



UPDATING THE SCHEDULE OF MAXIMUM TAXI FARES DOCUMENT

Final Decision

October 2016

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GLOSSARY

Day tariff	The maximum tariff rates applicable from 9am to 5pm.
Detention Rate	A fare component that is a minimum charge per minute. In current taxi fares the waiting time rate applies when travelling at 21 kilometres per hour or slower.
Distance rate	A fare component that is a fee per kilometre travelled. In current taxi fares the distance rate applies when travelling over 21 kilometres per hour.
Flagfall	A fare component that is a fixed fee charged regardless of the distance travelled or journey time.
Metropolitan zone	Referred to in legislation as the ‘Melbourne metropolitan zone’, the taxi zone comprising key areas of metropolitan Melbourne (see TSC website for zone maps).
Smartphone booking apps	Smartphone booking applications that connect taxi drivers with taxi passengers through a booking interface. Some smartphone apps include both booking and payment processing functionality.
Taxi operator	A person who owns, maintains and operates a taxi vehicle. A taxi operator must own or rent a taxi licence in order to be permitted to operate a taxi. A taxi operator may engage a taxi driver for their vehicle or they may drive the taxi themselves.

**Taxi Services
Commission (TSC)**

The TSC is responsible for regulation of the commercial passenger vehicle industry.

Taximeter

A device required in all taxis to calculate and display taxi fares. The Taxi Services Commission is responsible for specifying the functional requirements of taximeters.

The Commission

The Essential Services Commission (ESC) — Victoria’s independent economic regulator of certain prescribed services as determined by the Victorian Government. The Commission is responsible for setting maximum fares in the metropolitan and urban zones.

Urban zone

Referred to in legislation as ‘the urban and large regional zone’, the taxi zone comprising of Geelong, Ballarat, Bendigo, Frankston, Dandenong and the Mornington Peninsula (see Taxi Services Commission website for zone maps).

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FINAL DECISION

Following consultation, we have made the following amendments to the schedule of maximum fares for the metropolitan and urban taxi zones to simplify the fare schedule and to implement new measures to clarify Melbourne Airport's role in setting the airport access fee for taxis. The clauses to be amended in the fare schedules for the metropolitan and urban zones are:

CLAUSE 1 – TARIFF COMPONENTS

We are removing the reference to the number of metres per 10 cent increment for the distance rate and the initial number of metres included in the flagfall. We are also adding clarification that these charges may be charged on a pro rata basis.

CLAUSE 2 – OUT OF AREA HIRINGS

We are removing the 'out of area hirings' clause.

CLAUSE 3 – BOOKING FEE

We are removing the requirement that the booking fee be entered and displayed on the taximeter.

CLAUSE 6 – CITYLINK AND EASTLINK TOLLS

We are streamlining this clause by removing unnecessary and duplicative sentences. This clause is Clause 7 in the urban zone fare schedule.

CLAUSE 7 – MELBOURNE AIRPORT TAXI RANK FEE

We are making the airport rank fee, that taxi drivers may charge their passengers, reflective of the airport access fee published from time to time by Melbourne Airport. This will enhance the transparency of the access fee. This amendment only applies to the metropolitan zone fare schedule.

1 ABOUT THIS DECISION

This paper outlines a number of amendments we have made to the wording of the schedule of maximum fares in the current taxi fare determination. These amendments are aimed at simplifying our fare determination and clarifying who sets the Airport access fee.

1.1 THE DETERMINATION AND THE FARE SCHEDULE

The Essential Services Commission (the Commission) is the independent economic regulator responsible for determining maximum taxi fares that can be charged in the Melbourne metropolitan taxi zone (the metropolitan zone) and the urban and large regional taxi zone (the urban zone).¹

To give effect to our maximum taxi fares we publish a determination on our website, which contains a schedule of maximum fares (fare schedule).

The fare schedule describes the maximum fares that may be charged by taxis licensed to operate in the metropolitan and urban zones, including various conditions associated with the charging of those fares.

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

1.2 WHY WE ARE UPDATING THE FARE SCHEDULE

1.2.1 THE AIRPORT RANK FEE

The **airport rank fee** (rank fee) is a surcharge on top of the regular fare that taxi drivers may charge passengers for picking them up from Melbourne Airport's taxi ranks. The **airport access fee** (access fee) is a fee that Melbourne Airport charges taxi drivers to use its taxi ranks and associated facilities. Melbourne Airport sets the access fee. The Commission has no role in determining or reviewing the access fee Melbourne Airport charges taxis for the use of its facilities.

Melbourne Airport currently charges taxi drivers an access fee of \$2.70. Recognising this cost to taxi drivers is directly associated with picking up airport passengers, the maximum taxi fares we have determined currently include a rank fee of up to \$2.70. This allows taxi drivers to recoup the full cost of Melbourne Airport's current access fee.

