



Tasmanian Economic Regulator

Owner-operator Taxi Licence Reserve Price Determination
1 January 2026 to 31 December 2029

Final Report

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Executive Summary

The *Taxi and Hire Vehicle Industries Act 2008* requires the Transport Commission to release new owner-operated taxi licences (OOTLs) each calendar year for each of the 24 taxi licence areas across Tasmania. New OOTLs are offered via a competitive tender process, with a reserve (minimum) price.

The Act requires the Tasmanian Economic Regulator to determine reserve prices for each of the 24 taxi licence areas. The Regulator's current determination of reserve prices, which covers the 2021 to 2025 calendar years, ceases on 31 December 2025, and the Regulator has conducted an investigation in accordance with the Act and terms of reference given by the then Minister for Transport and the then Treasurer in January 2025.

Determination

The Regulator's determination of reserve prices for the 2026 to 2029 calendar years is included in Table 1, following this Executive Summary.

The reserve prices determined by the Regulator are unchanged from the draft reserve prices proposed by the Regulator in its *Owner-operator Taxi Licence Reserve Price Determination Draft Report*.

The Regulator's approach

Underpinning the Regulator's methodology are assumptions that reserve prices for OOTLs should reflect true market values while accounting for local variations, support the ongoing sustainability of the taxi industry and provide fair opportunities for new entrants.

To this end, the Regulator has sought to establish, to the extent possible, the current market value of OOTLs in each taxi area and supplemented that information, particularly where it is thin or non-existent, with contextual information from taxi licensees and industry stakeholders.

The Regulator is of the view that current reserve prices for 2025 are out of step with the market and act as a barrier to entry for new operators - a barrier that does not apply to other transport models, such as rideshare. Accordingly, the Regulator has set out, in this Final Report and Determination, significant adjustments to reserve prices across the majority of the 24 taxi areas. It has exercised judgement so as to minimise the impact on the market value of licences where there is some demand for licences, while increasing opportunities for new entrants in areas where there are no taxi services currently operating.

Data and consultation

To establish current market values, the Regulator has relied on data supplied by the Transport Commission, which records each transfer of a taxi licence and the reported value of the trade. However, licence transfers have not occurred in many taxi areas during the four years since the Regulator's first reserve price determination in 2021 and, where they have, the quality of data is very low - trade values are not recorded in some cases and in many cases it is likely that the recorded value includes the value of a vehicle that has been included in the trade.

A moratorium on the release of new OOTLs from 2020 to 2024 means that for the purposes of undertaking its investigation, the Regulator also lacked information on the take up of newly released licences and values achieved through a tender process during that period.

However, in early September 2025, the Transport Commission issued new OOTLs via tender across all Tasmanian taxi areas. In accordance with the requirements of the Act, the Transport Commission made available 16 new OOTLs in the Hobart taxi area, five in Launceston and one in each of the remaining taxi areas. Reserve prices for the release were those determined by the Regulator in its 2021 Determination for the 2025 calendar year. The Transport Commission has advised the Regulator that no tenders for OOTLs were received as part of that process.

Given its reliance on the Transport Commission as the taxi industry regulator and the only source of quantitative data to inform the Regulator's statutory responsibility to determine reserve prices, the Regulator considers that there may be value in the Transport Commission exploring ways to enhance its data collection processes. Maintaining a more up-to-date and accurate database of taxi licence information, including details on whether licences are active or inactive, and recording accurate and disaggregated licence transfer values would enhance the Regulator's ability to undertake future investigations and reserve price determinations with greater confidence and precision. Doing so would ultimately support reserve price determinations that are better aligned with current market conditions and the evolving needs of both the industry and the travelling public.

To supplement quantitative data, the Regulator released a fact sheet and an online survey, inviting feedback on key issues relevant to reserve price setting. Additional discussions were then held with key industry stakeholders, including network operators and taxi businesses. These discussions helped to enhance and validate the insights gathered through the survey process, including current market dynamics and challenges.

The Regulator released its Draft Report on 27 August 2025 and received four submissions in response, which are available at www.economicregulator.tas.gov.au/taxis.

The Regulator has considered stakeholders' concerns and observations, and submissions received in response to its Draft Report in determining the reserve prices presented in this Final Report.

Taxi market and issues facing the industry

The Regulator's consultation has identified a number of issues and challenges facing the taxi industry, including:

- ❑ declining market values for both OOTLs and perpetual taxi licences (PTLs);
- ❑ declining income from leasing out PTLs;
- ❑ taxi licences not being operated due to a lack of drivers, including in some of the biggest taxi markets;
- ❑ competition from rideshare services, which offer a lower barrier to entry and greater flexibility for drivers to choose their hours;
- ❑ changing demographics that influence a transition to rideshare services being the default for younger customers;
- ❑ a perception that there is an imbalance between the regulation of the taxi industry and the regulation of rideshare services;
- ❑ lack of open access to network operation services in some taxi areas, which restricts the ability of new taxi operators to enter the market;
- ❑ marginal viability for taxi operators in regional and rural areas; and
- ❑ poor access to taxi services in many regional and rural areas.

Approach to setting reserve prices

While the Regulator is not able to address the broader issues facing the taxi industry through the mechanism of reserve prices, the data available has informed the Regulator's view that there is a need for a reserve price framework that is responsive to market realities, is regionally sensitive, and focused on supporting long-term industry sustainability and fairness for both existing and prospective licence holders.

In setting reserve prices, the Regulator has broadly attempted to balance the potentially competing priorities of ensuring that:

- ❑ the reserve price determination does not have an undue impact on the market value of currently issued licences;
- ❑ new entrants wishing to offer taxis services have access to licences, either from the secondary market or via the Transport Commission's release of new OOTLs at market-aligned reserve prices;
- ❑ the viability of taxi operators in smaller and more marginal markets is not undermined by the entry of too many new operators as a result of the release of OOTLs at reserve prices that may be significantly below the market value; and

- barriers to entry are low in areas where no or limited taxi services are offered.

Initial OOTL reserve prices were set in the Act in 2008, when OOTLs were first introduced. The Regulator understands that these reserve prices were based on a percentage of the prevailing PTL trade values at a time when PTLs were trading at around \$60 000 for the Launceston taxi area and around \$120 000 for the Hobart taxi area.

When the Regulator made its first reserve price determination in 2021 (the 2021 Determination), its ability to adjust reserve prices to reflect market values was limited by the Act so that it could not reduce reserve prices by more than 10 per cent per annum. Consequently, 2025 reserve prices (the final year of the 2021 Determination) are, in many cases, significantly out of step with the market. The lack of take-up of OOTLs released by the Transport Commission in September 2025 supports the Regulator's view that reserve prices for the 2025 calendar year are out of step with market values.

For this determination, the Regulator is free to make more significant changes to reserve prices.

The Regulator has adopted a tiered approach to determining reserve prices:

- where licence transfer data has been available and there is an apparently viable taxi market, the Regulator has determined reserve prices for OOTLs at the approximate market value plus a moderate premium so as to avoid further de-valuing existing licences. In this way, potential market entrants can either buy from the market if licences are available for sale, or buy from the Transport Commission if they are not;
- where there has been no data available but there is an apparently viable taxi market, the Regulator has determined a reserve price that takes into account values observed in areas with available market data, with an adjustment to reflect known regional variations in the operating environment;
- in regional and rural areas where there are few taxis operating, the Regulator has reduced reserve prices to a consistent \$3 000 (with the exception of Dorset and Tasman, where lower reserve prices are already in place), balancing the competing priorities of protecting the viability of existing operators with allowing potential new operators to offer taxi services; and
- in areas across Tasmania where no taxis currently operate, the Regulator has determined reserve prices for OOTLs at zero to encourage potential new operators to offer taxi services.

1 Reserve price determination

The Regulator's reserve price determination for each of the 24 taxi areas for the period 1 January 2026 to 31 December 2029 are shown in Table 1. Reserve prices for 2025, which were made in the 2021 Determination, have been included for comparative purposes.

