



Review of maximum fares for rank and hail taxi services in NSW

22 August 2024

IPART has been asked to review and make recommendations on the maximum fares for travel in taxis caught from a taxi rank or hailed from the street ("rank and hail taxi services").

Fares for rank and hail taxi services are regulated by the Government. This is an important mechanism to protect customers who are not in a position to shop around for point to point transport prices from being charged excessive fares. On the other hand, a person who wants to book a trip in a taxi does have the opportunity to shop around for alternatives such as rideshare or other taxi services, so fares for booked trips are not regulated.

The [Transport for NSW \(TfNSW\) fares order \(2023\)](#) sets the maximum fare components. There are currently different fare schedules for urban and country regions as well as some exempt areas.

Transport for NSW will consider IPART's recommendations when setting new maximum fares through a fares order to apply from 1 July 2025.

IPART last reviewed taxi fares in 2018. Since then, the regulatory framework and industry conditions have changed considerably. Taxi licences are now available on application for an administration fee and do not have limitations on where they can be operated. Prior to 2023, the supply of licences was limited and each licence could only be operated in a specified area.

We are keen to hear what you think about how taxi fares should be set in future. This paper sets out some of the things we will consider during the review and asks for your feedback.

What has IPART been asked to do?

The Terms of Reference ask us to report on a:

- Pricing framework and methodology for maximum fares and reviewing and adjusting future fares
- Level and methodology for maxi-taxi fares, circumstances for applicability and impacts on wheelchair accessible taxi availability
- Affordability and availability of taxi services for people with disability

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present. We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

- Application of different maximum fare schedules for country and urban areas of NSW.

Current maximum fares and fare regions

Current maximum rank and hail fares

Fare component	Urban	Country
Hiring charge	\$3.60 per trip	\$4.10 per trip
Peak time charge (in addition to hiring charge)	\$2.50 per trip	N/A
Distance rate (speed ≥ 26 km/h)	\$2.29 per km	\$2.36 per km (first 12 km) \$3.23 per km thereafter
Night distance rate (speed ≥ 26 km/h)	\$2.73 per km	\$2.81 per km (first 12 km) \$3.85 thereafter
Waiting time (speed < 26 km/h)	\$56.68 per hour (94.4c per minute)	\$57.65 per hour (96c per minute)
Maxi-taxi surcharge	150% max fare	150% max fare

Source: [Point to Point Transport Fares Order \(2023\)](#)

NSW taxi regions and areas

Regions	Areas
Exempt	Moama, Barham, Tocumwal, Mulwala, Barooga and Deniliquin.
Urban	Sydney, Newcastle, Wollongong, Blue Mountains, Central Coast, Shellharbour, Cams Wharf, Fern Bay, Minmi, Toronto, Williamtown, Medowie, Campvale, Ferodale, Raymond Terrace, Fassifern, Hexham, Maitland, Beresfield, Fullerton Cove, Tomago, Camden, Picton, Thirlmere, Tahmoor and Bargo.
Country	All other areas in NSW

Source: [Point to Point Transport Fares Order \(2023\)](#)

What will we consider when calculating maximum fares?

In this review we will consider the costs of providing rank and hail services including vehicle, labour and other costs impacting the viability of providing a service.

We will also assess the effectiveness of competition in the point to point transport market. We will examine:

- passenger demand for rank and hail services
- supply of taxis and drivers
- how well supply of taxis matches up with passenger demand, particularly for Wheelchair Accessible Taxis and maxi-taxis
- the availability and accessibility of alternative point to point transport options, and

- the availability and accessibility of alternative transport options.

If we find that competition is effective we could recommend more flexibility in how taxi fares are set, within a maximum constraint. This would allow taxi service providers to set fares that reflect their costs and customers' willingness to pay.

Our review will consider

 <p>Effects of deregulation</p> <p>Taxi licences Area restrictions Competitive service</p>	 <p>Consumer protections</p> <p>Prices Policies Standards</p>	 <p>Public transport</p> <p>Increasing use of sustainable modes of transport</p>
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We want to hear from you

We want to hear from all interested parties, including people active in the taxi industry, taxi passengers and others. You can make a submission on anything within the terms of reference for the review, and we have some specific questions that we would like stakeholder feedback on:

1. What are your views on the level and nature of competition in the rank and hail market? Does it vary by region of NSW or by time of day?
2. What are the main differences between operating rank and hail services and booked services?
3. What changes have you seen that impact services, costs and prices since the 2017 regulatory framework came into effect?
4. Is the cost of providing taxi services increasing, stable or declining? What evidence is there that costs are changing?
5. Are current fare levels too low, too high or about right?

6. Maximum fares for rank and hail are currently set using fixed components including a hiring charge, distance rates and waiting time rates. Do you have suggestions for an alternative approach?
7. Pre-booked fares can vary depending on supply and demand conditions. Should maximum fares for rank and hail services also be allowed to vary depending on local conditions?
8. There are currently two fare zones ('urban areas' and 'country areas') in TfNSW's fares order. Should there be different zones and why?
9. What factors are impacting the sector's willingness and/or ability to offer wheelchair accessible taxi services?
10. If you are a taxi driver, do you ever have trouble getting passengers from ranks, or from street hails? Do you have to wait for long periods before getting a passenger in either of these ways? What do you see as the main issues?
11. If you are a taxi passenger, do you ever have trouble catching taxis from ranks, or hailing taxis from the street? Have you experienced fare refusal or other problems? What do you see as the main issues?

Our review timeline



IPART is currently seeking stakeholder views on the above issues, with submissions to this paper due by 20 September 2024. You can make a submission via the [Have Your Say](#) page on our website.

There will be further opportunities to provide your input as the review progresses, including at a public hearing which we will schedule in October or November 2024. The results of our annual survey of point-to-point transport use will also feed into our review.

We will consider all stakeholder feedback when preparing our Draft Report, which we expect to release in December 2024. Our Final Report will also be informed by stakeholder consultation. We will provide our Final Report to the Minister for Transport in March 2025 for consideration. Stakeholders who would like to be notified when relevant material is released can subscribe to receive updates from IPART on our website: <http://www.ipart.nsw.gov.au>.