Melbourne Airport to increase the access fee

Melbourne Airport has indicated it intends to increase the access fee it charges taxi drivers from \$2.70 to \$3.58 (both including GST) from 1 November 2016. Under the current maximum fare schedule taxi drivers are only able to charge passengers a rank fee of \$2.70. Left unchanged, this would mean taxi drivers would bear the \$0.88 cost increase for servicing airport trips.

To be clear, we reiterate that we have no role in determining the access fee Melbourne Airport charges taxi drivers. We are only responsible for determining the maximum fares taxi service providers (in this case taxi drivers) may charge passengers. Therefore, our decision on the rank fee should not be perceived as an endorsement or otherwise of the fees Melbourne Airport charges taxi drivers to access its facilities.

We now seek to update the fare schedule to link the rank fee more directly to Melbourne Airport's access fee and include measures to promote transparency of Melbourne Airport's accountability for determining the access fee.

1.2.2 DRAFTING AMENDMENTS TO THE FARE SCHEDULE

In June 2016, the Commission concluded a review of maximum taxi fares. To give effect to the findings of our review we published a new determination, which included a new fare schedule. In publishing the new fare schedule we largely carried over the wording of the previous fare schedule and made only minor amendments to give effect to the changes our fare review decision involved.²

During our last fare review we noted some of the wording of the fare schedule has become out-dated due to changes in the regulatory framework (particularly the introduction of maximum fare regulation in June 2014), and due to technological developments in the industry (such as smartphone booking apps). In addition, some clauses in the fare schedule unnecessarily duplicate matters in the remit of other regulators (for example, the Taxi Services Commission's setting of functional specifications for taximeters).

After a period of consultation, we have decided to make some changes to the fare schedule. We consider these changes to be largely administrative and **we do not anticipate the changes will materially impact the current practices of taxi service providers or customers**. This conclusion is supported by the feedback we received during our consultation with taxi industry stakeholders.

1.3 IMPLEMENTATION OF THE DECISION

Table 1.1 summarises our process for arriving at and implementing this decision. To give effect to the decision we will publish a new determination on our website. We are required by legislation to publish a notice of our determination in the government gazette and in a daily newspaper in general circulation.³ Following the gazettal, the new determination will become effective from 1 November 2016.

² We also made some minor amendments to wording to better reflect that the fares we set are 'maximum' rather than 'prescribed' and to remove clauses that clearly duplicated matters covered by other regulatory bodies (such as subsidy calculations for the Multi Purpose Taxi Program, which are regulated by the Taxi Services Commission).

³ *Essential Services Commission Act 2001*, section 35.

TABLE 1.1 DETERMINATION PROCESS

Activity	Timing
Publication of consultation paper	12 August 2016
Close of submissions to consultation paper	9 September 2016
Final decision and new determination to be published by the Commission	17 October 2016
Notice of determination to be published in newspaper and government gazette	20 October 2016
New determination to become effective	1 November 2016

2 AIRPORT RANK FEE

Following our consultation on the rank fee, we have decided to implement in full the changes proposed in our consultation paper. This chapter provides the background information on the proposed changes, analysis of stakeholder submissions and our final position on the airport rank fee.

2.1 BACKGROUND

During our most recent taxi fare review,⁴ Melbourne Airport indicated that it intended to increase the access fee it charges taxi drivers to \$3.58 inclusive of GST (an increase from \$2.70).⁵ Melbourne Airport indicated the access fee is intended to recover, and not profit from, the cost of building and maintaining infrastructure for taxi services, including holding bays and driver amenities, queue management services and managed taxi ranks. In short, Melbourne Airport sought the Commission's endorsement for taxi drivers to pass through the higher access fee to taxi hirers from 1 July 2016.

COMMISSION'S INITIAL RESPONSE

We responded to Melbourne Airport's proposal in the final report of our 2016 taxi fare review. While we acknowledged the potential impact on taxi drivers of an increase in Melbourne Airport's access fee without a corresponding increase in the rank fee, we could not accept the Airport's proposal without appropriate consultation. To do so would have been inconsistent with our Charter of Consultation and Regulatory

⁴ Essential Services Commission 2016, *Taxi Fare Review 2016: Final Report*, June.

⁵ Melbourne Airport 2016, *Submission to the Draft Report*, 27 May, p.4.

Practice.⁶ Given we were required to complete our review by 19 June 2016 and Melbourne Airport made its submission after we had completed our consultation process, there was not enough time to reopen consultation before completing our review.

To enable appropriate consultation on this issue, we decided to consider Melbourne Airport's submission after the completion of our 2016 fare review.

2.2 THE COMMISSION'S DRAFT POSITION

In August 2016 we published a consultation paper outlining our draft position on the airport rank fee. Given we have no role in reviewing or determining the access fee Melbourne Airport charges taxi drivers, our primary concern is that there is a level of transparency in the access fees if it is to be passed on to taxi customers (through a rank fee).