Table 1: Reserve price determination for OOTLs across each taxi area

Taxi area	1 Jan 2025	1 Jan 2026	1 Jan 2027	1 Jan 2028	1 Jan 2029
Metropolitan					
Hobart	\$46 500	\$15 000	\$15 000	\$15 000	\$15 000
Launceston	\$20 800	\$10 000	\$10 000	\$10 000	\$10 000
Urban/regional					
Devonport	\$23 000	\$15 000	\$15 000	\$15 000	\$15 000
Burnie	\$13 800	\$6 000	\$6 000	\$6 000	\$6 000
Perth	\$12 500	\$8 000	\$8 000	\$8 000	\$8 000
Ulverstone	\$13 400	\$10 000	\$10 000	\$10 000	\$10 000
New Norfolk	\$6 600	\$5 000	\$5 000	\$5 000	\$5 000
Huon Valley	\$4 600	\$4 600	\$4 600	\$4 600	\$4 600
Rural					
George Town	\$7 500	\$3 000	\$3 000	\$3 000	\$3 000
Circular Head	\$6 800	\$3 000	\$3 000	\$3 000	\$3 000
Break O'Day	\$6 600	\$3 000	\$3 000	\$3 000	\$3 000
West Tamar	\$7 500	\$3 000	\$3 000	\$3 000	\$3 000
Meander Valley	\$7 500	\$3 000	\$3 000	\$3 000	\$3 000
Penguin	\$3 750	\$3 000	\$3 000	\$3 000	\$3 000
Dorset	\$2 250	\$2 000	\$2 000	\$2 000	\$2 000
Tasman	\$2 400	\$1 500	\$1 500	\$1 500	\$1 500
King Island	\$600	\$0	\$0	\$0	\$0
Glamorgan - Spring Bay North	\$2 400	\$0	\$0	\$0	\$0
Glamorgan - Spring Bay South	\$1 200	\$0	\$0	\$0	\$0
Bruny Island	\$600	\$0	\$0	\$0	\$0
Flinders Island	\$600	\$0	\$0	\$0	\$0
Kentish	\$2 400	\$0	\$0	\$0	\$0
Central Highlands	\$600	\$0	\$0	\$0	\$0
West Coast	\$1 000	\$0	\$0	\$0	\$0

2 Introduction

2.1 Background

In Tasmania, the taxi industry is regulated by the Transport Commission in accordance with *Taxi and Hire Vehicle Industries Act 2008*.

Taxi operators are required to hold a licence issued under the Act and there are a number of different licence types provided for in the Act, each of which has a distinct set of conditions attached.

The class of licence known as OOTLs was introduced in 2008, concurrent with the cessation of the issue of new PTLs.

OOTLs are issued to individuals who, as the accredited party, manage their own taxis and are the responsible operator of the service. As the responsible operator, the owner of the OOTL may engage other drivers to drive their taxi but they cannot lease their licence to an alternative operator. This is distinct from a PTL, which is not subject to the same restrictions with respect to leasing and operation.

OOTLs are intended to improve industry access, reduce barriers to entry, and support small business ownership within the taxi sector.

Under the standard OOTL release arrangements, the Transport Commission is required to make available for issue at least one additional OOTL each year for each of the 24 taxi areas. Licences are to be made available by tender, with a minimum reserve price. The Act requires the Regulator to determine these minimum reserve prices.

Under the Act, the object of a reserve price determination is to –

- (a) assist in the development of efficient pricing and competition for taxi licences; and
- (b) promote a safe taxi transport system that responds adequately to consumer demand for taxi services.

A reserve price determination may –

- (a) specify a different reserve price for each taxi area to which the determination relates; and
- (b) specify a different reserve price, for each taxi area to which the determination relates, for each calendar year to which the determination relates.

Under the Act, the Regulator has the option to set a reserve price for a taxi area (or all taxi areas) at zero. If the Regulator determines the reserve price

for a taxi area at zero, it is not required to make a reserve price determination for that taxi area again in the future.

The Regulator is required to make its reserve price determination before 1 December 2025.

2.2 Terms of reference

In 2021 the Regulator determined reserve prices to apply for each of the 2021 to 2025 calendar years (the 2021 Determination) and in January 2025, the Regulator received terms of reference from the then Minister for Transport and then Treasurer requiring it to conduct an investigation and determine reserve prices for the 2026 to 2029 calendar years.

The terms of reference set out the scope, purpose, and key considerations guiding the review. The primary objective of the investigation is to determine appropriate reserve prices for the issue of new OOTLs in each of the 24 taxi areas across the State for the next four-year period. The reserve prices may vary by taxi area and by year, allowing for flexibility in response to local conditions and industry dynamics.

In conducting its investigation, the Regulator must consider:

- ❑ the broader objectives of the Act;
- ❑ whether current reserve prices act as a barrier to new entrants;
- ❑ strategies to encourage greater taxi service availability, particularly in areas with limited or no services;
- ❑ how the challenges facing the taxi industry affect its ability to compete with alternatives such as ridesharing and community transport; and
- ❑ the consequences for consumers seeking timely and reliable taxi services.

The Regulator may examine broader considerations including:

- ❑ service efficiency, quality, reliability, and safety;
- ❑ consumer protection and the social role of taxi services; and
- ❑ fairness in how outcomes impact different groups of consumers and operators.

These considerations aim to ensure that the reserve pricing framework supports a sustainable, competitive and accessible taxi industry across Tasmania.

A copy of the terms of reference are provided in Appendix A.

3 Tasmania's taxi industry

3.1 Overview

In Tasmania, a taxi licence is required for a vehicle to operate as a taxi and provide passenger services. Taxis are the only vehicles permitted to offer both rank and hail services, where passengers can be picked up without a prior booking, as well as pre-booked trips. Other passenger transport providers, such as rideshare operators or hire vehicles, are limited to pre-booked services only.

The number of taxi licences issued in Tasmania is restricted, and fares are regulated by the Transport Commission, which sets maximum allowable charges for different trip types and times.

The regulatory framework for the taxi industry also governs where and how taxi services may operate. This includes rules prohibiting the active solicitation of passengers (e.g. touting for business) and requirements for signage, metering, and fare display.

To drive a taxi in Tasmania, individuals must hold a Taxi Ancillary Certificate¹ issued by the Department of State Growth. Obtaining this certificate requires completing accredited training. Applicants must also supply a Nationally Coordinated Criminal History Check (dated within six months of application), provide evidence of a valid Registration to Work with Vulnerable People, and complete a medical declaration as part of the application form. A full medical fitness assessment at the commercial standard may be required if any medical conditions are declared.

Vehicles used as taxis must also comply with stringent safety, accessibility, and equipment standards, including the installation of security cameras, meters, and proper signage. They are subject to regular roadworthiness and compliance inspections to ensure passenger safety, accessibility for people with disabilities, and consistent service quality across the industry.

Unlike many industries that are subject to extensive regulation, such as electricity and water and sewerage businesses, investors and operators in the taxi industry can be small scale 'mum and dad' investors and operators. Their wealth and income can be significantly affected by changes in legislation, such as permitting ridesharing vehicles to operate in Tasmania. They can also be affected by decisions of regulatory bodies such as the Transport Commission in setting taxi fares, and the Regulator in setting reserve prices for OOTLs.

In metropolitan and urban areas, taxi booking and dispatch services are usually coordinated by taxi radio rooms. Most taxi businesses in these areas

¹ [Ancillary Certificates – Transport Services](#)

need to be associated with a radio room for their pre-booked work, for which they pay fees. In rural areas, however, taxis do not usually operate out of a radio room, with calls from users going directly to the driver, who coordinates their own bookings.

3.2 Taxi licences in Tasmania

Tasmania contains 24 separate taxi areas, many of which correspond with current or former local government boundaries. The supply of new taxi licences in all taxi areas is managed by the Transport Commission under the Act.

