

Road Transport (Public Passenger Services) Maximum Fares for Taxi Services Determination 2012 (No 1)

Disallowable instrument DI 2012 – 137

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 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 industry's submissions and has recommended that, based on the TCCI methodology, a fare increase of +2.43% should be implemented.

This will increase the ordinary flag fall rates and the kilometre rates. The waiting time rate and the baby capsule fee have also increased.

The determination also enables a surcharge of \$1.20 (inc GST) to be charged for taxi hirings from the Canberra Airport when a taxi commissionaire service is provided.

The \$1.20 surcharge is remitted to the Canberra Taxi Industry Association to enable it to recover the costs associated with employing and managing commissionaires.

The \$11.00 parking fee for a pre-booked Silver Service hiring from the Canberra Airport, operated by Aerial Capital Group Limited, has been removed as Aerial no longer pay for allocated parking for their vehicles at the Canberra Airport.

This determination gives effect to the fare and fee charges recommended and will commence on 1 July 2012.