To improve the transparency of the access fee, our draft position was that the access fee should only be allowed to be passed through to customers (through the rank fee) if Melbourne Airport publishes the access fee and any changes to it on its website and in a daily newspaper generally circulating in Victoria. We believe these measures will help broadly communicate any changes to the access fee to a wide audience. It will also assist to improve the transparency of any changes made by Melbourne Airport to the access fee.

2.3 STAKEHOLDER SUBMISSIONS

We received eight submissions on the airport rank fee. We also spoke with a number of stakeholder representatives and taxi operators. The majority of stakeholders we consulted supported our draft position. Specifically, Melbourne Airport submitted that our draft position is an appropriate and balanced approach.⁷ Melbourne Airport agreed

⁶ Essential Services Commission 2012, *Charter of Consultation and Regulatory Practice*, August.

⁷ Melbourne Airport 2016, *RE: Taxi Fare Schedule Update – Melbourne Airport Rank Fee*, 24 August.

that it is wholly responsible for setting the access fee and acknowledged the distinction the Commission made between the access fee and rank fee. Melbourne Airport also restated its commitment to working with the Commission and the taxi industry to provide transparency of its access fees.

The majority of stakeholders supported our draft position on the basis that taxi drivers should be able to pass through the costs Melbourne Airport imposes on them. For example, the Victorian Taxi Association (VTA) submitted that taxi drivers should be able to pass on the access fee to consumers.⁸ The VTA also supported our draft position as an interim measure while the form of taxi fare regulation is being considered by the state government.⁹

The taxi driver representatives and taxi operators we consulted were also generally supportive of our proposed approach. For example, Mr. Grapentin (a taxi driver) submitted that taxi drivers are poorly paid for delivering an important service and not allowing drivers to pass on the access fee to consumers could lead to drivers protesting at the airport and charging customers in excess of the regulated maximum to recover their costs.¹⁰

While most submissions were supportive of our draft position and understood that the Commission does not have the power to set or regulate Melbourne Airport's access fee, many expressed their opposition to Melbourne Airport increasing its access fee:

'[Taxi drivers] are amazed that Melbourne Airport is again increasing the taxi rank fee, even \$2.70 is too high'.¹¹

'It would be unfair to force people to pay more to use [taxi ranks] which [are] available free of service usage charge anywhere else [in Melbourne] but Melbourne Airport'.¹²

⁸ Victorian Taxi Association 2016, *Taxi Fare Review 2016 – Final decision*, 20 June, p. 2.

⁹ Victorian Taxi Association 2016, *Updating the Schedule of Maximum Taxi Fares Document: Proposed changes to the airport rank fee and other drafting amendments for consultation – August 2016*, 6 September, p. 1.

¹⁰ Ralph Grapentin 2016, *First submission to Updating the Schedule of Maximum Taxi Fares Document: Proposed changes to the airport rank fee and other drafting amendments for consultation – August 2016*, 29 August.

¹¹ Ralph Grapentin 2016, *Second submission to Updating the Schedule of Maximum Taxi Fares Document: Proposed changes to the airport rank fee and other drafting amendments for consultation – August 2016*, 29 August.

'Now the airport wants to increase their fees even more which to me is totally unreasonable'.¹³

We also received one submission that stated that the airport rank fee is already high enough and the should not be increased.¹⁴ This view was shared by Mr. Gupta (a taxi driver), who submitted that drivers should bear the burden of the increase in the access fee. He suggested this would help address taxi oversupply at the airport and encourage the taxi industry to negotiate with Melbourne Airport on the access fee. Mr. Gupta also noted that increasing the rank fee would make taxis less competitive with other modes of transport.¹⁵

2.4 FINAL DECISION

While we acknowledge the concerns some stakeholders have expressed with regards to the increase in the airport access fee, the Commission does not have the power to set or regulate the fee. However, we note that Melbourne Airport has committed to working with the taxi industry to provide transparency in the determination of its airport access fee.¹⁶ We therefore encourage stakeholders with concerns to engage with Melbourne Airport on this issue.

As set out in our consultation paper, given that we have no role in determining the access fee, our primary concern has been improving the transparency of any changes or increases by Melbourne Airport to the access fee.

