



UPDATING THE SCHEDULE OF MAXIMUM TAXI FARES DOCUMENT

Proposed changes to the airport rank fee and other
drafting amendments for consultation

August 2016

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GLOSSARY

Day tariff	The maximum tariff rates applicable from 9am to 5pm.
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).
Multi Purpose Taxi Program (MPTP)	A government program that subsidises taxi fares for people with severe and permanent disabilities. MPTP members receive a 50 per cent subsidy on taxi fares up to a maximum of \$60 per trip and \$2180 per year. Some MPTP members are exempt from the annual cap.
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 source 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).
Waiting time 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.

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PURPOSE OF THE CONSULTATION PAPER

We are seeking input from interested parties on proposed updates to the taxi fare schedule document, including changes to the airport rank fee clause and some other minor drafting amendments.

The proposed changes to the airport rank fee clause are intended to make Melbourne Airport's role in setting the Airport Access Fee more transparent. The proposed minor drafting amendments to the taxi fare schedule are to simplify wording, remove duplication of other regulations, reduce prescriptiveness and ensure the fare schedule document is fit for purpose both now and as the market evolves in future.

The clauses of the fare schedule that we are proposing to amend (as per the metropolitan zone schedule of hiring rates) are as below:

- Clause 1 – Tariff components
- Clause 2 – Out of area hirings
- Clause 3 – Booking fee
- Clause 6 – CityLink and EastLink tolls
- Clause 7 – Melbourne Airport Taxi Rank Fee

As we have recently concluded a review of maximum taxi fares in June 2016, we request that stakeholders' submissions focus on the issues outlined in this report. We will conduct our next full review of maximum taxi fares within the next two years.

Please note that submissions to this consultation paper close on **9 September 2016**. Details on how to make a submission are provided in Chapter 1 (section 1.3.1) of this paper.

QUESTIONS FOR STAKEHOLDER COMMENT

We seek input from interested stakeholders on our proposed amendments to the fare schedule document. To promote discussion of our proposed amendments, we have outlined some questions for stakeholders in Box 1.

BOX 1 QUESTIONS FOR STAKEHOLDER COMMENT

AIRPORT TAXI RANK FEE

1. Will our proposed approach, for making the airport Access Fee more transparent, be effective?

MINOR DRAFTING AMENDMENTS TO THE FARE SCHEDULE

2. Would removing the reference to the number of metres per 10 cent increment (for the distance rate) have a material impact on fare calculations?
3. Do you use the 'out of area hiring rate' (or know of this clause being used)? Would removing the 'out of area hiring rate' clause have a practical effect?
4. Would removing the requirement for the 'booking fee' to be entered and displayed on the taximeter be a desirable change?
5. The current 'Taxi Tolls' clause outlines that tolls can only be charged for tolls incurred when carrying a passenger or parcel. Is it necessary to include a clause that specifies that drivers cannot charge Taxi Tolls that were incurred when not carrying a passenger or parcel?
6. Would combining Clauses 6.1 and 6.3 of the Fare Schedule for metropolitan zone taxi licences (and Clauses 7.1 and 7.3 of the Fare Schedule for urban zone taxi licences) have a material impact on the workings of those clauses?

1 ABOUT THIS PAPER

This paper outlines a number of amendments we propose to make to the wording of the schedule of maximum fares in the current taxi fare determination.

We are proposing new measures to clarify Melbourne Airport's role in setting the airport access fee for taxis. We are also proposing minor drafting amendments aimed at simplifying wording, removing duplication of other regulations, reducing prescriptiveness and ensuring the fare schedule document is fit for purpose both now and as the market evolves in future.

We seek stakeholder feedback on the proposed amendments and encourage all interested parties to provide submissions in response to this consultation paper.

1.1 THE DETERMINATION AND THE FARE SCHEDULE

The Essential Services Commission (the Commission) is the independent economic regulator responsible for determining the 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 maximum fare determinations we publish a document ('the Determination') on our website, which contains a schedule of maximum fares ('the Fare Schedule').

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

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.

1.2 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 taxi fare that drivers may charge passengers for picking them up from the Melbourne Airport taxi rank. The Rank Fee is currently set at a regulated maximum of \$2.70, which is equivalent to the current '**Airport Access Fee**' (Access Fee) that Melbourne Airport determines and charges taxi drivers to use its airport taxi ranks and associated facilities.

The maximum taxi fares that 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 Access Fee.

Melbourne Airport to increase the Access Fee

Melbourne Airport determines the Access Fee. Melbourne Airport has informed us that, from 1 October 2016, it intends to increase the Access Fee from \$2.70 to \$3.58 (both including GST).

