is to conduct the investigation in a manner as described in section 187 of the *Transport Act 1983*.
- To adhere to the Terms of Reference for this investigation as attached;
- I direct the Commission to submit its report to the Minister for Public Transport by 30 June 2008.

If the Victorian Taxi Directorate can be of assistance to the Commission during this review, please contact Garry Ellis, Deputy Director – Policy, on telephone 9320 4371.

Yours Sincerely,



Lynne Kosky, MP
Minister for Public Transport

19/9/2007