



Department of Transport, Planning and Local Infrastructure

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Dr Richard Chadwick
General Manager
Adjudication Branch
Australian Competition and Consumer Commission

By email: adjudication@acc.gov.au

Dear Dr Chadwick

VICTORIAN TAXI ASSOCIATION – APPLICATION FOR AUTHORISATION A91428

Thank you for the opportunity to comment on the Victorian Taxi Association's application for authorisation to allow taxi operators in cooperative booking networks in country and regional taxi licence zones to reach agreements on consistent maximum fares for booked and contracted work.

The Department of Transport, Planning and Local Infrastructure (DTPLI) supports both the interim and overall application, which will facilitate the implementation of the notified fares system in country and regional licence zones from 30 June 2014. I note that a separate submission in support of the application has been made by the Taxi Services Commission.

Key reasons for DTPLI's support are outlined below:

- Without authorisation, co-operative booking networks in country and regional areas would be unable to offer uniform pricing to customers, significantly undermining their operations.
- It is possible that the inability to offer uniform pricing would eventually lead to the complete collapse of networks in country and regional areas, with associated reductions in service efficiency and quality.
- If authorisation is granted, price competition will still be retained through inter-network competition, and the ability of individual operators to set their own fares when operating outside the network. Customers will also be able to compare fares via the TSC's website.

- Fares will also be kept in check by reforms to taxi and hire car licensing arrangements, which will enhance competition by easing entry restrictions to the taxi and hire car markets, and the Essential Services Commission's price monitoring role, which includes the ability to 'name and shame' networks or operators which appear to be abusing their market power.

Should you have any queries regarding this submission, please do not hesitate to contact Megan Bourke O'Neil on

Yours sincerely



Gary Liddle
Deputy Secretary, Transport

23 May 2014