There are four types of taxi licence in Tasmania:

- ❑ Perpetual taxi licences (PTLs) - PTLs are the personal property of the owner and may be sold or leased to accredited operators. Most taxi licences in Tasmania are PTLs, although the issue of PTLs ceased in 2008.
- ❑ Owner-operator taxi licences (OOTLs) - introduced in 2008. The owners of OOTLs must be the operators of the taxi business (though not necessarily the taxi driver). OOTLs cannot be leased but may be traded to an accredited individual and with the approval of the Transport Commission. OOTLs may only be issued to a natural person.
- ❑ Wheelchair-accessible taxi (WAT) licences - introduced in 2005. WAT licence numbers are uncapped and there is no licence price. WATs may only be operated by the accredited operator that also holds the licence. Unlike PTLs and OOTLs, WAT licences are issued for a fixed period (10 years). WATs may be traded to an accredited person with the approval of the Transport Commission.
- ❑ Temporary taxi licences (TTL) – a TTL is similar to an OOTL, but is issued for a short-term period only, at the discretion of the Transport Commission. Currently, there are no TTLs in any taxi area.

Table 2 shows the distribution of taxi licences across Tasmania's 24 taxi areas (data as at 11 April 2025)².

Of the 592 taxi licences issued, approximately 58.3 per cent are allocated to the Hobart taxi area, which covers greater Hobart. Another 114 licences, or 19.2 per cent, are allocated to the Launceston taxi area. Together, these two urban centres account for around 77.5 per cent of all taxi licences in Tasmania, with the remaining 22.5 per cent spread across another 16 taxi areas. No taxi licences are currently issued in six areas.

² Source: Transport Commission

In some taxi areas, especially Hobart and Launceston, there are many separate taxi businesses in competition. In other taxi areas, such as Burnie, all taxi licences may be owned by a single person or business.

Table 2 shows the number of licences of each type issued in each taxi area, and Figure 1 illustrates the boundaries of each taxi area.

Table 2: Current distribution of taxi licences across each taxi area (as at 11 April 2025)

Taxi area	OOTL	PTL	WAT
Metropolitan			
Hobart	89	222	34
Launceston	3	101	10
Urban/regional			
Devonport	6	23	12
Burnie	0	21	0
Perth	4	8	0
Ulverstone	2	7	6
New Norfolk	0	9	0
Huon Valley	3	5	1
Rural			
George Town	0	3	0
Circular Head	0	5	0
Break O'Day	0	3	0
West Tamar	0	2	0
Meander Valley	0	2	0
Penguin	0	2	0
Dorset	0	5	0
Tasman	0	1	0
King Island	0	1	0
Glamorgan - Spring Bay North	0	0	0
Glamorgan - Spring Bay South	0	0	0
Bruny Island	0	0	0
Flinders Island	0	0	0
Kentish	0	0	0
Central Highlands	0	0	0
West Coast	0	4	0
TOTAL	107	422	63

Figure 1: Taxi Areas for Tasmania



There are a total of 63 WATs distributed across the Ulverstone, Huon Valley, Devonport, Launceston and Hobart taxi areas. While no new OOTLs have been released since the Regulator’s 2021 Determination, a number of WATs have been released over the same period.

Table 3: Number of WATs issued between 1 January 2021 and 2 January 2025³

Taxi area	Number issued
Hobart	4
Launceston	1
Devonport	2
Ulverstone	4
TOTAL	11

Taxi licences may be surrendered or suspended. Surrendering a taxi licence means the licence holder has voluntarily returned the licence to the Transport Commission, formally ending their right to operate a taxi under that licence. In contrast, a suspended licence is one that has been temporarily made inactive by the Transport Commission, usually due to non-compliance with legal or operational requirements (such as a breach of vehicle suitability criteria, or suspension of accreditation).

While a surrendered licence is final and cannot be reactivated, a suspended licence may be reinstated once the relevant issues are resolved.

Table 4 shows the number of each licence type that has lapsed⁴, due to suspension or surrender, since 9 September 2021.

Table 4: Number of each licence type lapsed (data as at 11 April 2025)⁵

Status	OOTL	PTL	WAT
Surrendered	2	2	8
Suspended	0	6	0
TOTAL	2	8	8

Reforms introduced under Tasmania's *On-Demand Passenger Transport Services Industry (Miscellaneous Amendments) Act 2020*⁶ removed the requirement for the payment, by licence holders, of an annual administration fee. The cessation of the annual fee payable may have contributed to a reduction in the number of licences being surrendered. Without an ongoing cost, licence holders face no financial penalty for retaining inactive licences, which can discourage voluntary relinquishment.

Taxi licences may be bought and sold and PTLs may also be leased. Values are largely driven by market demand, regulatory settings, and the perceived

³ Source: Transport Commission

⁴ A taxi licence had lapsed if the licence owner had not paid the annual administration fee, in which case the taxi to which the licence applies cannot operate. A fee is no longer required and if the owner applies for the licence to be active, the Transport Commission will allow the taxi to operate again as soon as possible

⁵ Source: Transport Commission

⁶ [On-demand passenger transport review – Transport Services](#)

earning potential of the licence. Licence scarcity and industry conditions play a key role in determining both market prices and lease rates.

3.3 Operating costs

Operating a taxi service in Tasmania involves several cost considerations that affect the viability and competitiveness of the business. One of the most significant costs is the price of taxi licences. PTLs have historically been more costly than OOTLs to privately purchase and operators often pay weekly lease fees to licence holders. The Regulator has been told by industry participants that PTL lease fees have declined over time. OOTLs, while generally cheaper than PTLs, still represent a financial commitment and cannot be leased. Upfront licence purchase costs are typically recovered through fare revenue, but they do not reflect the daily resources used in providing taxi services, such as fuel, vehicle maintenance, and driver wages.

Upfront licence costs create a cost disadvantage for taxis compared to ridesharing services, which do not incur licence costs.

Additionally, the Regulator has received anecdotal reports, through its consultation, of difficulties in the recruitment of taxi drivers, which further challenges the sustainability of taxi operations. In some areas, operators have noted that licences are going unused due to low profitability or a shortage of available drivers.

Under traditional arrangements, the licence owner/operator and the driver typically shared the fare revenue, with the network operator charging an annual fee for access to dispatch services. However, industry feedback suggests that, in some cases, this model has shifted to a structure where the driver pays the licence owner a fixed weekly fee and retains all fare income.

During its consultation, the Regulator heard that the current taxi fare structure is too low to make driving financially viable, leading to a shortage of available drivers. Following a review of taxi fares in 2024, the Transport Commission has approved a suite of changes that may contribute to improved viability of for taxi industry, including:

- ❑ increases to fares over three years across all taxi areas and tariff types;
- ❑ merging Tasmania's four taxi tariff types into one tariff type, simplifying fares for passengers; and
- ❑ expanding the taxi surcharge system - removing the existing non-urban late-night surcharge and implementing state-wide late-night surcharges between 10pm-6am on Friday and Saturday nights and on New Year's Eve, which will provide incentive and reward for taxis to operate at these times.

3.4 Taxi industry trends and service levels

From 2021 to 2024, there has been a shift in taxi industry trends and service levels that has shaped the Regulator's 2025 reserve price analysis for OOTLs. Anecdotal evidence suggests that demand for traditional taxi services in urban centres such as Hobart and Launceston has declined, primarily due to the growing popularity of rideshare services. This trend is supported by registration data as at 30 June 2025, which shows 1 915 rideshare vehicles registered in Tasmania, more than three times the 592 taxi licences issued and more than four times the number of taxi vehicles registered (455).

At the same time, ongoing regulatory reforms under Tasmania's On-Demand Passenger Transport Services framework have modernised the passenger transport industry by introducing stricter safety standards and clearer accountability mechanisms across both taxi and rideshare services. Booking service providers, including rideshare platforms and taxi networks, are now regulated and held responsible for safety compliance, supporting a more consistent and competitive operating environment.

In addition to the growing presence of rideshare services, the taxi industry also faces competition from community transport organisations, which provide transport services at prices significantly lower than those of taxi operators. These services, often subsidised or supported by government funding and volunteer labour, operate under a different cost structure and are not subject to the same regulatory and commercial pressures as taxi businesses. Key providers in Tasmania include Community Transport Service Tasmania (CTST), Red Cross Transport, and St John's Community Transport. These organisations primarily cater to vulnerable or mobility impaired members of the community, but their availability and affordability can reduce demand for traditional taxi services, particularly in regional areas where commercial viability is already limited. This additional source of competition places further downward pressure on taxi revenue and may influence demand for, and the market price of, taxi licences.

