

Department of State Growth

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OurRef: D25/251907



Ms Kirstan Long
Director
Office of the Tasmanian Economic Regulator

By email: office@economicregulator.tas.gov.au

Dear Ms Long

The Department of State Growth (State Growth) appreciates the Tasmanian Economic Regulator (the Regulator) providing the opportunity to make comment on the Owner-Operator Taxi Licence Reserve Price Determination 1 January 2026 to 31 December 2029 Draft Report (the draft report).

Please find below State Growth's support for the report and additional comments.

Reserve price setting for Owner-operator Taxi Licences (OOTL)

State Growth agrees with the Regulator's assumption that reserve prices for OOTLs should reflect true market values, and welcomes its consideration of local variations, sustainability of the industry and allowing fair opportunities to new entrants. It is noted that data from the Transport Commission has been limited due to the nature of the data currently collected.

Effects on Tasmania's taxi industry

Taxi fares in Tasmania increased in January 2025 for all taxis. Two more increases are due to take effect in January 2026 and 2027. These changes are not mentioned in the draft report, and the Regulator may choose to reconsider this in the context of fare revenue and operating costs. The proposed reserve pricing setting method may assist in the retention of taxi drivers, due to the increased regional equity in licence costs potentially allowing for more attractive wages for drivers, an issue affecting many taxi licence holders.

Urban, regional and rural taxi areas

The draft reserve prices for each of the 24 taxi areas are reflective of the current distribution of taxi licences across the state and assists in developing pricing that supports competition and responds adequately to consumer demand for taxi services. Of note is the disparity in rural community demand for taxi services and the operator feedback of it being difficult to run services in these areas. State Growth is supportive of the Regulator's reserve price setting in these areas but recommends that effects on rural communities are monitored closely.

State Growth supports the 16 reduced and eight no cost price options (six taxi areas where no licences are issued plus West Coast and King Island).

Stakeholder concerns about the ride source industry

The draft report includes taxi operator comments that there is less equitable regulation of the taxi and ride source industry and suggestions for more oversight of the ride source industry. In Tasmania both taxi and ride source operators are subject to the same regulatory requirements in terms of vehicle compliance, operating a public passenger vehicle, vehicle reporting, and safety systems. Differences include that the ride source industry is not limited to a geographic operating area and fare prices are not regulated.

The Taxi Subsidy Program (TSP) pays taxi operators and drivers a trip subsidy for each journey undertaken by a TSP member who travels in a wheelchair. The TSP is currently exclusive to the taxi industry and contributes approximately \$5,000,000 to the industry annually. Also, only taxis are authorised to pick up passengers at a taxi rank. Many of the regulatory differences between the taxi and ride source industry can be attributed to these differences, such as security cameras requirements for taxis that do rank and hail work, which are driver and passenger safety measures.

Please contact Amanda McIntosh, Principal Policy Analyst, Transport Users and Services, by email at amanda.mcintosh@stategrowth.tas.gov.au or telephone on (03) 6166 4463 for more information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Martin Crane', written in a cursive style.

Martin Crane
Acting Deputy Secretary, Transport
16 September 2025