Having considered stakeholder submissions, and noting the extent of our regulatory role, we have decided to proceed with our draft position on the airport rank fee. That is,

¹² VIP Chauffeur Service 2016, *Submission to Updating the Schedule of Maximum Taxi Fares Document: Proposed changes to the airport rank fee and other drafting amendments for consultation – August 2016, 12 August.*

¹³ Rajesh Gupta, *Submission to Updating the Schedule of Maximum Taxi Fares Document: Proposed changes to the airport rank fee and other drafting amendments for consultation – August 2016, 12 August.*

¹⁴ VIP Chauffeur Service 2016, *Submission to Updating the Schedule of Maximum Taxi Fares Document: Proposed changes to the airport rank fee and other drafting amendments for consultation – August 2016, 12 August.*

¹⁵ Rajesh Gupta, *Submission to Updating the Schedule of Maximum Taxi Fares Document: Proposed changes to the airport rank fee and other drafting amendments for consultation – August 2016, 12 August.*

¹⁶ Melbourne Airport 2016, *RE: Taxi Fare Schedule Update – Melbourne Airport Rank Fee, 24 August.*

the maximum rank fee taxi drivers may charge will be equal to Melbourne Airport's access fee, subject to the access fee being transparently published on Melbourne Airport's website and in a daily newspaper generally circulating in Victoria.

In addition to the two measures to improve the transparency proposed in our consultation paper, the rank fee will only reflect a change in the access fee after Melbourne Airport has advised the Taxi Services Commission of that change. In its role as the taxi industry regulator, the Taxi Services Commission is in constant contact with taxi industry stakeholders. Advising the Taxi Services Commission of any changes will help keep those stakeholders up to date with any changes to the airport access fee.

Clause 7.1 of the fare schedule for metropolitan zone taxi licences will be updated as follows (see Appendix A for marked up amendments):

7.1 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.

3 DRAFTING AMENDMENTS

In our consultation paper we proposed a number of drafting amendments to the fare schedule in order to:

- simplify its wording
- remove or amend clauses that duplicate matters covered in other regulations
- remove or amend clauses that reflect previous regulatory frameworks and may no longer be consistent with the current maximum fare framework
- reduce prescriptive wording to ensure it is fit for purpose now and as the market evolves in future.

We received only one formal submission on the matters in this chapter, in addition to a number of informal views gathered from our consultations with stakeholder representatives and taxi operators.

In this chapter we describe each of the proposed amendments, provide a summary of stakeholder views and outline our final decision.

3.1 SPECIFICATION OF FLAGFALL AND DISTANCE RATE CHARGES

Clause 1 of the current fare schedule for metropolitan and urban zone taxi licences specifies the maximum charges for the flagfall, distance rate and detention rate. The clause specifies an initial number of metres included in the flagfall before which the distance rate begins to apply. It also specifies the number of metres included in each 10 cent increment for the distance rate. For example, Clause 1.1 of the metropolitan zone fare schedule reads:

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.

<i>Flagfall</i>	<i>\$4.20 inclusive of the first 61.65 metres</i>
<i>Distance Rate</i>	<i>\$0.10 for each additional 61.65 metres to the destination (\$1.622 per kilometre) while the vehicle speed is greater than 21 kmph</i>
<i>Detention Rate</i>	<i>\$0.568 per minute (\$34.08 per hour) while the vehicle speed is less than 21 kmph</i>

The specified number of metres (61.65 metres in the case of Tariff One) represents the distance that can be covered for 10 cents according to the determined distance rate of \$1.622 per kilometre.

3.1.1 DRAFT POSITION

In our consultation paper we proposed to remove the references to the number of metres per 10 cent increment from the fare schedule for metropolitan and urban zone taxi licences.

We considered that specifying an initial distance to be included in the flagfall and excluded from the distance rate is an unnecessarily prescriptive and confusing way of describing the fare structure. In addition, whether the fare for the initial distance is included as part of the flagfall or the distance rate would make little or no difference to the maximum fare charged in practice.

We also outlined that specifying the number of metres per 10 cent increment in our fare schedule duplicates a matter covered by the Taxi Services Commission’s (TSC’s) functional specification for taximeters. The TSC’s taximeter specification states that ‘fare devices’ (taximeters) ‘*shall increment the value of the Metered Fare by 10 cent increments*’¹ and also that the TSC may alter this specification.

¹ Taxi Services Commission 2015, *Fare Device — Functional and Technical Specification*, June, p. 24.

Our draft position considered that removing this prescription from our fare schedule would improve clarity and ensure the fare schedule does not become out-dated in the event the TSC amends its taximeter specifications in future.

3.1.2 STAKEHOLDER SUBMISSIONS

Our discussions with industry stakeholders did not identify any unintended consequences of our proposed change.

In response to our consultation paper, the Victorian Taxi Association (VTA) submitted its view that our proposal would not have any material impact on fare calculations.² The VTA considered that the fare schedule does not need to specify the increments for fare calculation as these are defined in the TSC's taximeter specifications.

3.1.3 FINAL DECISION

Based on our initial reasoning and no issues being raised during consultation, we have decided to follow our draft proposal on the specification of flagfall and distance rate charges with some minor additions.