However, the Regulator heard that community transport organisations can also have positive flow-on effects for the taxi industry, particularly where organisations such as CTST engage local taxi operators to support their service delivery. These arrangements not only help meet the transport needs of clients who are elderly, have disability, or live in rural areas, but also generate demand for taxi services that may otherwise be underutilised. The Tasmanian Government's taxi subsidy program, under the Transport Access Scheme, subsidises taxi fares by up to 60 per cent for eligible Transport Access Scheme members with a permanent disability that significantly reduces their mobility.

Service levels have also evolved. Additional regulatory changes have increased fleet flexibility by allowing taxi vehicles to operate for up to 12 years and enabling vehicles up to seven years old to be approved for use as WATs. These measures are intended to reduce entry costs while

maintaining safety. The industry's fare structure has also undergone review, addressing fee simplification and annual increases to help offset rising costs and support provider viability.

In recent years, demographic shifts and evolving consumer preferences have also markedly influenced demand for taxi services. Anecdotal evidence provided to the Regulator by industry participants suggests that younger people are increasingly choosing rideshare platforms over traditional taxis. Such services offer app-based convenience, upfront pricing, real time tracking, and digital payment options, all of which are features that align well with the expectations of a younger, tech-oriented demographic. The Regulator has been informed that this preference is particularly evident during night time hours, when such users frequently rely on rideshare services, as opposed to taxis, for travel to and from their activities.

This shift in demand has been further influenced by the behaviour of interstate visitors. In states like NSW, Victoria, and Queensland, rideshare is well established and widely used. As a result, many visitors to Tasmania default to the platforms they are familiar with, often bypassing local taxi services, particularly in high tourism areas and during peak seasons.

Accordingly, the viability of the traditional model of running full overnight taxi shifts has increasingly been challenged. With rideshare drivers able to flexibly respond to peak demand, the need for taxis to provide continuous, round-the-clock coverage, especially in urban centres like Hobart, has diminished. This has implications for driver availability, vehicle utilisation, and broader service planning.

However, it has been suggested that older passengers continue to favour taxis due to their familiarity, perceived safety, and the assurance of a regulated service. Many appreciate being able to book by phone or hail a cab on the street. Taxis also remain essential for passengers with accessibility needs, including wheelchair users and those with limited mobility, highlighting their ongoing role in providing inclusive transport.

The Regulator heard that some taxi drivers have transitioned to ridesharing platforms, which offer greater flexibility and autonomy, allowing them to be more selective about the hours they choose to work and better balance their personal and professional commitments.

Taken together, these demographic and behavioural changes are reshaping the role of taxis in Tasmania and contributing to a decline in demand for taxi licences and, consequently a decline in taxi licence values.

3.5 The release of new owner-operator taxi licences

Under the Act, new OOTLs can be issued in each taxi area. Under the standard arrangements, by 30 September each year and for each taxi area, the Transport Commission must make available at a reserve price the number of OOTLs that is equal to five per cent of the total number of PTLs

and OOTLs in that area (rounded to the nearest whole number), or one OOTL, whichever is greater.

A tender process is run to sell these OOTLs and the actual sale prices may be above the reserve prices. If the average tender price in a taxi area is more than double the reserve price, the Transport Commission must make available additional OOTLs equal to five per cent of the total number of PTLs and OOTLs in the area, or an additional single OOTL, whichever is greater, at the reserve price.

Any OOTLs that are not sold through this process remain available for sale for the rest of the year at the reserve price. These taxi licence release arrangements have been in place for most years since 2008. However, releases were suspended in 2016, 2017 and 2018 as a measure to help the taxi industry adjust to the introduction of rideshare operations to the State. In 2020, following a review of on-demand passenger transport services conducted by the Department of State Growth, the Act was amended to further suspend releases until the 2025 calendar year as one of a suite of measures to assist the industry to cope with the impact of the COVID-19 pandemic.

The most recent moratorium on the annual release of OOTLs by the Transport Commission concluded on 14 September 2024. On 6 September 2025, the Transport Commission published a notice in the three major Tasmanian newspapers and on the Tasmanian Government Tenders website advising of its intention to release OOTLs in each taxi area. Tender applications closed 24 September 2025. No tenders were received as part of that process.

4 Taxi industries in other states and territories

Over the past decade, all Australian jurisdictions, except Tasmania, have significantly reformed the pricing and regulation of taxi licences, largely in response to the emergence of rideshare services and broader industry deregulation.

Historically, taxi licences were tightly controlled, with limited numbers issued and licences often trading at high market values. However, as competition from rideshare platforms intensified, many states and territories moved to open up the market and reduce barriers to entry.

States such as Victoria⁷, NSW⁸, South Australia⁹ and Western Australia¹⁰ have removed the tradable value of taxi licences, replacing them with low-cost annual fees or operator accreditation models. For instance, NSW abolished transferable taxi licences in 2023, introducing a \$200 annual licence fee and compensating former licence owners. Victoria undertook similar reforms in 2017, collapsing the high-value licence market. Licences are now issued at minimal cost through an accreditation process.

Queensland¹¹ has also transitioned to a deregulated model. While historical licence transfer values are still recorded, current licences are no longer tradable assets and are subject to capped annual fees. In the Northern Territory¹² and ACT¹³, taxi licences operate on leased or annual fee-based models (for example, around \$5 000 per year in the ACT), with no resale market.

These reforms have fundamentally shifted the cost structure of taxi operations. Licence costs are now primarily administrative rather than market-driven, aligning more closely with the cost structures of rideshare services. The overarching aim has been to foster competition, reduce entry barriers, and modernise the regulatory environment to reflect the realities of a rapidly evolving passenger transport sector.

⁷ [Taxi and hire car industry reforms | vic.gov.au](https://www.vic.gov.au/taxi-and-hire-car-industry-reforms)

⁸ [Financial assistance - Point to Point Transport Reforms](#)

⁹ [SA.GOV.AU - Taxi and passenger transport](https://www.sa.gov.au/government/transport/taxi-and-passenger-transport)

¹⁰ [On-demand Transport | Transport WA](#)

¹¹ [Information for taxi drivers and operators \(Department of Transport and Main Roads\)](#)

¹² [Taxis and commercial passenger vehicles | NT.GOV.AU](https://www.nt.gov.au/transport/taxis-and-commercial-passenger-vehicles)

¹³ [Ride share, taxis and hire car - Access Canberra](#)

5 Data sources and approach

The Regulator's methodology for its 2025 investigation into reserve prices for OOTLs has relied on a variety of data sources and assumptions. Key inputs include Transport Commission data on historical licence trade records in the period since the 2021 Determination, which provide insights into market trends and prevailing licence values across Tasmania's 24 taxi areas, and qualitative feedback gathered during the Regulator's consultation process.

In May 2025, the Regulator released a fact sheet and an online survey, inviting feedback on key issues relevant to reserve price setting. Additional discussions were then held with key industry participants, including network operators, taxi businesses and peak groups. These discussions helped to enhance and validate the insights gathered through the survey process, including current market dynamics and challenges.

Underpinning the Regulator's methodology are assumptions that reserve prices for OOTLs should reflect true market values while accounting for local variations, support the ongoing sustainability of the taxi industry, and provide fair opportunities for new entrants. However, the moratorium on the release of OOTLs has significantly limited the availability of market data.

At the time of writing its Draft Report, no new OOTLs had been issued since 2019. As such, there was no information available for the Regulator to directly assess whether reserve prices set in the 2021 Determination reflected market prices. However, of the 43 OOTLs made available by the Transport Commission in 2019, only one was purchased, indicating that the reserve prices in place in 2019 (which were not significantly different to those set in the 2021 Determination) were higher than the market would bear.

The Regulator understands that initial reserve prices that were prescribed in the Act in 2008 (and in place until 2020) were, as a general rule, set at approximately 50 per cent of the market value of PTLs for each area. At that time, PTLs commonly traded at around \$60 000 in Launceston and \$120 000 in Hobart. When the Regulator conducted the first reserve price investigation and determination in 2021, section 66D of the Act prevented the Regulator from reducing reserve prices by more than 10 per cent per annum for each taxi area.

