

16 October 2017

1 What has the Government asked IPART do?

The NSW Government has asked IPART to review and recommend **how many new taxi licences** (other than licences for wheelchair accessible taxis) **should be issued to operate in areas outside Sydney from 1 July 2018**.

We will also consider if these new licences should be able to operate anywhere in NSW (outside Sydney), or if there should be any other restrictions placed on the new taxi licences.

The Government has also 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. We are conducting a single review process to address both fares and licences. This Information Paper only relates to licences.

Why are we only reviewing licences outside Sydney?

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 Transport for NSW will control the number of taxis across the state through an annual determination and a public tender process. All new licences will be annual licences, automatically renewable up to nine times. This will extend the existing arrangements for taxi licences in Sydney to all other parts of NSW.

In this review we are only recommending the number of new licences for areas **outside Sydney**. This is because, in 2015, the Government announced that it would not issue any “growth” licences in Sydney for four years.¹

What do we need to consider?

In making our recommendations, we must consider the matters listed in our terms of arrangement. For licences, these include: the demand for new licences; passenger demand for rank and hail services, including latent demand²; the performance of existing taxi services; and the viability and sustainability of the taxi industry.

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 licence numbers?

This is the first time IPART has made recommendations on the number of taxi licences for areas outside Sydney.

Firstly, we will identify whether there is a shortage of taxi licences outside Sydney by investigating:

- ▼ taxi licence transfer prices and lease costs

¹ TfNSW still makes an annual determination of the number of licences for Sydney taxis to replace any annual licences that are not renewed.

² Latent demand is demand for a product or service that a consumer cannot satisfy because they do not have enough money, because the product or service is not available, or because they do not know it is available.

- ▼ passenger demand for rank and hail services, and
- ▼ the availability of taxi alternatives in some markets.

If we find that there is a shortage of taxi licences outside Sydney, our next step will be to recommend how many additional taxi licences should be issued during the year from 1 July 2018. We will consider how new licences may affect the sustainability of the rank and hail market, and the pros and cons of various options, including:

- ▼ a large release to immediately address any supply shortages
- ▼ a gradual release over several years to address any supply shortages and transition the impact on licence holders
- ▼ whether new licences should be restricted to areas with supply shortages, and
- ▼ if and how to replace existing short term licences with annual licences.

Area-based restrictions for booked services have been removed as part of the point to point transport reforms. However operating area restrictions on existing taxi licences remain for rank and hail taxi services. As part of our review we will investigate the pros and cons of allowing new licences to operate anywhere in NSW outside Sydney.

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

4 How can you have your say?

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?

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/>>.