To be clear, we have no role in determining the Access Fee that Melbourne Airport charges taxi drivers. We are only responsible for determining whether taxi service providers (in this case taxi drivers) may pass the Access Fee through to passengers. Therefore, any decision we make in relation to 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 develop a mechanism that links the airport's Access Fee with the Rank Fee, is transparent and makes clear the airport's accountability for the Access Fee.

1.2.2 REASON FOR PROPOSING MINOR DRAFTING AMENDMENTS

On 30 June 2014, legislative changes took effect that gave responsibility to the Commission to make taxi fare determinations under a 'maximum fare' framework. The Commission's first determination under this framework began to apply from 1 July 2014. The introduction of the maximum fare framework allowed for taxi service providers to discount below the maximum fares determined by the Commission.

In June 2016, the Commission concluded a subsequent review of maximum taxi fares. Our final decision as part of that review determined: (1) that maximum fares for the metropolitan zone remain unchanged; and (2) the times at which some peak charges may apply in parts of the urban zone be extended.

To give effect to the final decision, 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

In that process we noted some of the wording of the Fare Schedule has potentially become out-dated as a result of successive processes of carrying over much of the wording of previous determinations. In some cases, the wording has become out-dated due to changes in the regulatory framework (particularly the introduction of maximum fare regulation in June 2014), or 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 (namely, the Taxi Services Commission's setting of functional specifications for taximeters). It is these issues in the wording of the Fare Schedule that have arisen over time we now seek to address.

We signalled this intention in the final report of our 2016 Taxi Fare Review, noting we would undertake consultation on the proposed amendments.³

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 2016, *Taxi Fare Review 2016 Final Report*, June, pp. 51-52.

We consider our proposed changes are largely administrative and **we do not anticipate the changes will impact the current practices of taxi service providers or customers**. Nevertheless, we aim to be open and transparent in our decision making and are committed to public consultation to guide our decisions. We also seek to confirm that our proposed changes will make no difference to the practices of taxi service providers or customers. We therefore outline our proposed amendments to the Fare Schedule drafting in this paper and invite stakeholders' input on the proposals.

1.3 TIMELINE AND CONSULTATION PROCESS

Table 1.1 outlines our overall program for this review, including key deliverables and milestones.

TABLE 1.1 TIMELINE

Activity	Timing
Publication of consultation paper	12 August 2016
Close of submissions to consultation paper	9 September 2016
Final decision by Commission	mid October 2016
New determination to become effective	end October 2016

1.3.1 HOW TO MAKE A SUBMISSION

Interested parties are invited to make submissions in response to this consultation paper. Please note submissions to this consultation paper close on 9 September 2016.

By e-mail:

Submissions should be emailed to taxifares@esc.vic.gov.au, with subject title: 'Submission to the Taxi Fare Schedule Update'

By Fax or Mail

You may also send submissions via fax to 03 9032 1303, or by mail, marked:

Submission to the Taxi Fare Schedule Update
Essential Services Commission
Level 37, 2 Lonsdale Street
Melbourne VIC 3000

1.3.2 PUBLICATION OF SUBMISSIONS

To promote transparency we will make all submissions publicly available on our website unless clearly instructed otherwise in the submission. If your submission contains confidential or commercially sensitive information that you do not wish to be disclosed publicly, please clearly identify the specific information in the submission.

1.3.3 CONTACT DETAILS

Questions about the Airport Rank Fee may be directed to Jonathan Roberts, Regulatory Analyst, Transport Division on 03 9032 1307.

Questions regarding the Fare Schedule may be directed to Matthew Giampiccolo Regulatory Analyst, Transport Division on 03 9032 1359.

2 AIRPORT RANK FEE

For the purpose of this paper it is important to understand the difference between the Airport Access Fee (Access Fee) and the Airport Rank Fee (Rank Fee).

THE ACCESS FEE

The Access Fee is the fee that *Melbourne Airport charges taxi drivers* to access the airport taxi ranks. In exchange for paying this fee, taxi drivers are permitted to use taxi holding areas and participate in a queuing system that they must access if they wish to collect passengers from Melbourne Airport's taxi ranks.

The Access Fee is not regulated. Our role under the *Transport (Compliance and Miscellaneous Act) 1983* is limited to setting maximum charges for services provided by taxis. The Access Fee is the charge for a service provided by Melbourne Airport. As the Access Fee is not a charge for taxi services, we do not have the power to set the fee that Melbourne Airport may charge. Melbourne Airport currently charges taxis an Access Fee of \$2.70.

