

The taxi industry

Victoria's taxi industry involves different groups of people, including:

- **Passengers** such as the general public, corporate users, tourists, etc.
- **Taxi licence holders** own and hold taxi licences and have the right to provide a taxi service. Some licence holders assign (or lease out) the right to provide taxi services to a taxi operator.
- **Taxi operators** purchase/lease, maintain and operate a taxi. Operators may drive the taxi themselves or bail (lease) the vehicle to drivers.
- **Taxi drivers** usually rent a taxi from an operator and deliver passenger trips.
- **Network service providers (NSPs)** coordinate phone, internet and smartphone application bookings – they receive bookings from potential passengers and dispatch requests to drivers. Under the new reforms, NSPs will be known as Authorised Taxi Organisations (ATOs) and affiliation is no longer mandatory for operators.

The taxi submarkets

- **Hail** – passengers hail taxis from the side of the road.
- **Rank** – passengers catch a taxi from a designated taxi rank.
- **Pre-booked** – passengers book a taxi with a NSP/ATO or independent booking provider via telephone, internet or smartphone application for immediate travel ('ready to ride') or a specified time in the future.

Taxi zones

There are currently four taxi zones in Victoria:

- **Metropolitan** – metropolitan Melbourne
- **Outer suburban** – Frankston and Dandenong
- **Urban** – cities of Geelong, Ballarat and Bendigo
- **Country** – all other areas.

Current zoning arrangements are being reviewed. As our review was conducted prior to the finalisation of the new zoning arrangements, we have identified new fares based on the existing zone structure.

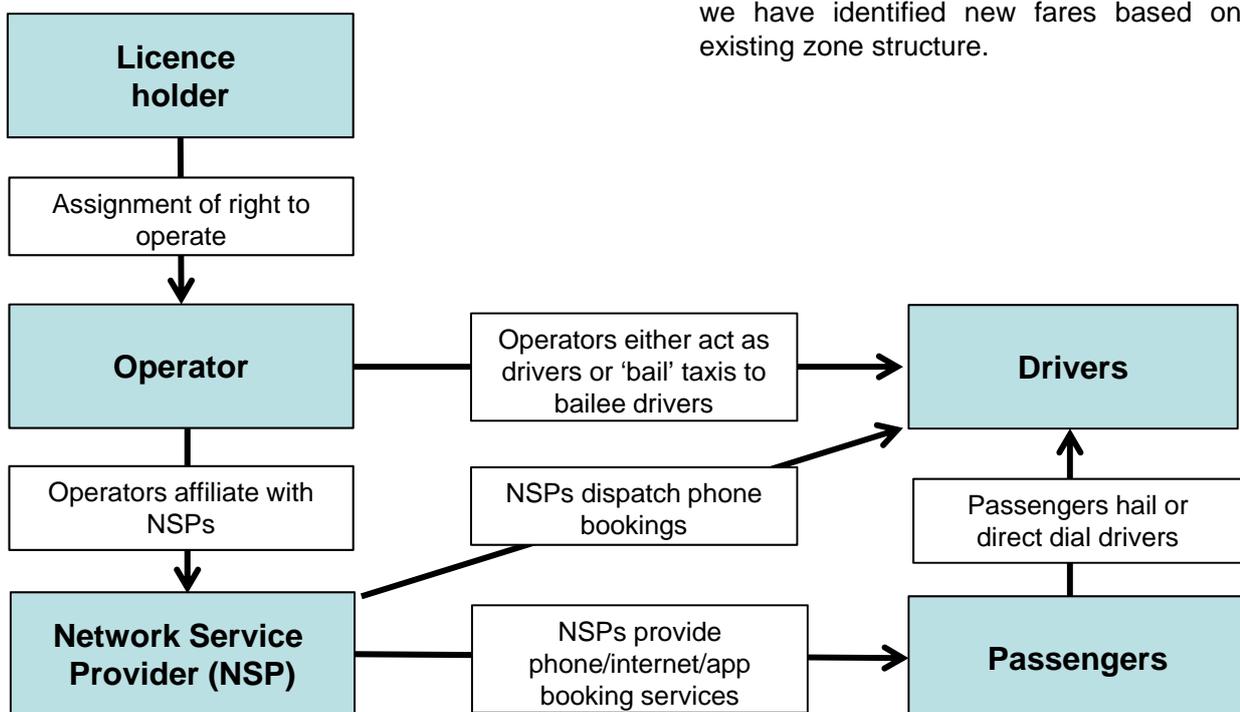


Figure 1. Overview of roles and relationships between current taxi industry participants.