As a result, the 2025 reserve prices for many taxi areas are now significantly out of step with current market prices. This observation is further supported by the outcomes of the Transport Commission's OOTL release in early September 2025, for which reserve prices were those determined by the Regulator in its 2021 Determination for the 2025 calendar year. The Regulator has been advised that no tender applications were received.

The Regulator's reserve price investigation has been hampered by limitations in the availability of complete and reliable data from the Transport Commission. As the Regulator's primary data provider and the body

responsible for regulating the taxi industry, the Transport Commission holds important information on licence activity, transfers, and operational status across Tasmania's 24 taxi areas. However, it has been identified that the available taxi licensing data can be incomplete or outdated, which has constrained the Regulator's ability to conduct a detailed and evidence-based assessment of recent market conditions. For example, in most cases the data provided by the Transport Commission regarding OOTL and PTL transfers includes trade values but does not distinguish between the value attached to the licence, with that of an attached vehicle or other assets. As a result, the Regulator has had to exercise judgement to exclude many transactions (from a small pool of data) that are considered likely to include the value of a vehicle or other assets.

Raw taxi licence transfer data is included in Appendix B.

The Transport Commission was unable to provide data on the number of licences that are actively operated in each taxi area, making it challenging to establish whether taxi services were being offered to customers in regional areas and whether the number of licences issued in regional areas aligns with market demands.

Gaps or inconsistencies in the Transport Commission's data make it more difficult for the Regulator to track trends over time or assess whether the reserve prices set under the 2021 Determination continue to align with current market conditions.

As a result, the Regulator has had to rely on stakeholder feedback and qualitative information to inform its analysis for many taxi areas. While such input is valuable, especially from those operating within the industry, it cannot substitute for a consistent, centralised data source.

The challenges encountered by the Regulator during its investigation suggest there may be value in the Transport Commission exploring ways to enhance its data collection processes. Maintaining a more up-to-date and accurate database of taxi licence information, including details on whether licences are active or inactive, and recording accurate and disaggregated licence transfer values would enhance the Regulator's ability to undertake future investigations and reserve price determinations with greater confidence and precision. Doing so would ultimately support reserve price determinations that are better aligned with current market conditions and the evolving needs of both the industry and the travelling public.

Improved data availability would also assist broader policy development and support more effective regulatory oversight of the taxi industry.

The Regulator has used available licence trade values (excluding those transfers that are considered likely to include the value of vehicles and other assets) to estimate current market values in the relevant taxi areas. For areas where there is no data, the Regulator has taken available data for similar areas and extrapolated values, making adjustments for known taxi area characteristics that may influence the market value of licences.

The Regulator has supplemented this information with contextual and anecdotal information gathered from licence holders and network operators. Chapter 7 discusses the data available for each taxi area (or class of taxi area), the Regulator's considerations and reserve price determinations.

In setting reserve prices, the Regulator has, broadly, attempted to balance the potentially competing priorities of ensuring that:

- ❑ the reserve price determination does not have an undue impact on the market value of currently issued licences;
- ❑ new entrants wishing to offer taxis services have access to licences, either from the secondary market or via the Transport Commission's release of new OOTLs at market aligned reserve prices;
- ❑ the viability of taxi operators in smaller and more marginal markets is not undermined by the entry of too many new operators as a result the release of OOTLs at reserve prices that may be significantly below the market value; and
- ❑ barriers to entry are low in areas where no or limited taxi services are offered.

In addition to data on licence trade values, the Regulator has considered contextual information, such as:

- ❑ the impact of rideshare services;
- ❑ availability of drivers;
- ❑ access to network operators, radio rooms and booking services;
- ❑ changing customer behaviour; and
- ❑ geography and population density.

The Regulator's considerations in respect of each taxi area are discussed in Chapter 7.

6 Stakeholder engagement

6.1 Overview of consultation process

To inform its investigation, the Regulator sought input from taxi licensees and operators, other industry participants and stakeholders, and members of the public. The Regulator prepared a fact sheet on its investigation for circulation and prepared a short survey for interested parties to complete. The survey assisted the Regulator in gathering contextual information that supported the development of this Final Report and Determination. Whilst many of the questions within the survey required simple “yes/no” answers, the respondents were also provided the opportunity to expand on their answers and to raise other matters if they chose.

The Regulator then invited key industry participants to participate in one-on-one discussions to supplement information obtained from licence holders through the survey. Staff of the Office of the Tasmania Economic Regulator met with representatives of three taxi network operators.

The Regulator has carefully considered the concerns and observations raised by stakeholders during the consultation process in its setting of reserve prices. The Regulator has also taken into account the four submissions it received in response to its Draft Report and Draft Determination. A summary of the stakeholder input to the Regulator’s investigation is provided below.

6.2 Summary of key stakeholder themes

In metropolitan areas such as Hobart and Launceston, respondents consistently expressed concern over the impact of rideshare services on the traditional taxi industry. Several noted that rideshare options have a lower barrier to entry and allow greater driver flexibility, making it difficult for taxis to compete. Additionally, respondents highlighted regulatory imbalances, arguing that taxis face stricter rules compared to rideshare operators.

Suggestions for reform included better oversight of rideshare services, more equitable regulation and support for small operators through reduced costs and improved access to licences.

Some respondents expressed concern that they were unable to sell or lease their PTLs or that income from leasing their PTLs had declined. Many noted that there has been a dramatic devaluation of taxi licences, with some reporting that OOTLs are now being offered in Hobart for around \$10 000. A number of respondents indicated that the current reserve price for OOTLs is out of step with current values, indicating that if OOTLs were released they would not be taken up. Hobart network operators indicated that a potential

taxi operator would face substantially lower up-front costs by leasing a PTL than they would if they bought a licence at the current market price.

Driver shortages were also a common theme. Network operators indicated that Government-set taxi fares are too low to make driving financially viable, leading to a shortage of available drivers. Consequently, numerous issued licences are “sitting on the shelf”. Whilst stakeholders understood that determining reserve prices for the release of new OOTLs is the focus of the Regulator’s investigation, licence holders and two of the three network operators that the Regulator’s staff spoke to raised the issue of fare adequacy as a critical barrier to industry sustainability. Some licence holders called for a government buy back of taxi licences.

Survey feedback from those operating in regional and rural areas, including Penguin and Perth, noted the challenges were focused on viability, driver availability and customer access to taxi services. Respondents described a lack of demand and population density as key barriers to sustaining taxi services. Some businesses had closed due to financial losses or personal circumstances, and others reported that no one was willing to operate taxis in these areas due to the long hours required to make the business viable.

Access to taxi services in regional and rural areas was described as poor, with significant consequences for tourism, mining operations, and vulnerable populations such as Transport Access Scheme cardholders. A few respondents called for government intervention, including fair compensation for licence holders (taken in this context to mean a revised taxi fare structure) and tailored support for transport services in low-demand regions. One particularly striking anecdote involved a licence being sold for “three cartons of beer,” underscoring the collapse in the value of a taxi licence in areas where taxi services may not be viable.

The Department of State Growth’s submission in response to the Draft Report indicated support for the Regulator’s proposed reserve prices for OOTLs, agreeing that prices should reflect market value while considering regional variations, industry sustainability, and new entrants. It noted upcoming fare increases to commence in January 2026 and January 2027.

State Growth supported the Regulator’s proposed reserve pricing across urban, regional, and rural areas, while urging close monitoring of rural impacts. It recognised stakeholder concerns about regulatory differences between taxis and ride share services, noting that although both taxi and ride source operators are subjected to the same regulatory requirements in terms of vehicle compliance, operating a public passenger vehicle, vehicle reporting and safety systems, the ride source industry is not limited to a geographic operating area and fares are not regulated. However, State Growth noted that the taxi industry benefits from exclusive programs and rights, such as the taxi subsidy program and access to ranks.

Other submissions in response to the Draft Report reflected some concerns already raised by stakeholders, including the impact on taxi licence values arising from the release of more licences, the current difficulties in finding

drivers or lessees for existing licences, the impact of ride share services on the taxi industry, and calls for a government buy back scheme. One submission provided the Regulator with additional anecdotal information on taxi operations in the New Norfolk area, suggesting that it offers a growing opportunity for transport operators.