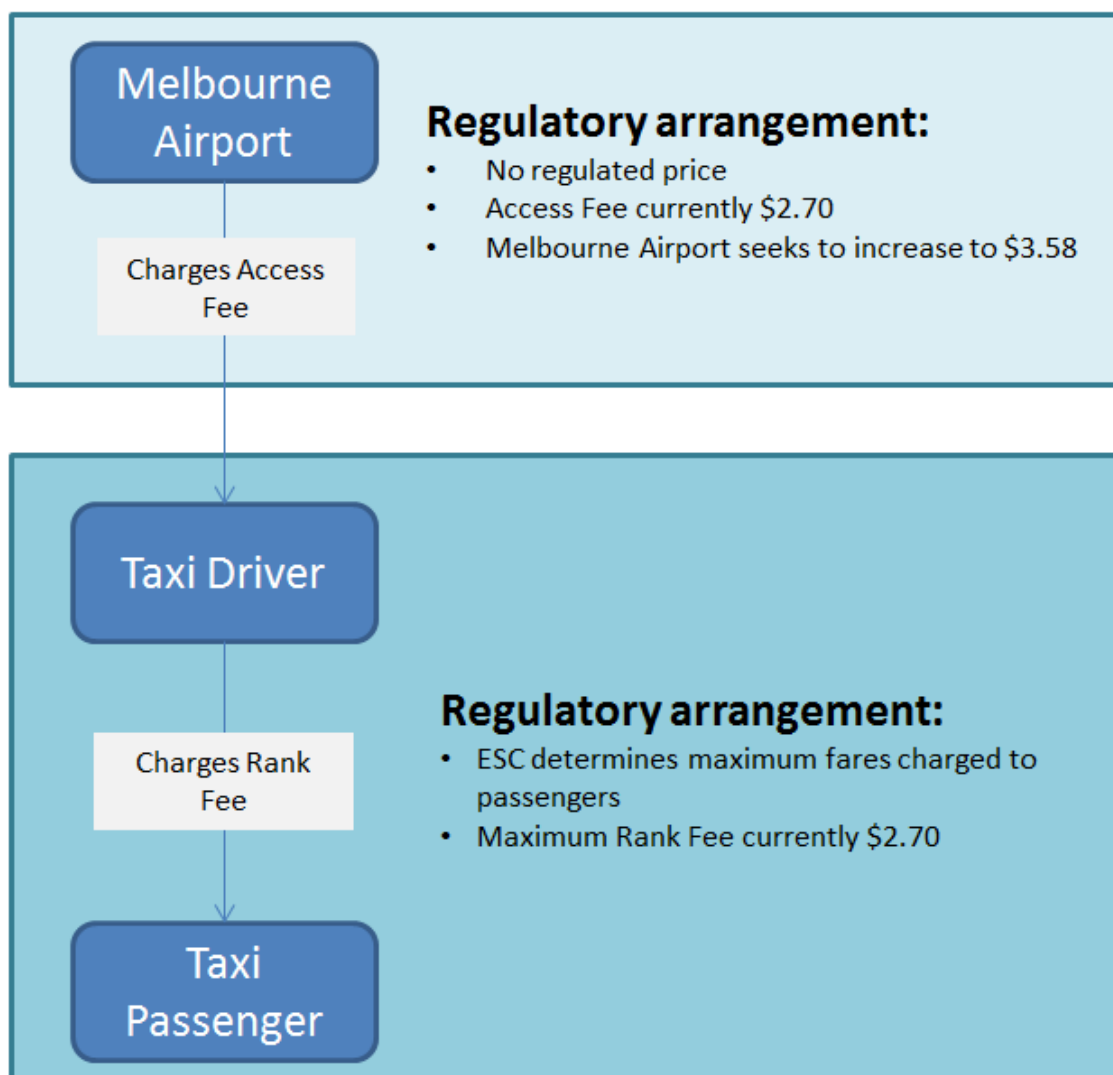
THE RANK FEE

The Rank Fee is the amount that *taxi drivers charge passengers* for picking them up from Melbourne Airport's taxi ranks. Under section 162C of the *Transport (Compliance and Miscellaneous Act) 1983*, we are responsible for setting the maximum charges for taxi services. These charges include the Rank Fee.

Our current Fare Schedule allows taxi drivers to charge passengers a Rank Fee of up to the current \$2.70 that they incur for the Access Fee charged by Melbourne Airport.

Figure 2.1 below illustrates this arrangement.

FIGURE 2.1 ACCESS FEE AND RANK FEE FLOW CHART



2.2 MELBOURNE AIRPORT'S PROPOSAL

During our most recent taxi fare review,¹ Melbourne Airport made a late submission in response to our draft report. The submission indicated that:

- Melbourne Airport intends to increase the Access Fee it charges to taxi drivers to \$3.58 inclusive of GST (an increase from \$2.70)

¹ Essential Services Commission 2016, *Taxi Fare Review 2016: Final Report*, June.

- Melbourne Airport intends to hold the Access Fee constant for two years, and to then index the fee in line with changes in the CPI.²

Melbourne Airport's submission further stated the following:

- Revenue from 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 the event that the Rank Fee does not change to reflect the increase in the Access Fee, Melbourne Airport would consider one of two options: to immediately reduce investment in infrastructure and services for taxis to ensure alignment of cost recovery; or to impose the increase in the Access Fee on taxis despite taxi service providers' inability to recover it in full from passengers.³

In short, Melbourne Airport sought our endorsement for taxi drivers to pass through the higher Access Fee to taxi hirers from 1 July 2016.