Following our consultation process, we noticed that removing the specification of the number of metres per 10 cent increment may introduce some ambiguity into our determination. Without the specification of the 10 cent increment, it would not be clear if taxi service providers could charge for part kilometres. We also note that a similar ambiguity applies to the detention rate. It is not entirely clear if taxi service providers may charge passengers for part minutes. To remove these ambiguities, we have added some words to clarify that taxi service providers can charge for part kilometres, and part minutes, on a pro rata basis.

Clause 1.1 of the metropolitan fare schedule will be amended as follows:

1.1 *TARIFF ONE – 'DAY TARIFF'*

² Victorian Taxi Association 2016, *Submission to the Updating the Schedule of Maximum Taxi Fares Document*, 6 September, p. 1.

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

Flagfall \$4.20

Distance Rate \$1.622 per kilometre while the vehicle speed is greater than 21 kmph calculated on a pro rata basis for each part kilometre travelled

Detention Rate \$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

Similar amendments will be made for all relevant subclauses in Clause 1 of the metropolitan and urban zone fare schedules. See Appendix A for a marked up version of the amendments.

3.2 OUT OF AREA HIRINGS

Clause 2 of the current fare schedule for metropolitan and urban zone taxi licences defines certain trips to be ‘out of area hirings’. For such trips, no maximum fare is specified. Instead, the fare schedule only requires that the fare is agreed with the passenger prior to the trip.

For a trip in a metropolitan zone taxi to be classified as an ‘out of area hiring’, the trip must begin or end on opposite sides of a boundary defined by a radius of 80 kilometres from the intersection of Bourke and Elizabeth Streets in the Melbourne CBD (the former location of Melbourne’s GPO). Clause 2 of the metropolitan zone fare schedule reads:

2.1 For the purposes of this schedule, the ‘area’ is defined as the area within an 80 kilometre radius of the intersection of Bourke and Elizabeth Streets, Melbourne.

2.2 For hirings to or from a place outside the ‘area’, any hiring rate or fixed amount may be charged, providing that the hiring rate or fixed amount is agreed by the hirer or intending passenger prior to the commencement of the hiring.

Clause 2 of the current fare schedule for urban zone taxi licences reads:

2.1 *For hirings to or from a place more than 80 kilometres outside the boundary of the Urban and Large Regional zone, any hiring rate or fixed amount may be charged, providing that the hiring rate or fixed amount is agreed by the hirer or intending passenger prior to the commencement of the hiring.*

3.2.1 DRAFT POSITION

In our consultation paper, we proposed to remove the ‘out of area hirings’ clause from the fare schedule for metropolitan and urban zone taxi licences.

Our main concern is that allowing ‘any hiring rate or fixed charge’ under this clause is no longer consistent with our regulatory mandate under the legislation. That is, the Commission is required to set the maximum charges for services provided by taxi vehicles licensed to operate in the metropolitan and urban zones, whereas this clause allows fares higher than the maximum for certain trips.

We also considered two specific reasons why this clause is unlikely to serve any useful practical purpose for the provision or use of metropolitan or urban zone taxi services:

- We expect that trips meeting the definition of an ‘out of area hiring’ would be extremely rare in practice
- Even if such trips do occur in practice, the standard maximum fares should provide sufficient scope for a reasonable fare to be charged.

3.2.2 STAKEHOLDER SUBMISSIONS

In response to our consultation paper, the VTA agreed our proposed change would have no practical impact on how taxis currently operate, noting taxi zone boundaries and associated legislation and regulation restrict taxi operating areas such that removing the ‘out of area hirings’ clause would not have an impact.³

We did, however, receive informal views from two taxi operators raising concern with the removal of this clause. In particular, these operators suggested that its removal

³ Victorian Taxi Association 2016, *Submission to the Updating the Schedule of Maximum Taxi Fares Document*, 6 September, p. 1.

could make some potential trips economically unviable. Specifically, they suggested these trips could have additional costs, such as vehicle damage from country roads and wild animals, which are not accounted for in the maximum fare. In addition, drivers taking trips that meet the 'out of area hirings' conditions are likely to drive empty on the return trip to the metropolitan zone. The operators acknowledged, however, that such trips only very rarely, if ever, occur in practice.

3.2.3 FINAL DECISION

Our consultation has confirmed that trips that meet the 'out of area hirings' conditions occur very rarely, if ever, in practice. Although some operators have raised concerns with our proposal, they do not recall ever having used the clause to negotiate fares higher than the maximum fare with customers. While we recognise the provision of such trips could possibly incur additional costs in very rare circumstances, we consider it important that the fare schedule is consistent with the regulatory regime set out in legislation. We have therefore decided to remove the 'out of area hirings' clause from the fare schedule.