Overall, stakeholder input has reinforced to the Regulator the need for a reserve price framework that is responsive to market realities, is regionally sensitive, and focused on supporting long-term industry sustainability and fairness for both existing and prospective licence holders.

7 Regulator's assessment and determination of reserve prices

This section outlines the rationale for the Regulator's determination of reserve prices for the period 1 January 2026 to 31 December 2029, drawing on observed market trends and stakeholder input.

As in its 2021 Determination, the Regulator has identified three classes of taxi areas: metropolitan, urban/regional and rural. Each have distinct features that influence how effectively the objectives of the investigation can be achieved in setting reserve prices.

The Regulator has not increased the reserve prices across any taxi areas. The Regulator has assessed that market conditions do not justify any upward adjustment. In fact, the broader market trend has been one of reduced licence values, increased operating challenges, and a need to lower barriers to entry in taxi areas where few or no taxi services are operating.

To this end, the Regulator has adopted a tiered approach to setting reserve prices:

- where licence transfer data has been available and there is an apparently viable taxi market, the Regulator has determined reserve prices for OOTLs at the approximate market value plus a moderate premium so as to avoid further de-valuing existing licences. In this way, potential market entrants can either buy from the market if licences are available for sale, or buy from the Transport Commission if they are not;
- where there has been no data available but there is an apparently viable taxi market, the Regulator has determined a reserve price that takes into account values observed in areas with available market data, with an adjustment to reflect known regional variations in the operating environment;
- in regional and rural areas where there are very few taxis operating, the Regulator has reduced reserve prices to a consistent \$3 000 (with the exception of Dorset and Tasman where lower reserve prices are already in place), balancing the competing priorities of protecting the viability of existing operators with allowing potential new operators to offer taxi services; and
- in areas across Tasmania where no taxis currently operate, the Regulator has determined reserve prices at zero to encourage potential new operators to offer taxi services.

7.1 Metropolitan taxi areas

The Hobart and Launceston taxi areas have been classed as metropolitan because they include the two largest cities in Tasmania. The Hobart taxi area covers several municipalities including Kingborough, Brighton and Sorell. The Launceston taxi area includes Launceston Airport (which is also in the Perth taxi area), and part of the West Tamar, Meander Valley and Northern Midlands municipalities.

Between them, the Hobart and Launceston taxi areas account for 77.5 per cent of all taxi licences issued in Tasmania - 86 per cent of OOTLs and 76.5 per cent of PTLs.

Rideshare services are well established, as well as community transport services, and both areas have a large number of WATs (44 in total, or 70 per cent of total WATs statewide).

Hobart

Hobart has seen the most consistent OOTL trade activity of all taxi areas with 29 trades between 2021 and 2024. Trade prices ranged widely, from \$10 000 to \$60 000 (assumed to include a vehicle). 2023 is the most recent year for which the Regulator has trade values that it is confident relate to the licence only. During 2023, OOTLs that did not include vehicles traded for between \$10 000 and \$20 000, with \$15 000 being the most common trade value.

Anecdotally, the Regulator has been informed that the current value of an OOTL in Hobart is around \$10 000. This reflects softening demand and likely continuing rideshare competition, especially among younger, urban passengers.

The Regulator has determined a reserve price that is close to the average value of recently reported trades (excluding those where the reported value is inflated by the inclusions of a vehicle). The Regulator considers that such a reserve price is market-aligned and supports licence uptake without suppressing private market activity.

The Regulator has determined a reserve price for Hobart of \$15 000 for the 2026 calendar year, representing a reduction of approximately 67.7 per cent from the 2025 reserve price of \$46 500. This reserve price will be maintained through to 2029.

Table 6: Reserve price for the Hobart taxi area

Taxi area	1 Jan 2025	1 Jan 2026	1 Jan 2027	1 Jan 2028	1 Jan 2029
Hobart	\$46 500	\$15 000	\$15 000	\$15 000	\$15 000

Launceston

In Launceston, no recent OOTL trades have been recorded. PTL trade data is also extremely limited, with 15 of the 20 transfers since 2021 being made for nominal value or with no value recorded. At least three of the remaining five transfers are assumed to include a vehicle.

The Regulator understands that taxis operated under an OOTL licence do not have access to the network operator's services in Launceston, which may account for the very low number of OOTLs issued (three) compared to Hobart.

Given the lack of access to network operations in the Launceston area, and low number of OOTLs issued, the Regulator's view is that demand for OOTLs and their value is significantly lower than for the Hobart area.

The Regulator has determined a reserve price for Launceston of \$10 000, around 52 per cent below the 2025 reserve price of \$20 800. This reserve price will be maintained through to 2029.

Table 7: Reserve price for the Launceston taxi area

Taxi area	1 Jan 2025	1 Jan 2026	1 Jan 2027	1 Jan 2028	1 Jan 2029
Launceston	\$20 800	\$10 000	\$10 000	\$10 000	\$10 000

7.2 Urban and regional taxi areas

There are six urban and regional taxi areas (Burnie, Devonport, Ulverstone, Perth, New Norfolk and Huon Valley) and the number of taxi licences issued in each ranges from nine to 41. Some of these taxi areas cover a large geographic area, and their population density is relatively low compared to metropolitan areas. Lower population density tends to result in weaker demand for taxi services.

Pre-booked work accounts for a larger percentage of all work in these areas, compared to the metropolitan taxi areas, partly because there are no large central business districts and few taxi ranks.

These areas have seen no recent trades, or only a limited number of trades, but still support a functioning taxi market. The Regulator has considered the reserve prices for each area on the basis of lower demand, and minimal secondary market activity. To support continued service availability and encourage new entrants, the Regulator has aimed to set lower reserve prices that reduce financial barriers while reflecting the limited market demand. This approach helps ensure that licences remain accessible and that essential transport services are maintained for regional communities, many of which rely heavily on taxis as a critical mode of transport.

Devonport

The Devonport taxi area includes the municipal area of Devonport and Latrobe and has the third largest population behind Hobart and Launceston. This taxi area also includes Devonport Airport and the Spirit of Tasmania's Devonport terminal. Both offer direct passenger transport services between Devonport and Melbourne. There are 41 taxi licences issued for the Devonport area - 23 PTLs, 6 OOTLs and 12 WATs. The number and mix of taxi licence types issued suggests a viable taxi market in the area.

Given the absence of recent OOTL and PTL trades in Devonport, there is little direct market evidence to guide the Regulator in the setting of a reserve price. However, Devonport remains one of Tasmania's larger regional centres with consistent population growth and a stable demand for transport services. Devonport's urban character and role as a key service hub suggest that some value should be placed on licence access.

To this end, the Regulator has decided on a moderate reduction in the reserve price for Devonport, determining a reserve price of \$15 000, fixed for the four-year period from 2026 to 2029. This represents a reduction of approximately 34.8 per cent compared to the 2025 reserve price of \$23 000.

Table 8: Reserve price for the Devonport taxi area

Taxi area	1 Jan 2025	1 Jan 2026	1 Jan 2027	1 Jan 2028	1 Jan 2029
Devonport	\$23 000	\$15 000	\$15 000	\$15 000	\$15 000

Burnie

The Burnie taxi area includes the municipal areas of Burnie and Waratah-Wynyard, and has the fourth highest population behind the Hobart, Launceston and Devonport taxi areas. It includes the Burnie Airport, which has direct passenger flights to Melbourne and Launceston.

Twenty-one taxi licences have been issued for the Burnie taxi area, all of which are PTLs. These account for 3.5 per cent of all taxi licences in Tasmania. Unlike Hobart, Launceston, Devonport and Ulverstone, there are no WATs in the Burnie taxi area.

There were 20 PTL trades in 2021 in Burnie and none since. The Regulator understands that these trades were the result of the acquisition of a taxi business and that the majority of them included the transfer of a vehicle. The three licences that did not include a vehicle traded for between \$5 000 and \$10 000.

There are currently no OOTLs issued in Burnie and anecdotal evidence suggests that there appears to be little to no demand for them, the primary reason being the lack of access to the operating network in Burnie.

