



**Australian
Competition &
Consumer
Commission**

Our Ref: 54572
Contact Officer: John Rouw
Contact Phone: 03 9290 1402

GPO Box 3131
Canberra ACT 2601

23 Marcus Clarke Street
Canberra ACT 2601

tel: (02) 6243 1111
fax: (02) 6243 1199

www.accc.gov.au

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David Samuel
Chief Executive Officer
Victorian Taxi Association
Suite 2, 85 Salmon St
PORT MELBOURNE VIC 3207

By email: gnicholls@victaxi.com.au; lconstantelos@victaxi.com.au

Dear Mr Samuel

**Victorian Taxi Association (VTA) – application for authorisation A91428 –
submissions and request for information**

I refer to the above applications for authorisation lodged with the Australian Competition and Consumer Commission (the ACCC) on 12 May 2014.

The purpose of this letter is to provide you with an opportunity to respond to interested party submissions received in response to the request for interim authorisation and also seek further information to assist the ACCC in its consideration of your application.

Submissions

As you are aware, on 14 May 2013 the ACCC wrote to interested parties seeking submissions in relation to the application. The ACCC asked parties to provide submissions on the request for interim authorisation by 23 May 2014.

The ACCC has to date received public submissions from the following parties:

- Australian Government Department of Veterans' Affairs
- Victorian Government Department of Transport, Planning and Local Infrastructure
- Victorian Taxi Services Commission
- Wellington Taxis

Copies of these submissions are attached and are also available on the ACCC website at www.accc.gov.au/AuthorisationsRegister

If you wish to comment on the issues raised in these submissions, please do so by **Wednesday 4 June 2014**.

Request for information

To assist in its consideration of the above application, the ACCC requests further information from the VTA set out below.

1. In its supporting application the VTA notes that there would be difficulties “if each individual taxi affiliated to network was required to offer a different price” and that “should work ... be allocated based on the price of the available taxis” this would result in “conflict and the breakdown of the network”.
 - a. Could you provide more information on the outcomes that you envisage? For example, absent the proposed conduct, what factors would determine whether an operator would pull out of the network and why? What forms of conflict do you envisage? How could this conflict be managed?
 - b. Please outline any practical issues that you believe would prevent a cooperative network from offering a menu of prices and/or service characteristics (such as likely pick up time) when they call to book a cab? Are there any issues relating to interaction with metering technology and driver-operator revenue-sharing arrangements from price competition?
 - c. Are any of the issues in response to (a) or (b) increased or lessened by how far in advance a booking was made? Why/ why not?
2. Can the VTA provide data or information on the breakdown of booked services?
 - a. Specifically, what proportion of the booked services would be booked within one hour of travel, what proportion would be booked on the same day, and what proportion would be booked more than 24 hours in advance?
 - b. Of those services booked more than 24 hours in advance, what proportion would include regular ongoing appointments, for example contract arrangements?
3. What factors do you think determine what is an efficient scale and scope of operations to provide a network taxi service, such as number of taxis per head of population and / or geographic area to service? Are there any other relevant factors, such as necessary booking interfaces and location of taxis in relation to the area serviced?
 - a. Are there specific services which can be provided with just a single cab? Are there services which can more easily be provided with a number of cabs in the network?
4. Can the VTA provide the ACCC with a breakdown of the number of operators in the cooperative networks and how many taxis they each operate (actual numbers not averages)?
5. Can the VTA tell us how many taxis each of the **non-cooperative networks** in the regional and country zones have (listed by town)?
6. What incentives and circumstances might encourage and allow an operator participating in a network to leave and offer a competing service? In other words, in what circumstances would it be better for an operator to leave a network than stay in?
7. Under the impending price notification scheme, operators will not have to notify if they use the formerly regulated fare rates (that is, the fares applying from 19 May 2014).

What factors might influence whether an operator covered by the proposed conduct would utilise this option? What proportion of operators does that VTA consider will exercise this option?

8. Would the proposed conduct impact on the ability of potential network operator customers to order a taxi using a computer or smartphone application and the uptake of these technologies? Why or why not?

The ACCC is seeking a response to these issues by **Wednesday 4 June 2014**.

If you wish to discuss these or any other issues with us in the meantime, including by way of a phone call or meeting, please contact Marie Dalins on 03 9290 1893, or John Rouw on 03 9290 1402 .

This letter has been placed on the ACCC's public register.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Richard Chadwick', with a long horizontal line extending to the right.

Richard Chadwick
General Manager
Adjudication Branch