COMMISSION'S INITIAL RESPONSE

As Melbourne Airport raised the issue of the Access Fee at a late stage of the review, relevant stakeholders (including the taxi industry and consumers) did not have the opportunity to comment on the Airport's plans.

While we acknowledged the potential effects of an increase in the Access Fee without a corresponding increase in the Rank Fee on taxi drivers, we could not accept the Airport's proposal, to pass through the increase in the Access Fee to consumers, without appropriate consultation. To do so would have been inconsistent with our Charter of Consultation and Regulatory Practice.⁴ Moreover, we were required to complete our review by 19 June 2016. As Melbourne Airport made its submission after we had completed our consultation process, there was not enough time to reopen consultation before completing our review.

² Melbourne Airport 2016, *Submission to the Draft Report*, 27 May, p.4.

³ Melbourne Airport 2016, *Submission to the Draft Report*, 27 May, p.4.

⁴ Essential Services Commission 2012, *Charter of Consultation and Regulatory Practice*, August.

Our powers in relation to setting maximum taxi fares allow for us to make determinations at any time as long as a review of a determination is completed within two years of its making. To allow appropriate consultation, we decided to consider Melbourne Airport's submission after the completion of our fare review.

STAKEHOLDER RESPONSE

In response to our findings in the 2016 taxi fare review, Melbourne Airport made a further submission to us on 4 July 2016. In its submission, Melbourne Airport stated that it would increase its Access Fee from 1 October 2016. Melbourne Airport stated that this is necessary for it *'to recover the cost of capital infrastructure investment fairly'*.⁵

In correspondence with us, the Victorian Taxi Association (VTA) has also provided an initial position on the increase in the Access Fee. The VTA is of the view that taxis should be able to pass the Access Fee on to passengers because it is an unavoidable cost of business for taxis that provides consumer benefits.

Melbourne Airport's submission and the VTA's correspondence are available on our website.

2.3 OPTIONS FOR THE RANK FEE

While we cannot review or reject Melbourne Airport's Access Fee, we can make changes to the Fare Schedule to make the link between the Access Fee and the Rank Fee more transparent. By making the Access Fee and the way it is determined transparent, stakeholders will be in a better position to make judgements about the value that the Access Fee provides. With this information, consumers and taxi service providers will be in a better position to discuss the Access Fee with Melbourne Airport.

Making the Access Fee more transparent will clarify Melbourne Airport's role with respect to the Access Fee. It is important for stakeholders to understand that the Access Fee is not regulated. As taxi fares are regulated, there may be a misconception

⁵ Melbourne Airport 2016, Re: Taxi Fare Review 2016 – Melbourne Airport taxi Access Fee, 4 July, p. 1.

among some groups that we determine the Access Fee. If stakeholders are in the belief that a charge is determined by a regulator, they may be less likely to debate the charge with the service provider. By making it clear that Melbourne Airport determines the Access Fee, stakeholders will be more inclined to voice any concerns they have about the Access Fee.

We note that in its May 2016 submission, Melbourne Airport stated it is committed to communicating the increase in the Access Fee directly to consumers.⁶ Measures that Melbourne Airport said it would undertake include signage at taxi ranks and in-vehicle stickers to communicate the change. Melbourne Airport also stated it would publish notification of the change in the Access Fee, and the rationale behind the change, on its website.

To improve the transparency of the Access Fee, our draft position is that the Access Fee only be allowed to be passed through to customers (in 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. Publication of the Access Fee in a newspaper and on the internet should facilitate communication to a large number of consumers and help make it clear that any change in the Access Fee is determined by Melbourne Airport. This will help make the Access Fee, and who is responsible for it, more transparent.

To give effect to our decision we propose, as we did in the final report for our most recent taxi fare review,⁷ that the following paragraph replace Clause 7.1 of the Fare Schedule for metropolitan taxis in our most recent taxi fare determination:

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 and on Melbourne Airport's website.

⁶ Melbourne Airport 2016, Response to Consultation Paper: Melbourne Airport Submission, 27 May 2016, p. 7.

⁷ Essential Services Commission 2016, Taxi Fare Review 2016 Final Report, June 2016, p. 41.

A further measure to improve the transparency of the Access Fee could be to improve the visibility of the Rank Fee in taxi billing systems. This could be achieved by having the Rank Fee displayed on or announced by the meter⁸ at the beginning of the trip. Another method would be to require the Rank Fee to be itemised on taxi fare receipts. These measures could help make the impact of the Access Fee clearer to consumers.

