

Road Transport (Public Passenger Services) Maximum Fares for Taxi Services Determination 2014 (No 2)

Disallowable instrument DI 2014 – 147

made under the

Road Transport (Public Passenger Services) Act 2001, section 60 (power to determine maximum taxi fares)

EXPLANATORY STATEMENT

Section 60 (1) of the *Road Transport (Public Passenger Services) Act 2001* provides that the Minister may, in writing, determine the maximum fares relating to hiring or using a taxi. A determination under section 60 (1) is a disallowable instrument.

Each year the taxi industry is invited to make submissions to an annual fare review. The Office of Regulatory Service (ORS), Justice and Community Safety Directorate, has received a submission from the Canberra Taxi Industry Association (CTIA) seeking increases in taxi fares based on the Taxi Composite Cost Index (TCCI) developed by the Independent Competition and Regulatory Commission. The TCCI comprises 10 weighted cost components for items such as labour, interest, taxi network fees, insurances, LPG, vehicle costs, repairs and servicing, tyres, registration and third party insurance and administration.

An independent consultant reviewed the CTIA's submission and recommended that, based on the TCCI methodology, an increase of +0.85% should be applied to the average taxi fare, raising it from \$23.76 to \$23.96. The average taxi fare is calculated on an average taxi journey of 8.39 kilometre and 2.50 minutes of waiting time.

With the flagfall to increase from \$4.85 to \$5.00 and waiting time to remain at \$52.00, an adjustment to Fare Rate 1, raising it from \$1.99 per kilometre to \$2.00 per kilometre, is required to achieve the recommended increase to the average taxi fare.

As Fare Rates 2 - 8 are based on the Fare Rate 1, they are automatically impacted when any adjustment is made to Fare Rate 1. For example, rate 2 is 1.15 times rate 1; rate 3 is 0.75 times rate 1; rate 4 is 1.15 times rate 3; rate 5 is 1.5 times rate 1 and so on.

The Canberra Airport Toll, Baby Capsule Fee, Canberra Silver Service - Premium Service Fee and the Commissionaire Surcharge remain unchanged.

This determination gives effect to the fare and fee charges recommended and will commence on 1 July 2014.