

Department of Infrastructure, Energy and Resources

Land Transport Safety Division

Vehicle Operations Branch

Taxi and Luxury Hire Car Newsletter

Issue 59–June 2011

In this Issue:

Proposed Taxi fare Rise

Page 1

Proposed Taxi fare rise

Maximum regulated fares for taxis were last increased, by 8 per cent, in August 2008.

In mid-2010 DIER updated the Taxi Cost Model (the Model) to determine the change in costs between 2008 and 2010.

Following this update, the Model indicated an overall reduction in operating costs of 3.07 per cent. This result was primarily a result of a significant reduction in the price of fuel between 2008 and 2010. While a range of other taxi-related operating costs were subject to increases, the decrease in the price of fuel since 2008 outweighed the combined increases in these other costs.

Given the time that has elapsed since the 2008 fare increase and the 2010 Model update, DIER has collected a range of current price data to further update the Model. This Model is intended to estimate the change over time in the costs faced by the operator of a typical taxi. For the purposes of the Model, a 'typical taxi' is assumed to be:

1. A 6-cylinder sedan, fuelled with petrol;
2. based in Hobart;
3. double-shifted;
4. affiliated with a network; and
5. travelling 100,000 km per annum.

Since September 2008, fuel prices, especially unleaded petrol, rapidly fell from the high level of \$1.68 per litre by approximately 35 per cent to \$1.10 per litre. The price for ULP then rose to, and plateaued at, approximately \$1.30. Fuel remained at this level until early 2011, when it began a steady increase to the current figure of approximately \$1.47. This is still approximately 10 per cent lower than the fuel figure used in the Model in 2008.

Since 2008, a number of other taxi-related costs, including annual licence and inspection fees, vehicle insurance, radio fees and vehicle parts and maintenance, have increased.

In comparison to the previous update of the Model in June 2008, the latest figures indicate that over the period 2008 to the present, overall operating costs have increased by 3.52 per cent.

For comparison, the Consumer Price Index (measuring the overall cost-of-living) over the same period has increased by 6.19%. It should be noted, however, that the majority of the increase in the CPI over this time has been in non transport-related areas such as electricity and water and sewerage.

We are seeking feedback on:

- Whether there is a need to adjust taxi fares in 2011; and if so
- what that adjustment should be?

If you have any views, including about the appropriateness of the taxi cost model-derived 3.52 per cent increase and whether there should be a taxi fare adjustment at this time, please forward your suggestions to DIER-

- by phone – 6233 3573
- by fax – 6233 3937
- by email – taxi.policy@dier.tas.gov.au
- by post – Passenger Transport Policy Branch, DIER, GPO Box 936, Hobart, Tasmania, 7001

The deadline for submissions is 5pm, Friday 8 July 2011. Wherever possible, submissions should be supported by written evidence of changes in operating costs since September 2008 (when the last fare increase took effect).

DIER intends to commence a complete review of taxi fares and charges, including the structure of the Cost Model and its assumptions listed above, later this year. That exercise is separate and distinct from this current request regarding the suitability of the present level of fares.

Previous Newsletters

These may be viewed on the DIER website, at the following link;

http://www.transport.tas.gov.au/publications/taxi_and_luxury_hire_car_newsletter2

This newsletter is sent to all radio networks and taxi fleet managers, who will make copies available on request. Please make the Newsletter available to drivers. NOTE: DIER issues this Newsletter to operators by email ONLY, as it is easier, cheaper and quicker to do so. If you change your email address, please advise Phil or Alan as under.

DIER Contacts



Vehicle Operations Branch

John Bessell, Manager, 6233 5390

Transport Operator Accreditation

Jeremy Gleeson (Manager) – 6233 5198

Phil Harvey - 6233 5376

Alan Kearsley - 6233 5396

Branch Fax: (03) 6233 5210

Operators should note that queries on all general operational and housekeeping matters should be directed to Phil.

E-mail:

Phil.harvey@dier.tas.gov.au

Vehicle Standards and vehicle technical matters;

6233 5214 or 6233 5314

Driver licence and ancillary certificate queries;

6233 5195

Regional Managers – Transport Compliance

South – Mark Kramer – 6233 5280

North – Pat Quarrell– 6336 2696

North-West – Harry Marshall – 6434 6486