BOX 2.1 QUESTION 1 FOR STAKEHOLDER COMMENT

Will our proposed approach, for making the airport Access Fee more transparent, be effective?

⁸ Future models of meters are expected to have the capacity to make announcements to passengers about the tariffs that are being applied to the trip.

3 PROPOSED DRAFTING AMENDMENTS

The proposed drafting amendments to the Fare Schedule outlined in this paper are intended 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.

The proposed amendments are described below, along with an explanation of the issues we are seeking to address in redrafting the wording. Each proposed amendment refers to clauses in the Fare Schedule for metropolitan and urban zone taxi licences.

A marked up version of the Fare Schedule is provided at Appendix A, with the proposed changes tracked and highlighted.

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 (waiting time rate). We propose a minor simplification of some of the wording in this clause, which we consider to be unnecessarily prescriptive in its current drafting.

THE CURRENT DRAFTING

Clause 1 of the current schedule specifies the flagfall and distance rate such that the flagfall is to include an initial number of metres and the distance rate is to begin to apply after those metres have been travelled. It further specifies that the distance rate is to be charged in 10 cent increments.

For example, Clause 1.1 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.

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*

Detention Rate \$0.568 per minute (\$34.08 per hour) while the vehicle speed is less than 21kmph

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.

The flagfall and distance rates have been specified in this way in previous determinations made under the previous legislative arrangements. In the two determinations the Commission has made (June 2014 and June 2016), we have retained similar wording.

THE ISSUE WE SEEK TO ADDRESS

The specification of a small initial distance to be included in the flagfall and excluded from the distance rate appears to be an unnecessarily prescriptive and confusing way of describing the fare structure. In practice, whether or not the fare for this initial distance is charged as part of the flagfall component or the distance rate component will make little to no difference to the maximum fare charged.

The specification of the number of metres per 10 cent increment relates to a particular functional specification for taximeters. Taximeter specifications are determined by the Taxi Services Commission. The draft 'fare device' (taximeter) specification, which is available on the Taxi Services Commission's website, states:

The Fare Device shall increment the value of the Metered Fare by 10 cent increments, or other increments as declared by the Authority [Taxi Services Commission], and Type-approved by the Administrator [Transport Certification Australia]¹.

This means taximeters are required to display the metered fare in 10 cent increments according to the functional specifications set by the Taxi Services Commission.

For the purpose of our role of determining maximum fares, we do not see the need to include in the Fare Schedule the current prescriptive wording relating to the distance travelled in 10 cent increments. The Fare Schedule's reference to 10 cent increments duplicates a matter covered by the Taxi Services Commission's functional specification for taximeters.

Further, we consider it desirable to remove this prescription from the Fare Schedule to ensure it does not become out-dated in the event that the Taxi Services Commission amends its taximeter specification in future as metering technology evolves.

OUR PROPOSED NEW DRAFTING

We propose to remove the references to the metres per 10 cent increment from the Fare Schedule for metropolitan and urban zone taxi licences. The amended Clause 1.1 would thus be:

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

Distance Rate \$1.622 per kilometre while the vehicle speed is greater than 21 kmph

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

Detention Rate *\$0.568 per minute (\$34.08 per hour) while the vehicle speed is less than 21kmph*

We do not anticipate this change will have any practical implications for taxi service providers or customers. Before making this change we seek feedback from stakeholders on the potential for any unintended consequences.

BOX 3.1 QUESTION 2 FOR STAKEHOLDER COMMENT

Would removing the reference to the number of metres per 10 cent increment (for the distance rate) have a material impact on fare calculations?

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, the Fare Schedule only requires that the fare is agreed with the passenger prior to the trip.

The provisions for out of area hirings have been carried over from previous fare determinations made under the previous legislative arrangements. The out of area hirings provisions were originally made prior to the commencement of the current maximum fare legislation, and prior to the definition of the current taxi zone boundaries (both of which occurred in June 2014).

Our current regulatory framework requires us to set the maximum charges for services provided by taxi vehicles licensed to operate in the metropolitan and urban zones. As the 'out of area hirings' clause states these licence holders can charge more than the maximum fare for particular trips, this clause is inconsistent with our regulatory mandate to set maximum fares. In particular, we consider allowing metropolitan taxi licence holders to negotiate taxi fares higher than the maximum fare does not align with our role under Division 5A of Part VI of the *Transport (Compliance and Miscellaneous)*

Act 1983. As such, we propose to remove the out of area hirings clauses from the Fare Schedule.

