

Numbers of taxi licences to be issued in 2020/21

Under the *Point to Point Transport (Taxis and Hire Vehicles) Act 2016* (the Act), a taxi licence is required to provide rank and hail services to passengers in NSW, but is not required to provide booked services.

Taxi licence determination

The Act requires Transport for NSW (TfNSW) to determine, by 31 March each year, the number of taxi licences to be issued in the state in the following financial year. The Point to Point Transport Commissioner may grant a licence to applicants who are the highest ranked bidders in a public tender.

In making a determination, TfNSW must consider:

- (a) likely passenger demand and latent demand for taxi services,
- (b) the performance of existing taxi services,
- (c) the demand for new taxi licences,
- (d) the viability and sustainability of the taxi industry,
- (e) any other matters TfNSW considers relevant, having regard to the objective of ensuring improved taxi services.

Submissions

You are invited to make a submission which will be considered by TfNSW in determining the number of licences to be issued in 2020.

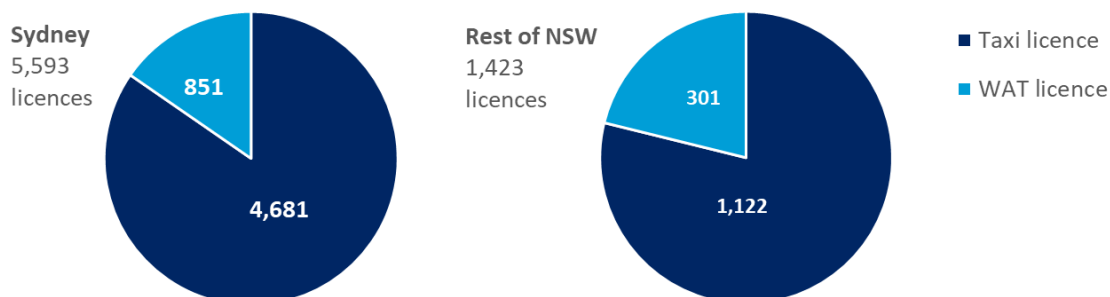
Considering the matters (a) to (e) above, including the information provided here, your submission should answer at least one of the below questions and include any supporting evidence.

1. How many taxi licences should be released in Sydney, and why?
2. How many taxi licences should be released outside Sydney, and why?

Go to <https://yoursay.transport.nsw.gov.au/taxi-licence-determination-202021> by 25 Feb.

Taxi licences in NSW

In total, there are 7,016 taxi licences in NSW. Of these, 5,593 operate in Sydney, including 851 wheelchair accessible taxi (WAT) licences. 1,423 operate in the rest of NSW, including 301 WAT licences.



In the four years since 2015, when implementation of the point to point transport reforms commenced, only replacement licences have been issued (other than WAT licences, which are issued upon application). In Sydney, 78 licences were issued in 2019, 90 in 2018 and 62 in 2017. No licences other than WAT licences were issued outside Sydney during this time. This effectively held the total number of licences at 2015 levels.

Passenger demand

Since 2015 demand for point to point transport services has increased. A 2018 surveyⁱ commissioned by the Independent Pricing and Regulatory Tribunal (IPART) indicates the number of people using taxis at least once over six months was similar to previous years, while the number who used rideshare increased. In Sydney almost as many people used new forms of point to point transport services (i.e. rideshare) as taxis; outside Sydney taxis were still the most used form of point to point transport.

Passenger demand is also driven by population and visitor growth. In the four years since 2016, population is estimated to have grown by over 400,000 in Sydney and over 90,000 in regional NSW. Further growth is expected as shown in the table.