A single business owns all of the PTLs in Burnie and it does not lease them out or allow external operators to connect to its dispatch or booking system. As a result, it has been suggested that new entrants holding an OOTL would be unable to access the customer base served through that network, making it difficult to operate a viable business independently.

The Regulator understands that of the 21 PTLs issued for the Burnie area only 18 are currently being operated. The operator reports being unable to attract drivers due to low fare levels, which undermine driver earnings. Consequently, it is possible that there is insufficient driver availability to support new entrants.

Given the likely lack of access to a booking service in the Burnie taxi area that an OOTL licence holder would have to contend with, the market value of an OOTL is likely to be less than the maximum recorded \$10 000 trade value for a vehicle-less PTL.

The Regulator has, therefore, determined a reserve price for Burnie of \$6 000, fixed for the four-year period 2026 to 2029. This represents a reduction of approximately 56.5 per cent compared to the 2025 reserve price of \$13 800.

Table 9: Reserve price for the Burnie taxi area

Taxi area	1 Jan 2025	1 Jan 2026	1 Jan 2027	1 Jan 2028	1 Jan 2029
Burnie	\$13 800	\$6 000	\$6 000	\$6 000	\$6 000

Perth

The Perth taxi area consists of a part of the municipal area of Meander Valley and a part of the municipal area of Northern Midlands. It includes Launceston Airport and the Launceston Country Club Casino (as does the Launceston taxi area).

Twelve taxi licences have been issued for the Perth taxi area, eight PTLs and four OOTLs.

Four OOTL trades occurred in Perth from 2021 to March 2025, priced between \$4 700 and \$10 000. There were three PTL trades from 2021 to 2023, priced between \$5 000 and \$8 000. Given the small number of trades and relative price stability and feedback from Perth taxi industry participants that the current reserve price is a barrier to entry, the Regulator considers that a reserve price of no more than the maximum value of recent trades is appropriate.

To this end, the Regulator has determined a reserve price of \$8 000, fixed for the four-year period 2026 to 2029. This is a reduction of 36.0 per cent compared to the 2025 reserve price of \$12 500.

Table 10: Reserve price for the Perth taxi area

Taxi area	1 Jan 2025	1 Jan 2026	1 Jan 2027	1 Jan 2028	1 Jan 2029
Perth	\$12 500	\$8 000	\$8 000	\$8 000	\$8 000

Ulverstone

The Ulverstone taxi area consists of part of the Central Coast municipality and is one of the smallest taxi areas by geographic size. There are 15 taxi licences issued in Ulverstone - seven PTLs, two OOTLs, and six WATs.

Given the absence of recent OOTL and PTL trades in Ulverstone, there is no direct market evidence to guide the Regulator in the setting of a reserve price. In light of this, the Regulator considers it appropriate to make only a modest reduction in the reserve price.

The Regulator has determined a reserve price for Ulverstone of \$10 000, fixed for the four-year period 2026 to 2029. This represents a reduction of 25.4 per cent compared to the 2025 reserve price of \$13 400.

Table 11: Reserve price for the Ulverstone taxi area

Taxi area	1 Jan 2025	1 Jan 2026	1 Jan 2027	1 Jan 2028	1 Jan 2029
Ulverstone	\$13 400	\$10 000	\$10 000	\$10 000	\$10 000

New Norfolk

The New Norfolk taxi area consists of the municipal area of Derwent Valley, which includes the town of New Norfolk and borders the Hobart taxi area.

Nine taxi licences have been issued for the New Norfolk taxi area, all PTLs. Transport Commission data indicates that three of the nine taxi licences in New Norfolk were traded over the February 2024 to February 2025 period, priced between \$5 000 and \$8 500. The Regulator notes that OOTLs, by virtue of their limitations, generally have a lower trade value than PTLs.

In a submission provided in response to consultation on its Draft Report, the Regulator received anecdotal information about the current taxi operations in the New Norfolk area. While detailed operational data remains limited, the available trade data, combined with these insights, provides some indication of market value and activity with the local taxi sector. On this basis, the Regulator has determined a reserve price of \$5 000, fixed for the four-year period 2026 to 2029. This represents a reduction of approximately 24.2 per cent compared to the 2025 reserve price of \$6 600.

Table 12: Reserve price for the New Norfolk taxi area

Taxi area	1 Jan 2025	1 Jan 2026	1 Jan 2027	1 Jan 2028	1 Jan 2029
New Norfolk	\$6 600	\$5 000	\$5 000	\$5 000	\$5 000

Huon Valley

The Huon Valley taxi area consists of the municipal area of Huon Valley, which includes the towns of Huonville, Cygnet and Dover. Nine taxi licences have been issued - five PTLs, three OOTLs and one WAT. Transport Commission data indicates that no OOTLs or PTLs have traded since 2021 in the Huon Valley area, and therefore the Regulator has no data to indicate the current trade value of an OOTL.

Taxi service providers in the Huon Valley area compete with taxis from the Hobart taxi area and ridesharing services. Community transport services are also offered in this area. It is reported that these services have a significant impact on the local taxi business.

While the Huon Valley has a moderate population (approximately 18 259 people¹⁴), it is dispersed across rural and semi-rural townships. The geographic spread and lower density suggest limited demand for taxi services relative to urban areas.

Given the similarity between the New Norfolk and Huon Valley areas, both in the number and type of licences issued, their geography and proximity to the Hobart area, the Regulator considers that demand for taxi licences and licence values are likely to be similar.

Accordingly, the Regulator has decided to maintain the existing 2025 reserve price of \$4 600 for Huon Valley, fixed for the four-year period 2026 to 2029.

Table 13: Reserve price for the Huon Valley taxi area

Taxi area	1 Jan 2025	1 Jan 2026	1 Jan 2027	1 Jan 2028	1 Jan 2029
Huon Valley	\$4 600	\$4 600	\$4 600	\$4 600	\$4 600

7.3 Rural taxi areas

There are 16 taxi areas that the Regulator considers to be rural, and the number of taxi licences issued in each area ranges from zero to five. They are:

- ❑ George Town
- ❑ Circular Head
- ❑ Break O’Day
- ❑ West Tamar
- ❑ Meander Valley
- ❑ Penguin

¹⁴ https://www.abs.gov.au/census/find-census-data/community-profiles/2021/LGA63010?utm_source=chatgpt.com

- ❑ Dorset
- ❑ Tasman
- ❑ King Island
- ❑ Glamorgan - Spring Bay North
- ❑ Glamorgan - Spring Bay South
- ❑ Bruny Island
- ❑ Flinders Island
- ❑ Kentish
- ❑ Central Highlands
- ❑ West Coast

These taxi areas are generally in the more rural and remote regions of Tasmania where population density is low. Similar to the urban/regional taxi areas, there are either very few or no taxi ranks in these taxi areas and pre-booked work is likely to account for almost all the work for taxi businesses.

Where licences have been issued, they are all PTLs. Transport Commission data indicates that two PTLs were traded in the Meander Valley area in 2021 but no formal licence trades or trades at value have occurred in the other rural taxi areas. The Regulator is aware of one licence trade that occurred for nominal value but its transfer has not been recorded with the Transport Commission.

Through its consultation process, the Regulator heard from several licence holders in rural areas that indicated that while residents would value taxi services, it is very difficult to make a living driving a taxi in rural areas. Where taxis are operating, additional competition may potentially make existing services unviable.

In the absence of any recent transfer values to inform reserve prices, the Regulator considers that the likely market value of an OOTL in rural areas is likely to be lower than in those that it considers to be urban and regional areas. The lowest reserve price for an urban or regional area to apply from 1 January 2026 is \$4 600 in the Huon Valley. However, setting reserve prices too low in areas where a small number of taxi services are operating may introduce too much additional competition where viability of services is marginal.

In the current environment, the wide range of 2025 reserve prices across rural taxi areas may be viewed as arbitrary and based on historical conditions that are no longer reflective of their relative values. The Regulator has, therefore, determined reserve prices at two levels for rural areas.

For the rural areas where there are between two and five licences issued and operating, the Regulator has determined reserve prices at a uniform \$3 000, fixed for the four-year period from 2026 to 2029. The exception to this

approach is Dorset, where there are five licences issued and the 2025 reserve price (\$2 250) is already lower than \$3 000. The Regulator has reduced the reserve price for Dorset to \$2 000.