3.3 BOOKING FEE CONDITIONS

The current fare schedule for metropolitan and urban zone taxi licences allows for a booking fee to be charged if it is entered and displayed on the taximeter at the commencement of the trip. Clause 3 of the current fare schedule for metropolitan zone taxi licences reads:

3.1 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. If applied, the booking fee must be entered and displayed on the taximeter at the commencement of the hiring.

The wording of Clause 3 of the fare schedule for urban zone taxi licences is the same as above, apart from the value of the booking fee (\$2.10 in the urban zone).

3.3.1 DRAFT POSITION

In our consultation paper we proposed to remove the second sentence requiring that the booking fee be entered and displayed on the taximeter.

While we recognised that the requirement provides some desirable transparency of the fares charged to customers, our primary concern was that this particular requirement is unnecessarily prescriptive and potentially not fit for purpose in the current market. In current practice, booking fees are not always entered on the taximeter – for example, trips booked and paid for through smartphone booking apps. In these cases customers are still provided with a transparent breakdown of the fare, including the booking fee, via an electronic receipt on their smartphone.

We considered that the wording of the fare schedule should allow for more flexibility and not limit potential for new and innovative booking methods, particularly booking methods that maintain transparency and consumer protection.

We also noted that transparency measures are already provided for in other regulations. For example, the *Transport (Buses, Taxi-Cabs and Other Commercial Passenger Vehicles) Regulations 2005* require that taxi drivers must, if asked, tell the customer the amount of the fare and any additional charges at the end of a trip⁴ and produce a receipt that itemises all the components of the fare and additional charges.⁵

3.3.2 STAKEHOLDER SUBMISSIONS

In response to our consultation paper, the VTA supported our proposal to reduce the prescriptiveness of how the booking fee must be displayed to customers.⁶ The VTA agreed that our proposal would be unlikely to result in any immediate changes to the way fares are currently displayed to customers.

In our consultation with a number of taxi operators, some raised concern about a loss of transparency for customers if booking fees were not required by regulation to be

⁴ *Transport (Buses, Taxi-Cabs and Other Commercial Passenger Vehicles) Regulations 2005*, Regulation 43(1)

⁵ *Transport (Buses, Taxi-Cabs and Other Commercial Passenger Vehicles) Regulations 2005*, Regulation 43(7)

⁶ Victorian Taxi Association 2016, *Submission to the Updating the Schedule of Maximum Taxi Fares Document*, 6 September, p. 2.

displayed on the taximeter. Some were also concerned that the change may enable drivers to retain booking fee revenue instead of it being subject to the 55/45 revenue sharing requirements regulated by the TSC.

3.3.3 FINAL DECISION

We recognise the importance of fare transparency and acknowledge that some operators have raised concerns that our proposal may reduce the transparency of the booking fee. However, we consider that fare transparency is adequately provided for in other regulations in a more flexible way. We also note that taxi service providers who currently display booking fees on the taximeter are not prevented from continuing to do so. We do not expect the removal of the requirement is likely to change current practice or introduce any consumer protection risks. With the development of new booking methods and emergence of greater competition in the booked market for commercial passenger vehicles, we consider that taxi booking networks will have sufficient competitive incentive to ensure customers are made aware of applicable charges.

We understand some operators' view that having all fare components entered into taximeters currently facilitates the calculation of revenue sharing arrangements between drivers and operators. However, we do not consider that the fare schedule is the appropriate regulatory instrument to regulate contractual arrangements between drivers and operators, especially if there is a risk that such regulation limits the potential for innovative booking services to benefit consumers.

It remains our view that the prescriptive requirement for the booking fee to be entered and displayed on the taximeter at the commencement of the trips is not fit for purpose in the current market, and is likely to become increasingly so as the market continues to evolve.

We have therefore decided to implement our draft proposal to remove the requirement for the booking fee to be entered and displayed on the taximeter. The amended Clause 3 of the fare schedule for metropolitan zone taxi licences will read:

3.1 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.

We note, however, that some operators may wish to continue to display the booking fee and they are permitted to do so.

Similar wording will be used for Clause 3 of the urban zone fare schedule. Marked up amendments can be found in Appendix A.

3.4 CITYLINK AND EASTLINK TOLL CONDITIONS

Clause 6 of the current metropolitan zone fare schedule and Clause 7 of the urban zone fare schedule specify the maximum toll road charges taxis may charge customers and the conditions under which these can be applied. The relevant clauses in the current fare schedule are the same for metropolitan and urban zone taxi licences and read:

- 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 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 The driver must not charge or pass on any toll incurred while using a toll road when the taxi is not carrying a passenger or parcel. 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.*
- 6.3 Drivers must not charge any amount greater than the authorised Taxi Toll appropriate to the section(s) of the toll road used during a hiring, as set out in the Victorian Government Gazette.*

3.4.1 DRAFT POSITION

In our consultation paper we proposed two changes to these clauses, both of which were aimed at simplifying wording without changing the intent. The changes we proposed were to:

- remove the first sentence of Clause 6.2

- combine Clauses 6.1 and 6.3.