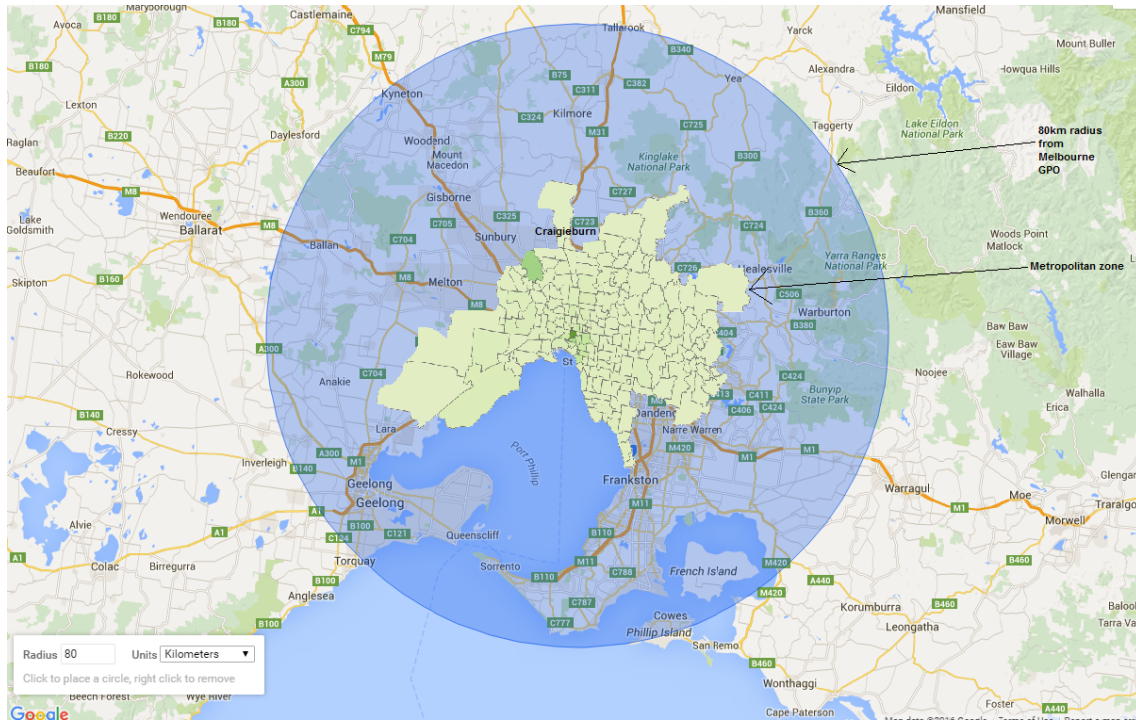
THE CURRENT DRAFTING

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 Melbourne GPO). The wording of Clause 2 of the Fare Schedule for metropolitan zone taxi licences is as follows:

- 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.*

For context, Figure 3.1 shows the 80 kilometre radius referred to in the metropolitan Fare Schedule, which notably extends far beyond the current metropolitan taxi zone boundary (shaded yellow).

FIGURE 3.1 COMPARISON OF AN 80 KILOMETRE RADIUS FROM THE MELBOURNE GPO WITH THE METROPOLITAN ZONE SUBURBS



Source: Google Maps and data provided by the Taxi Services Commission

A similar clause exists for the Fare Schedule for urban zone taxi licences:

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.

THE ISSUE WE SEEK TO ADDRESS

Our primary concern with Clause 2 of the current Fare Schedule for metropolitan and urban zone taxi licences is that it is no longer consistent with our regulatory mandate under the legislation to allow ‘any hiring rate or fixed charge’ to be charged. In particular, the legislative changes to the regulatory framework in 2014 now require the Commission to set the maximum charges provided by taxi vehicles licenced to operate in the metropolitan and urban zones. The ‘out of area hirings’

clause is inconsistent with our role under the legislation, as it allows these licence holders to charge more than the maximum fare for certain trips.

Further, we consider that it is highly unlikely these clauses serve any useful purpose for the provision or use of metropolitan or urban taxi services. This is for two reasons:

- First, we expect that trips made in metropolitan or urban taxis that meet the definition of an ‘out of area hiring’ would be extremely rare in practice. This is mainly because the start or end of such a trip would have to be a considerable distance from the zone boundary to which the taxi is licensed.
- Second, even if such trips were to occur in practice, the standard maximum fare rates should provide sufficient scope for a reasonable fare to be charged. For example, the standard maximum fare for a 60 kilometre trip from Craigieburn (near the metropolitan zone boundary) to Tallarook (just outside the 80 kilometre radius) would be around \$116.² Even if the driver then had to make the return journey empty, the maximum fare would appear to provide for reasonable compensation for the driver’s time (approximately 1.5 hours) and the vehicle operating costs incurred over 120 kilometres.

PROPOSAL TO REMOVE THE PROVISION FOR OUT OF AREA HIRINGS

We propose to remove Clause 2 from the Fare Schedule for metropolitan and urban zone taxi licences on the basis that: (i) this provision is inconsistent with the maximum fare regulatory framework; and (ii) the standard maximum fare rates provide sufficient scope for reasonable fares if such trips were to occur in practice.