Population by year ⁱⁱ	2016 (census)	2020 (estimate)	2021 (projection)	Ave annual growth rate	Annual people
Greater Sydney	4,688,255	5,126,153	5,252,611	2.41%	126,458
Rest of NSW	3,044,603	3,137,903	3,162,367	0.77%	24,464

Visitor numbers to NSW are growing rapidly with 2019 recording the highest volume ever of domestic and international visitors and expenditure. In the year to June 2019, 110.8 million visitors spent \$41.5 billion in NSW, an increase of over 11 per cent on the previous year.ⁱⁱⁱ Regional NSW receives the majority of NSW visitors (64 per cent) while Sydney receives a slightly higher proportion of the spend (54 per cent).

Taxi service performance

As shown in the table, customer satisfaction with taxis has steadily increased since the introduction of the point to point transport reforms. Specifically, customers are most satisfied with aspects relating to safety, ease of payment, booking and finding a taxi at a rank, and cleanliness and comfort of the vehicle. Dissatisfaction was highest for fares and surcharges and availability of information on fares and at ranks. Overall satisfaction with rideshare is consistently reported as higher than for taxis.

Source	2015	2016	2017	2018	2019
TfNSW Index ^{iv}	82%	82%	81%	86%	86%
IPART survey ^v	73-76%	73-74%	82-88%	78-84%	Not yet available

Demand for new licences

In Sydney, demand for licences has exceeded supply, with each of the three licence tenders since 2017 oversubscribed. Ordinary licences continue to be traded on the open market. A number of industry stakeholders have sought the release of additional taxi licences to increase overall supply.

In 2019, inquiries were made about obtaining new taxi licences in eight NSW regional locations. Prior to this, there was little evidence of demand for new licences in regional locations and several industry stakeholder submissions opposed their release. Transfers of ordinary licences have continued to occur in many larger regional centres, with no transfers in smaller regional areas.

Viability and sustainability of the taxi industry

The continued appetite to provide rank and hail work in Sydney, which can only be done by licensed taxis, is evident in the transfer value of ordinary taxi licences, the demand for annual licences in Sydney, and the price of successful tender bids. Recent licence transfer values for ordinary licences have been stable above \$70,000 and up to \$105,000 since April 2019 (nine months), albeit at a lower level than in July 2015 (when the point to point transport reforms were announced). Since 2017 average successful tender bids for annual licences, which may be seen as a proxy for annual lease fees, have been stable between \$13,000 and \$15,000.

There are now 294 taxi service providers authorised by the Point to Point Transport Commissioner, compared with the 58 taxi networks that operated in 2015, indicating greater competition and increased choice for customers.

Taxi businesses and industry representatives are encouraged to provide further evidence in relation to the viability and sustainability of the taxi industry.

Types of taxi licence

Taxi licence	Valid for one year and renewable up to nine times, not transferable. The operating area of an annual licence is either Sydney Metropolitan Transport District or anywhere in NSW outside Sydney. TfNSW determines the number to be issued each year. Issued via tender by the Point to Point Transport Commissioner.
Wheelchair accessible taxi (WAT) licence	All vehicles used must be wheelchair accessible and preference must be given to passengers in wheelchairs. Zero licence fee, available on application at any time and not part of the annual licence determination.
Ordinary licence	Transferable and generally no fixed term. Conditions apply limiting the geographic area and sometimes the hours of operation. Available only on the open market with a transfer levy payable to the Point to Point Transport Commissioner, not part of annual licence determination.

ⁱ IPART commissions a Point to Point Transport Survey each year and publishes the report on its website. The 2018 survey was conducted by Orima Research. The 2019 report is yet to be released.

ⁱⁱ NSW Department of Planning, Industry and Environment - Population projections

ⁱⁱⁱ Destination NSW - Visitation Infographic June 2019

^{iv} The TfNSW Point to Point Customer Satisfaction Index is updated annually. The most recent results, based on responses from over 3,000 customers, were released in May 2019.

^v The IPART surveys (except for 2016) report satisfaction separately for three geographical categories: Sydney, Other Urban (Wollongong, Newcastle and Central Coast) and the rest of NSW. Prior to 2017 Taverner Research conducted the surveys and satisfaction covered waiting time only.