For six of the remaining nine rural areas, where there are currently no licences issued, the Regulator has determined a reserve of zero to reduce the barrier to entry and encourage potential operators to provide taxi services in currently unserved areas.

There is one PTL currently issued in both the areas of Tasman and King Island, and four PTLs issued in West Coast, although the Regulator is aware that no taxi services are currently operating on King Island or the West Coast.

For the King Island and the West Coast areas, the Regulator has determined a reserve price of zero. For the Tasman area, where one licence is being operated, the Regulator has determined a reserve price of \$1 500.

Table 14: Reserve prices for the rural taxi areas

Taxi area	1 Jan 2025	1 Jan 2026	1 Jan 2027	1 Jan 2028	1 Jan 2029
George Town	\$7 500	\$3 000	\$3 000	\$3 000	\$3 000
Circular Head	\$6 800	\$3 000	\$3 000	\$3 000	\$3 000
Break O'Day	\$6 600	\$3 000	\$3 000	\$3 000	\$3 000
West Tamar	\$7 500	\$3 000	\$3 000	\$3 000	\$3 000
Meander Valley	\$7 500	\$3 000	\$3 000	\$3 000	\$3 000
Penguin	\$3 750	\$3 000	\$3 000	\$3 000	\$3 000
Dorset	\$2 250	\$2 000	\$2 000	\$2 000	\$2 000
Tasman	\$2 400	\$1 500	\$1 500	\$1 500	\$1 500
King Island	\$600	\$0	\$0	\$0	\$0
Glamorgan - Spring Bay North	\$2 400	\$0	\$0	\$0	\$0
Glamorgan - Spring Bay South	\$1 200	\$0	\$0	\$0	\$0
Bruny Island	\$600	\$0	\$0	\$0	\$0
Flinders Island	\$600	\$0	\$0	\$0	\$0
Kentish	\$2 400	\$0	\$0	\$0	\$0
Central Highlands	\$600	\$0	\$0	\$0	\$0
West Coast	\$1 000	\$0	\$0	\$0	\$0

Appendix A

2025 Operator-Owner Taxi Licence (OOTL) Reserve Price Investigation

Terms of reference

The terms of reference for the Tasmanian Economic Regulator (the Regulator) to conduct an investigation to determine reserve prices that apply to Owner-Operator Taxi Licence in all 24 taxi areas in Tasmania are outlined below. These terms of reference meet the requirements set out in section 66C of the *Taxi and Hire Vehicle Industries Act 2008* (the Act).

The Regulator is to:

- (a) determine, for each taxi area for a calendar year to which the determination relates, a reserve price for owner-operator taxi licences in relation to the taxi area; and
- (b) include a statement of the reasons for the reserve price.

A reserve price determination may:

- (a) specify a different reserve price for each taxi area to which the determination relates; and
- (b) specify a different reserve price, for each taxi area to which the determination relates, for each calendar year to which the determination relates.

Additional matters to be taken into account

Along with those matters set out in Section 66F of the Act, the Tasmanian Economic Regulator (the Regulator) is to consider the following:

- ❑ the broader objectives of the Act
- ❑ whether OOTL licence prices are a barrier to entry for potential new operators in the taxi industry
- ❑ ways to promote increased supply of taxi services in those taxi areas where few or no taxi services are offered
- ❑ the impact of the challenges faced by the taxi industry on the industry's capacity to compete with other transport providers, such as ride-sourcing and community transport
- ❑ the impact of the challenges faced by the taxi industry on consumers' ability to access prompt, reliable taxi services.

As part of its investigation, the Regulator might also consider:

- ❑ issues surrounding efficiency, quality, reliability, and safety for the taxi industry and consumers
- ❑ protection of consumers and the social impacts that taxi services provide
- ❑ fairness between classes of consumers and taxi operators.

In its consideration of the current environment in which taxi services are delivered, the Regulator should note:

- ❑ that changes to the *Passenger Transport Services Act 2011* which were made in 2020 to legislative on-demand passenger transport services are now fully commenced. This includes a requirement for booking service providers (which includes taxi networks) to be accredited
- ❑ the remaking of the *Taxi and Hire Vehicle Industry Regulations 2023* and the *Passenger Transport Services Regulations 2023*
- ❑ the decision of the Transport Commission following the 2024 Taxi Fare Review to provide for a schedule of annual taxi fare increases over three years commencing in early 2025.

The Date of Completion

The Regulator must, before 1 December 2025, make under section 66C(2)(b) of the Act a reserve price determination that is to relate to each of the next following 4 calendar years. At an appropriate time during the investigation, the Regulator must make available a Draft Reserve Price Determination.

The Regulator must publish notice of the making of a reserve price determination in the Gazette and on the Regulator's website.

Appendix B

Trade data¹⁵

Table B1: OOTL trades since 1 January 2021 (data as at 11 April 2025)¹⁶

Taxi area	Number of OOTL trades	Price
Hobart (29)	5 in 2024	Unknown
		Unknown
		Unknown
		\$35 000
		\$60 000
	11 in 2023	\$12 000
		\$20 000
		\$15 000
		\$15 000
		\$15 000
		\$10 000
		\$18 000
		\$15 000
		\$50 000
		\$18 000
	5 in 2022	\$20 000
		\$25 000
		\$23 000
		\$25 000
		\$27 000
8 in 2021	\$20 000	
	\$29 500	
	\$28 000	
	\$30 000	
	\$30 000	
	\$16 000	
	\$32 000	

¹⁵ Prices may also include the value of a vehicle.

¹⁶ Source: Transport Commission

Taxi area	Number of OOTL trades	Price
		\$38 500
Perth (4)	1 in 2025	\$4 700
	2 in 2023	\$10 000
		\$10 000
	1 in 2022	\$5 000
TOTAL	33	

Table B2: PTL trades since 1 January 2021 (data as at 11 April 2025)¹⁷

Taxi area	Number of PTL trades	Price
Break O'Day (3)	3 in 2021	Deceased estate
		Deceased estate
		Deceased estate
Burnie (20) ¹⁸	20 in 2021	\$35 000
		\$35 000
		\$25 000
		\$35 000
		\$35 000
		\$35 000
		\$35 000
		\$35 000
		\$35 000
		\$35 000
		\$35 000
		\$35 000
		\$35 000
		\$35 000
		\$35 000
		\$35 000
		\$5 000
		\$30 000
		\$30 000
		\$35 000
\$35 000		
\$35 000		
\$35 000		
\$10 000		
\$10 000		
Hobart (22)	7 in 2024	\$35 000
		Deceased estate

¹⁷ Source: Transport Commission

¹⁸ All 2021 trades in Burnie included a vehicle, except three trades at \$10 000 or less

OOTL RESERVE PRICE INVESTIGATION - FINAL REPORT

Taxi area	Number of PTL trades	Price
		Deceased estate
		Deceased estate
		Unknown
		Unknown
		Unknown
	14 in 2023	Deceased estate
		\$25 000
		Unknown
		\$50 000
		\$0
		\$25 000
		\$0
		\$0
		\$0
		\$50 000
		\$50 000
		\$50 000
		\$50 000
		\$50 000
	1 in 2022	\$0
Launceston (20)	2 in 2024	Deceased estate
		Unknown
	12 in 2023	Deceased estate
		Add joint owner
		Add joint owner
		\$1*
		\$7*
		\$1*
		\$1*
		\$1*
		\$1*
		\$1*
		Unknown
		\$30 000

OOTL RESERVE PRICE INVESTIGATION - FINAL REPORT

Taxi area	Number of PTL trades	Price
	3 in 2022	\$10 000
		Deceased estate
		Deceased estate
	3 in 2021	\$70 000
		\$80 000
		\$60 000
Meander Valley (2)	2 in 2021	\$22 000
		\$10 000
New Norfolk (3)	1 in 2025	\$8 500
	2 in 2024	\$5 000
		\$5 000
Perth (3)	2 in 2023	\$8 000
		\$8 000
	1 in 2021	\$5 000
TOTAL	73	

* Indicates change of ownership from personal name to company where the owner is also the director of the company.

