

FACT SHEET

Mid year review of LPG fuel costs for taxis in NSW to October 2011

November 2011

The Independent Pricing and Regulatory Tribunal of NSW (IPART) investigates and reports on prices for taxi services in NSW under terms of reference approved by the Premier. We review taxi fares annually and recommend changes to the Minister for Transport.

In order to address stakeholder concerns regarding LPG fuel price volatility, we undertake a mid-year review of fuel costs. We recommend a mid-year fare change if LPG prices have increased or decreased by more than 20% from the average price included in the Taxi Cost Index that we used for our last annual review of taxi fares.

We have now finalised our mid-year review of fuel costs for 2011. We found that LPG fuel costs have not changed significantly in either urban or country regions and as a result we will not recommend a mid-year fare change this year.

The section below explains the changes in LPG costs in more detail.

Changes in LPG costs since April 2011

The current Taxi Cost Index incorporates a fuel cost for the 12 months to 30 April 2011 based on 67.3 cents per litre (ex GST) for country areas and 57.4 cents per litre (ex GST) in urban areas. We obtained daily LPG prices for country and urban areas for the 6 months from 1 May 2011 to 31 October 2011 from FUELtrac. The average LPG price over this period was 70.4 cents per litre for country areas and 59.5 cents per litre for urban areas (ex GST). This represents an increase in fuel costs of 4.5% (country) and 3.7% (urban).

As LPG prices have not changed by more than 20% in urban or country regions, we consider that a mid-year fare change is not warranted.