

## NSW TAXI FARES UNDER REVIEW

**25 February 2013**

The Independent Pricing and Regulatory Tribunal (IPART) is calling for public submissions on how best to set NSW taxi fares.

Following a review of taxi licence numbers in Sydney, with final advice provided to Transport for NSW for consideration last week, IPART is considering new approaches to setting fares to increase affordability and grow taxi patronage.

An Issues Paper released today for the *Review of maximum taxi fares to apply from mid-2013* canvasses four possible options for setting taxi fares:

- ▼ Reduce fares by 2.5%.
- ▼ Make no change to the level of fares.
- ▼ Increase fares in line with increases in the cost of living (approximately 2.5%).
- ▼ Change fares in line with the change in costs using the Taxi Cost Index (TCI) as done in previous years.

IPART Chairman Peter Boxall said the past approach of increasing fares in line with the TCI has led to taxi services becoming less affordable, with cost the main barrier to people catching taxis more often.

“What we’ve seen over the past few years is taxi fares going up, making them less affordable and increasing the reluctance of potential passengers to choose taxis over other transport options,” Dr Boxall said.

“But while fares have increased, the incomes of taxi drivers and operators have remained low, with indications that additional revenue has gone to licence plate owners through higher plate lease fees, rather than to drivers and operators.”

“Although taxi licence numbers and fares are being reviewed separately, there is a strong relationship between the number of taxis, the cost of providing taxi services and the fares that need to be charged to recover those costs.”

“There is little evidence to suggest at this stage that a further fare increase would benefit drivers, operators or passengers.”

“We are seeking feedback from both consumers and the taxi industry on how to set fares for the benefit of customers while maintaining reliability, quality and safety of taxi services.”<sup>1</sup>

Submissions to the Issues Paper will be considered in the preparation of a draft report to be released in April proposing the maximum taxi fares to apply from 1 July 2013.

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<sup>1</sup> For full terms of reference see [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)

Submissions to the Issues Paper close on 25 March 2013. The Issues Paper, along with further information on IPART's review, is available at IPART's website <<http://www.ipart.nsw.gov.au>>.

For further information, contact: Dr Peter Boxall, Chairman  
(02) 9290 8420  
a/hours 0409 514 643