REMOVING THE FIRST SENTENCE OF CLAUSE 6.2

Although we recognised that the first sentence of Clause 6.2 may be seen as clarifying that drivers cannot charge passengers for tolls incurred while driving empty, we considered it unnecessary to specify in the fare schedule what drivers *cannot* charge. In particular, if this sentence were deleted, the fare schedule would not provide for such a charge, thereby ensuring that drivers are not permitted to pass on tolls incurred while driving empty.

INCORPORATING CLAUSE 6.3 INTO CLAUSE 6.1

We considered that most of the content in Clause 6.3 largely repeats Clause 6.1, with the main difference being that Clause 6.3 refers to ‘section(s)’ of toll roads while Clause 6.1 refers to toll roads in general. We therefore proposed to combine the two clauses into a single clause including the reference to ‘sections(s)’ of toll roads for clarity.

3.4.2 STAKEHOLDER SUBMISSIONS

In response to our proposal to remove the first sentence of Clause 6.2, the VTA stated that they have not seen any evidence of confusion or incorrect charging of taxi tolls for tolls incurred while not carrying a passenger. The VTA suggested that although there may not be a need to amend this clause, our proposed amendment would not have a practical impact on taxi operations.⁷

During consultation with taxi operators, one operator suggested that the wording of Clause 6.2 will not matter when new taximeter technology is introduced that automatically applies taxi tolls.

Another operator felt it was important to make clear that drivers cannot charge customers for tolls incurred while driving empty and suggested that there are currently cases of drivers attempting to charge passengers for tolls incurred on the way to the pickup location.

⁷ Victorian Taxi Association 2016, *Submission to the Updating the Schedule of Maximum Taxi Fares Document*, 6 September, p. 2.

In regards to combining Clauses 6.1 and 6.3, the VTA understood our desire for simplified wording and did not foresee any material impact on taxi operations.⁸ No other stakeholders raised any concerns with our proposal to combine these clauses.

3.4.3 FINAL DECISION

The changes we proposed to this clause are intended to simplify wording without changing the intent of the existing clauses. In our consultation process we have not heard any concerns of unintended consequences arising from the changes proposed.

One stakeholder expressed a desire to retain Clause 6.2 to provide clarity that toll fees cannot be charged to a passenger unless they were in the taxi when the toll was incurred. However, we remain of the view that the absence of a provision in the fare schedule for such a charge is sufficiently clear. If there are drivers currently breaching Clause 6.2, as claimed by this stakeholder, those drivers would remain in breach of maximum fare regulation even with its removal. Our proposed change therefore does not change the intent of the existing clauses.

We have therefore decided to implement our draft proposals on changes to the taxi tolls clauses. The amended clauses will now read as follows (see Appendix A for marked up amendments):

- 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.*

⁸ Victorian Taxi Association 2016, *Submission to the Updating the Schedule of Maximum Taxi Fares Document*, 6 September, p. 2.

APPENDIX A—MARKED-UP VERSION OF THE FARE SCHEDULE

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. ~~Unless the hiring is an ‘out of area’ hiring as defined in clause 2 of this schedule, t~~he 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

Flagfall	\$4.20 inclusive of the first 61.65 metres
Distance Rate	\$0.10 for each additional 61.65 metres to the destination (\$1.622 per kilometre) while the vehicle speed is greater than 21 kmph <u>calculated on a pro rata basis for each part</u>

kilometre travelled

Detention Rate \$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.

Flagfall \$5.20 ~~inclusive of the first 55.43 metres~~

Distance Rate ~~\$0.10 for each additional 55.43 metres to the destination~~ (\$1.804 per kilometre) while the vehicle speed is greater than 21 kmph calculated on a pro rata basis for each part kilometre travelled

Detention Rate \$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.

Flagfall \$6.20 ~~inclusive of the first 50.35 metres~~

Distance Rate ~~\$0.10 for each additional 50.35 metres to the~~

~~destination (\$1.986 per kilometre) while the vehicle speed is greater than 21 kmph calculated on a pro rata basis for each part kilometre travelled~~

Detention Rate \$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. OUT OF AREA HIRINGS~~

~~2.1 For the purposes of this schedule, the 'area' is defined as the area within an 80 kilometre radius of the intersection of Bourke and Elizabeth Streets, Melbourne.~~

~~2.2 For hirings to or from a place outside the 'area', any hiring rate or fixed amount may be charged, providing that the hiring rate or fixed amount is agreed by the hirer or intending passenger prior to the commencement of the hiring.~~

~~3.2. BOOKING FEE~~

~~3.12.1 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.¹ If applied, the booking fee must be entered and displayed on the taximeter at the commencement of the hiring.~~

~~4.3. PREMIUM SERVICE CHARGE~~

~~4.13.1 If a taxi is nominated as participating in a 'premium service' scheme provided by a network service provider, and displays badging or signage~~

¹ The booking fee may also be displayed on the taximeter.

indicating its participation in such a scheme, the driver of that taxi may charge a 'premium service' charge in accordance with clause [34.2](#).