Before removing the provisions for ‘out of area hirings’ from the Fare Schedules, we seek feedback from stakeholders on whether any unintended consequences may arise.

BOX 3.2 QUESTION 3 FOR STAKEHOLDER COMMENT

Do you use the ‘out of area hiring rate’ (or know of this clause being used)? Would removing the ‘out of area hiring rate’ clause have a practical effect?

² Estimated using the Taxi Services Commission’s fare estimation equation with Tariff 1 maximum fare rates and booking fee.

3.3 BOOKING FEE CONDITIONS

Clause 3 of the current Fare Schedule for metropolitan and urban zone taxi licences provides for a booking fee to be charged subject to the condition that it is entered and displayed on the taximeter at the commencement of the trip.

We propose to remove the requirement that the booking fee be entered and displayed on the taximeter, as it provides unnecessary prescription and removing this requirement would allow flexibility in how customers are informed of booking fees.

THE CURRENT DRAFTING

The wording of Clause 3 of the Fare Schedule for metropolitan zone taxi licences is as follows:

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).

The booking fee has been specified in this way in previous determinations made under the previous legislative arrangements. In the two determinations the Commission has made (June 2014 and June 2016), we have retained similar wording.

THE ISSUE WE SEEK TO ADDRESS

We assume the requirement for the booking fee to be entered and displayed on the taximeter at the beginning of the trip was originally intended to provide a form of transparency to passengers around the fare they are charged.

While fare transparency is desirable, our concern is that this requirement may be unnecessarily prescriptive and potentially not fit for purpose in the current market.

In practice, booking fees are not always entered on the taximeter, particularly when taxis are booked through some smartphone booking apps. In these cases, the booking fee is itemised on a receipt and transparent to customers. The development of new

booking methods and greater competition in the taxi booking market now means that passengers have greater choice and transparency in service offerings. This emphasises the need for flexibility in the wording of our Fare Schedule.

Removing this sentence from Clause 3 would provide taxi service providers with some flexibility in how they choose to display booking fees to customers, but would no longer require that customers are informed upfront of the fee. Transparency of fares for consumers is provided for in other regulations. 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 trip³ and produce a receipt that itemises all the components of the fare and additional charges.⁴ In addition, our proposed amendment would not prevent the booking fee from continuing to be displayed on the taximeter.

OUR PROPOSED NEW DRAFTING

We propose to remove the second sentence of Clause 3 from the Fare Schedule for metropolitan and urban zone taxi licences. The amended Clause 3 (for the metropolitan zone) would thus be:

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.

As this amendment would allow taxi service providers to inform passengers of applicable booking fees in any way they decide (including to only inform at the end of a trip), this amendment may be seen as a material change to the taxi fare determination. We seek stakeholder feedback on whether it is desirable to allow this flexibility in the display of booking fees.

BOX 3.3 QUESTION 4 FOR STAKEHOLDER COMMENT

Would removing the requirement for the 'booking fee' to be entered and displayed on the taximeter be a desirable change?

³ *Transport (Buses, Taxi Cabs and Other Commercial Passenger Vehicles) Regulations 2005*, Regulation 43(1)

⁴ *Transport (Buses, Taxi Cabs and Other Commercial Passenger Vehicles) Regulations 2005*, Regulation 43(7)

3.4 CITYLINK AND EASTLINK TOLL CONDITIONS

Clause 6 of the Fare Schedule for metropolitan zone taxi licences and Clause 7 of the Fare Schedule for urban zone taxi licences specify the maximum Taxi Tolls and the conditions under which these tolls can be applied. We propose to improve the readability of, and streamline, the conditions that set out when Taxi Tolls can be applied. The current wording of these clauses is as below:

- 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 REMOVING THE FIRST SENTENCE OF THE EXISTING CLAUSE 6.2

The wording of Clause 6.2 of the Fare Schedule for metropolitan zone taxi licences specifies some conditions of when Taxi Tolls are not to be charged or incurred:

- 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.*

Clause 7.2 of the Fare Schedule for urban zone taxi licences contains identical wording.

THE ISSUE WE SEEK TO ADDRESS

Although we recognise that the first sentence of Clause 6.2/7.2 may be seen as clarifying that drivers cannot charge passengers for tolls incurred while driving empty, we consider that this is unnecessary to specify in the Fare Schedule. Even without the first sentence, the Fare Schedule would still ensure that drivers are not permitted to pass on tolls incurred while driving empty. Clause 6.1/7.1 outlines that a Taxi Toll can only be charged for tolls incurred when 'carrying a passenger or parcel', which implies that drivers are not allowed to charge for tolls incurred when not carrying a passenger or parcel.

