



Why are the changes needed?

Booked services, such as ride-sourcing, and booked taxi services arguably provide similar services. However, whereas ride-sourcing platform providers are able to charge surge pricing in response to increased demand for services, booked taxi services can only charge up to the maximum regulated fare and, in practice, cannot easily compete for lower fares.

By deregulating fares for similar services, it aims to create more competition and choice for consumers. Service providers may decide to differentiate prices in a number of ways that benefit them and their customers, for example service providers might offer loyalty discounts; or set fixed fares for certain trips, such as from the CBD to the airport.

What are the changes?

There will be a phased approach to fare deregulation for booked taxi services, which recognises that there are regional differences that exist within the taxi industry in Tasmania. This would see fare deregulation start with the Hobart taxi area, where ride-sourcing and competition within the taxi industry is at its greatest, and gradually be extended in line with the development of the market.

The Transport Commission would declare, by gazette notice, when booked taxi services in a stated taxi area are no longer subject to a maximum regulated fare. Operators who hold a licence(s) in affected taxi areas will be notified by the Transport Commission.

Where there is fare deregulation, a taxi operator may set its fares at any rate it determines. Passengers need to exercise their judgment and may need to obtain fare estimates from multiple service providers to find a service that suits them.

There is no change to the way taxis may charge fares for rank and hail services, Transport Access Scheme (TAS) customers and wheelchair accessible taxis (WATs) where they are used for the purposes of carrying a wheelchair-reliant passenger.

Booked services, other than booked taxi services, can continue to set their own fares.

Fare estimates

For deregulated booked fares a range of consumer protections will be introduced, including:

- a fare estimate will be required to be agreed to by the operator and passenger(s) prior to the commencement of the trip;
- written offer and acceptance of the fare estimate (where it is reasonable to do so);
- the fare estimate being in Australian dollars and including all likely charges (e.g. airport toll), as well as any additional extraordinary charges (e.g. spoiling fee and no show fee); and
- the operator must provide an itemised receipt if requested.

Circumstances where it might not be reasonable to have a written offer and acceptance include when a booking is made by phone (not mobile) and there is no ability to provide the customer the estimate in writing.

Penalties will apply for demanding payment in excess of the fare estimate, unless the additional amount has been worked out in a way stated in the fare estimate.

Where there is fare deregulation, taxi operators would still have the option of using the regulated fare for booked services, rather than setting their own fare structure.

Examples

Examples of a fare estimate might include one of the following:

- \$120 per hour (rate per time);
- flat rate of \$40 (set amount);
- \$3 per kilometre (rate per distance); or
- \$30 for first half hour plus \$2 for each additional minute (rate per time).

Services may choose to provide an estimate based on a combination of means such as rates per time and distance. For example, \$4 flag fall plus \$2 per kilometre plus 50 cents per minute of waiting time. If a fare estimate is expressed in this way, the operator might use a fare calculation device to calculate the fare for the booked trip.

A taxi operator may continue to charge the regulated maximum fare if it chooses to do so.

We want to hear from you

State Growth invites you to provide feedback on the proposed changes.

Submissions must be received by 10 November 2018 and made in writing by email to taxireview@stategrowth.tas.gov.au or mailed and addressed to:

Gary Swain
Commissioner for Transport
GPO Box 536
Hobart TAS 7001

All submissions will be treated as public documents and will be placed on State Growth's website at www.transport.tas.gov.au, unless the submission is clearly specified as confidential (in full or part). Information provided will assist the Government in completing its reforms of the on-demand passenger transport industry.