[4.23.2](#) 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 [43.1](#) may charge the hirer a premium service charge of up to \$11.00.

[5.4.](#) HIGH OCCUPANCY FEE

[5.14.1](#) 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.

[5.24.2](#) A high occupancy fee of up to \$14.00 may be charged when:

[5.2.14.2.1](#) the vehicle has been hired for the carriage of five or more passengers, or

[5.2.24.2.2](#) 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.

[5.34.3](#) For the purposes of clause [54.2.2](#) above, a standard taxi means a taxi with seating for up to four passengers, and includes station wagon type vehicles.

[5.44.4](#) For the purposes of clause [54.2.1](#) above, children under the age of five years are not to be calculated as a passenger.

[6.5.](#) CITYLINK AND EASTLINK TOLLS

[6.15.1](#) 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 ~~that~~ [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).

~~6.25.2 The driver must not charge or pass on any toll incurred while using a toll road when the taxi is not carrying a passenger or parcel.~~ 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.

~~6.3 Drivers must not charge any amount greater than the authorised Taxi Toll appropriate to the section(s) of the toll road used during a hiring, as set out in the Victorian Government Gazette.~~

7.6. MELBOURNE AIRPORT TAXI RANK FEE AND BOOKING FEE

~~7.16.1~~ 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 ~~up to \$2.70~~ 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.

~~7.26.2~~ 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 23 of this schedule.

8.7. MULTIPLE HIRING

~~8.17.1~~ 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.

9.8. FURTHER CONDITIONS

9.18.1 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 [45.2.2](#) 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 ~~July~~ 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. ~~Unless the hiring is an 'out of area' hiring as defined in clause 2 of this schedule, t~~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

Flagfall	\$3.60 inclusive of the first 54.40 metres
Distance Rate	\$0.10 for each additional 54.40 metres to the destination (\$1.838 per kilometre) while the vehicle speed is greater than 21 kmph <u>calculated on a pro rata basis for each part kilometre travelled</u>
Detention Rate	\$0.643 per minute (\$38.58 per hour) while the vehicle speed is less than 21 kmph <u>calculated on a pro rata basis for each part minute</u>

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.

Flagfall	\$3.60 inclusive of the first 36.27 metres
Distance Rate	\$0.10 for each additional 36.27 metres to the destination (\$2.757 per kilometre) while the vehicle speed is greater than 21 kmph <u>calculated on a pro rata basis for each part kilometre travelled</u>
Detention Rate	\$0.965 per minute (\$57.90 per hour) while the vehicle speed is less than 21 kmph <u>calculated on a pro rata basis for each part minute</u>

- 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. OUT OF AREA HIRINGS

~~2.1 For hirings to or from a place more than 80 kilometres outside the boundary of the Urban and Large Regional zone, any hiring rate or fixed amount may be charged, providing that the hiring rate or fixed amount is agreed by the hirer or intending passenger prior to the commencement of the hiring.~~

3.2. BOOKING FEE

~~3.2.1 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.² If applied, the booking fee must be entered and displayed on the taximeter at the commencement of the hiring.~~

4.3. PREMIUM SERVICE CHARGE

4.3.1 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.

4.3.2 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 4.3.1 may charge the hirer a premium service charge of up to \$11.00.

5.4. LATE NIGHT FEE

5.4.1 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.

² [The booking fee may also be displayed on the taximeter.](#)

6.5. HOLIDAY SURCHARGE

6.15.1 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.

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

6.2.15.2.1 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*,³

6.2.25.2.2 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

³ 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 26 December (Boxing Day) when Boxing Day is a Saturday and the Tuesday after Boxing Day when Boxing Day is a Sunday.

~~6.35.3~~ 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.

~~6.45.4~~ The late night fee must not be applied in addition to the holiday surcharge.

7.6. CITYLINK AND EASTLINK TOLLS

~~7.16.1~~ 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 ~~that~~ 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).

~~7.26.2~~ ~~The driver must not charge or pass on any toll incurred while using a toll road when the taxi is not carrying a passenger or parcel.~~ 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.

~~7.3~~ ~~Drivers must not charge any amount greater than the authorised Taxi Toll appropriate to the section(s) of the toll road used during a hiring, as set out in the Victorian Government Gazette.~~

8.7. MELBOURNE AIRPORT BOOKING FEE

~~8.17.1~~ 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 23 of this schedule.

9.8. MULTIPLE HIRING

9.18.1 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.

10.9. FURTHER CONDITIONS

10.19.1 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.