We consider that including an example of a charge that is not permitted (and would not be permitted under the existing Clause 6.1/7.1) provides unnecessary detail to the Fare Schedule and does not change the workings of the Taxi Toll clause. However, we may consider retaining this sentence if stakeholders consider that it provides useful guidance to taxi operators/drivers on the application of Taxi Tolls.

OUR PROPOSED NEW DRAFTING

We propose to remove the first sentence of Clause 6.2 of the Fare Schedule for metropolitan zone taxi licences and Clause 7.2 of the Fare Schedule for urban zone taxi licences. The amended Clause 6.2/7.2 would thus be:

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.

We do not anticipate this change would have any immediate practical implications. However, we seek stakeholder feedback on whether we should retain this sentence for clarity purposes in Clause 6.2 of the Fare Schedule for metropolitan zone taxi licences and Clause 7.2 of the Fare Schedule for urban zone taxi licences.

Regardless of whether we remove this sentence or not, we propose to break up Clause 6.2/7.2, as the two sentences in the existing clause deal with unrelated issues. The current first sentence outlines that drivers cannot charge a Taxi Toll that was incurred when not carrying passengers or parcels, while the second sentence is about passengers' choice of whether to incur a Taxi Toll or not. As these issues are unrelated, they should be dealt with in separate clauses.

BOX 3.4 QUESTION 5 FOR STAKEHOLDER COMMENT

The current Taxi Tolls clause outlines that tolls can only be charged for tolls incurred when carrying a passenger or parcel. Is it necessary to include a clause that specifies that drivers cannot charge Taxi Tolls that were incurred when not carrying a passenger or parcel?

3.4.2 INCORPORATING CLAUSE 6.3 INTO CLAUSE 6.1

The wording of Clause 6.3 of the Fare Schedule for metropolitan zone taxi licences specifies the amount of Taxi Tolls that may be passed onto passengers and states:

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.

Clause 7.3 of the Fare Schedule for urban zone taxi licences is the same as above.

THE ISSUE WE SEEK TO ADDRESS

We consider that most of the content in this clause effectively repeats Clause 6.1 of the Fare Schedule for metropolitan zone taxi licences and Clause 7.1 of the Fare Schedule for urban zone taxi licences, which set the maximum allowable Taxi Tolls. By setting a maximum fare we are ensuring that drivers cannot charge any amount greater than this maximum without breaching our determination. Further, section 144(1)(db) of the *Transport (Compliance and Miscellaneous) Act 1983* outlines that ‘no hiring rate is to be charged that is in excess of that permitted by a determination made by the ESC under Division 5A’.

The difference between Clause 6.1 and Clause 6.3 is that Clause 6.3 refers to section(s) of toll roads while Clause 6.1 refers to toll roads in general. We propose that these clauses can be combined such that drivers are authorised to charge an amount up to the appropriate Taxi Toll for the appropriate section(s) of the toll roads used when carrying a passenger or parcel.

Making this change is intended to simplify the wording in the determination and remove clauses that duplicate matters covered in other regulations.

OUR PROPOSED NEW DRAFTING

We propose to combine Clauses 6.1 and 6.3 of the Fare Schedule for metropolitan zone taxi licences and Clauses 7.1 and 7.3 of the Fare Schedule for urban zone taxi licences. The amended Clause 6.1/7.1 would thus be:

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).

We seek stakeholder feedback on whether combining these clauses would result in any unintended consequences.

BOX 3.5 QUESTION 6 FOR STAKEHOLDER COMMENT

Would combining Clauses 6.1 and 6.3 of the Fare Schedule for metropolitan zone taxi licences (and Clauses 7.1 and 7.3 of the Fare Schedule for urban zone taxi licences) have a material impact on the workings of those clauses?

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 July 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,~~ 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

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
Detention Rate	\$0.568 per minute (\$34.08 per hour) while the vehicle speed is less than 21 kmph

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
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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

Detention Rate \$0.631 per minute (\$37.86 per hour) while the vehicle speed is less than 21 kmph

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

Detention Rate \$0.695 per minute (\$41.70 per hour) while the vehicle speed is less than 21 kmph

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**

~~3.2.1~~ 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. ~~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~~4.2.

~~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.~~ **HIGH OCCUPANCY FEE**

~~5.4.1~~ 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.

~~5.4.2~~ 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 and on Melbourne Airport's website.](#)

~~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**

~~9.48.1~~ 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.

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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 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~~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 – 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
Detention Rate	\$0.643 per minute (\$38.58 per hour) while the vehicle speed is less than 21 kmph

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
Detention Rate	\$0.965 per minute (\$57.90 per hour) while the vehicle speed is less than 21 kmph

- 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

~~3.12.1~~ 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. ~~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 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. LATE NIGHT FEE

~~5.14.1~~ 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.

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*;¹

~~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
- 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

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.

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

~~7.46.1~~ 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

10.9.1 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.