

IPART DRAFT RECOMMENDATIONS ON NSW COUNTRY TAXI FARES

17 December 2013

The Independent Pricing and Regulatory Tribunal (IPART) is proposing a continuing freeze on taxi fares in country NSW for the second consecutive year.

Under draft recommendations released today for public comment, IPART is proposing that taxi fares remain at the same level as they were in 2012 in nominal terms, resulting in fares around 5% lower in real terms. High licence values in many areas indicate that there are significant economic rents built into the cost structure in country areas. Therefore there is scope to not change fares again this year and make taxi services more affordable for passengers, without disrupting the supply of taxi services.

If the draft recommendations are adopted, maximum fares for 2014/15 would be:

- ▼ Hiring charge (flag fall) - \$4.00
- ▼ Standard distance rate (\$/km when the vehicle is travelling more than 26 km/h) - \$2.20 for the first 12 km, \$3.05 after 12 km
- ▼ Night distance rate (\$/km when the vehicle is travelling more than 26 km/h, 10pm – 6am) (20% surcharge) - \$2.64 for the first 12km, \$3.66 after 12 km
- ▼ Waiting time (\$/hour when vehicle slower than 26km/hour) - \$56.24 (93.7c per minute)
- ▼ Booking fee (booked fares only) - \$1.10
- ▼ Maxi taxi surcharge (on total fare) - 50%

These fares would apply in all areas of country NSW outside of the greater Sydney metropolitan area, that is, all areas apart from Newcastle, the Central Coast, Blue Mountains, Wollongong and Shellharbour. Moama, Barham, Tocumwal, Mulwala, Barooga and Deniliquin are exempt.

IPART Chairman Peter Boxall said the draft recommendation is consistent with IPART's draft recommendation that taxi fares in Sydney and other urban areas should also be frozen this year.

"The taxi industry will only be a viable, sustainable industry if it meets the needs of passengers, and in many country areas people rely on taxis as there is limited or no public transport," Dr Boxall said.

"These draft recommendations are designed to make taxis in country areas more affordable, so more people are able to catch taxis, increasing the demand for taxi services in country areas."

Dr Boxall said IPART has considered a number of different options for country taxi fares. The maximum country taxi fares are already more expensive than city fares, but average fares are lower due to the types of journeys taken. There are large variations in the cost of operating a taxi in country areas, but on average these costs are lower than in urban areas.

“Some stakeholders have argued that fares should be reduced further, while others have said increased fares are necessary,” Dr Boxall said.

Submissions on IPART’s draft report are welcome until 31 January 2014. IPART will provide its final report to Transport for NSW in February 2014.

The Draft Report, the consumer survey and other information on IPART’s review is available at IPART’s website <<http://www.ipart.nsw.gov.au>>.

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