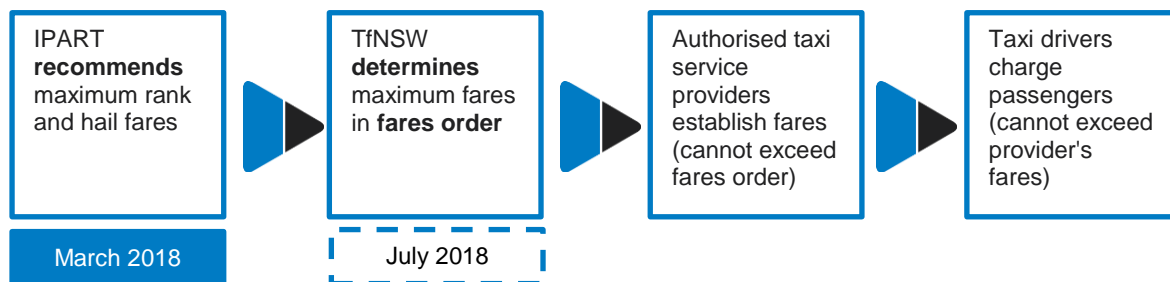


16 October 2017

## 1 What has the Government asked IPART to do?

The NSW Government has asked IPART to review and make recommendations on the **maximum fares** for **rank and hail taxi services** from July 2018, for the whole of NSW.

Our recommendations will inform Transport for NSW's determination of maximum fares. A rank and hail service provider can establish fares that are lower than the fares determined by Transport for NSW.



The Government has also asked IPART for advice on how many new annual taxi licences it should release outside Sydney, from July 2018. We are conducting a single review process to address both fares and licences. This Information Paper only relates to maximum fares.

### Why are we reviewing only rank and hail fares?

The Government is changing the way it regulates point to point transport services. A new regulatory framework will commence 1 November 2017.

Under the new rules:

- ▼ **rank and hail** trips in a taxi will still be subject to maximum authorised fares, determined by Transport for NSW (TfNSW)
- ▼ **booked** trips in a taxi will no longer be subject to maximum authorised fares but will be required to provide a prospective passenger with an estimate of the fare before they start the trip.

### What do we need to consider?

In making our recommendations, we must consider the matters listed in the Government's referrals. For maximum fares, these include the cost of providing rank and hail taxi services and the need for greater efficiency in their supply, and the protection of consumers from abuses of monopoly power.

We must also consider the Point to Point Transport Taskforce's Report, and the NSW Government's response to this report.

## 2 What is our approach to reviewing maximum fares?

Although IPART has made recommendations on taxi fares since 2001, the rapid changes in the point to point transport industry mean we are approaching this review differently.

We are reviewing stakeholder responses to our Issues Paper and looking at other sources to assess the level of competition in the market for rank and hail services across NSW.

In a competitive market customers have choices about the provider they use, and can shop around for a better deal if they think the fare offered by a particular provider is too high. Providers are discouraged from charging fares above the level of their efficient costs, or providing poor levels of service, by the threat of losing customers to their competitors.

If competition in the market for point to point transport services is effective, the regulation of fares can be more light-handed than it has been in the past.

Our assessment of competition will inform our recommendations on matters such as:

- ▼ what tariff components, if any, TfNSW should prescribe in its fares order
- ▼ whether authorised taxi service providers should have more flexibility about when peak and off-peak tariffs apply
- ▼ whether authorised taxi service providers should have more flexibility to change the relativities between tariff components
- ▼ the appropriate levels for tariff components
- ▼ the appropriate non-tariff charges
- ▼ whether there should be one or more fare zones (eg, country and urban), and
- ▼ how customers can obtain information about, and compare, the fares offered by taxi service providers.

## 3 Where are we up to?

We released an Issues Paper in September 2017. We are now considering stakeholder responses to the Issues Paper and preparing our Draft Report and draft recommendations. We will publish these in December 2017.

Table 1 sets out an indicative timetable for the review. We will update this timetable on our website as the review progresses.

**Table 1** Indicative review timetable

	Date
Issues Paper released	September 2017
Draft Report release	December 2017
Public forums (Sydney and outside Sydney)	January/February 2018
Draft Report submissions due	February 2018
Final Report to Minister	9 March 2018
Transport for NSW publishes new fares order	For 1 July 2018

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## 4 How can you have your say?

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We will invite all interested parties to make submissions in response to the Draft Report. Submissions will be due in early February 2018.

We will provide further information on how to make a submission when we release the Draft Report.

## 5 Where can you find more information?

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You can view our Issues Paper, and other information about our review of maximum taxi fares for NSW and the number of new annual taxi licences outside Sydney on IPART's website: <<https://www.ipart.nsw.gov.au/Home/Industries/Transport/Taxis>>.

The Draft Report will be available on the website in December 2017.

More information on the new regulatory framework for point to point transport is available on the following websites:

- ▼ Transport for NSW <<https://www.transport.nsw.gov.au/projects/programs/point-to-point-transport>>
- ▼ Point to Point Transport Commissioner <<http://www.pointtopoint.nsw.gov.au/>>.