



GM Cabs

Supplementary Submission to

NSW IPART

Unbooked Taxi Fare Review 2024

Fixed Airport Fares

November 2024

Ex Sydney Airport fixed fares 2024

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Summary

The issue of fixed fares is a popular one in lots of locations, particularly from airports.

Examples include Airports as diverse as JFK New York and Australia’s Gold Coast.

As an international example, Fixed fares with modifications for time of day are offered by the TLC in New York. <https://www.nyc.gov/site/tlc/passengers/taxi-fare.page>

We feel that simple, well-advertised limited number of fixed fares with possible increased numbers over future years would be positive. The start could be as simple as Sydney CBD only.

Benefits

The key benefit is passenger certainty and a significant reduction of any risk of overcharging. (We all understand it is impossible to remove this 100% - this is not solely an issue for taxis).

It is worth noting that airports frequently represent an unavoidable transit point for passengers with disabilities and passengers with English as a second language. Airport passengers are also frequently business travellers or tourists with no knowledge of the local taxi regime.

Mechanisms

The challenge is making drivers (as well as passengers) stick to the fixed or agreed price. In the booked on-demand transport sector, this is addressed by separating the process of payment from the process of travel - a credit card charge at the start of the trip.

Extensive signage at the taxi ranks can easily assist in communication. In addition, some airports use simple props to remind both parties of their obligation to the fixed price.

For example, a kerbside concierge or rank security personnel, can ask passengers of their intended destination. If they say, for example

“QVB please”

They are given a printed ticket which contains the amount of the *CBD* fixed fare the applicability (inclusion or otherwise) of GST, airport and payment surcharges and details of the specific zonal region covered. This perforated ticket appears in two halves one of which goes to the passenger and one to the driver. Both passenger and driver now have the confirmed fixed price deal in their hands

Some airports (e.g. a trial in New Zealand) provide kiosk-type services at the taxi rank where a passenger gets a ticket with a fixed fare having entered a location.

Inclusions

Since the entire purpose of the exercise is simplicity, success of the project will likely be higher if airport charges, and toll charges are included.

The public does not appreciate that the airport charge currently represents \$5.80 of this fare – that should be clearly marked (discouraging the airport from increasing these charges frequently *after* a fixed fare has been imposed would be of benefit).

Toll (Eastern distributor northbound to city North or city North East exits is currently \$9.72) and airport charges, (\$5.80 charged to drivers leaving the airport) and variations to these charges come at entirely different (all too frequent) cadences.

None of these charges are clearly signposted to passengers.

Payment service fees and credit card surcharges should not be part of these prices, and any receipt could say credit cards surcharges apply. Passengers understand this.

Applicability and use of taxi meters

it would not be desirable to have taxi meters running and taxi drivers and passengers trying to optimise the best outcome from the two. We feel the best outcome would be having a set fare programmed into taxi meters so that a fixed fare appears on the meter and their trip can be suitably tracked - meter on and meter off.

Information to passengers currently provided by Sydney airport

Taxi fares

Below are some approximate return fares you can expect to pay to and from Sydney Airport. Remember passengers pay for any bridge or road tolls on top of the fare (these fares are in Australian dollars and are based on non-peak traffic conditions).

- Sydney City \$45-55 (one way)
- North Sydney \$55 - \$65 (one way)
- Manly \$90 - \$100 (one way)
- Parramatta \$100 - \$120 (one way)
- Liverpool \$95 - \$110 (one way)
- Cronulla \$75 - \$85 (one way)

A \$5.45 airport toll is payable by all passengers (per car) taking a taxi from any of Sydney Airport's taxi ranks.

<https://www.sydneyairport.com.au/info-sheet/by-taxi-and-rideshare-domestic> Retrieved 6 November 2024

This information is clearly out of date has the airport increased its own taxi charge to \$5.80 on July 1, 2024 - but the selection of key destinations remains of value.

Zone sizes

The New York example above has large zone sizes - the fare JFK to downtown, (US\$70) represents approximately AUD \$110 and therefore the variance within the city zone is relatively small compared to the quantum of the entire trip. This is less the case in Sydney.

Nevertheless, to get the benefit from the simplicity of fixed fares, we would recommend that a zone be large and cover the entire city. All There will of course be winners and losers.

Possible destinations to include:

- Sydney City
- North Sydney
- Parramatta
- Macquarie Park (North Ryde)
- Olympic Park precinct
- White Bay cruise terminal
- Western Sydney Airport.
- Between international and domestic terminals

Applicability of regions other than Sydney CBD.

There is some minor difficulty identifying **North Sydney** as opposed to Crows Nest or St Leonards business districts, which are frequently the same in customers minds.

This difficulty reduces for **Parramatta** where the business /hotel district is relatively well-defined.

Macquarie Park poses its own challenges, since anecdotally, Macquarie Park represents an area with significant traffic problems which only occur at certain times of day.

The **Cruise Terminal, Olympic Park precinct** and **Western Sydney Airport** are relatively easily and clearly defined.

We feel starting with fewer locations can only help implementation

Fixed fares to the airport

There is a significantly lessened requirement for fixed fares to the airport. This is because passengers can easily and typically do book such trips (in the interest of not missing a flight). Passengers have the time and ability to educate themselves about pricing or shop around.

The most common rank and hail trips to the airport do indeed come from the CBD, but these lack the advantage of controlled space for delivering appropriate information to the travelling passenger.

We note that the JFK example above is a both-ways example, but this has been in place for decades, and public education is not the issue.

Minimum fares

The issue of minimum fares to anywhere from the airport was raised in the context of the Ministerial request to IPART. We believe this is a very different issue.

Those who raise this state their intention is to reduce negative interactions for passengers upon entering a taxi, to encourage drivers to frequent the airport and to provide some equity to a driver who has had a significant wait.

These minima are a two-edged sword. Any minimum fare needs to be high enough to offer incentive for drivers, but it would likely give passengers who would happily have paid the existing charge, some sticker-shock and reticence to catch a taxi.

What would be an appropriate ex airport minimum fare tariff ?

- \$25?
About the only conceivable fare which could be less than this run on a taximeter is an airport hotel - most of whom offer low-cost fixed fee shuttles , e.g. \$12 per person.
Since a fare from Virgin to international departures currently costs approximately \$20. (with a similar fare to Mascot Railway station for a group of backpackers avoiding the

airport station toll), any minimum fare down at this level is not worth implementing. The FY25 trip data we reviewed suggests there are a large number of trips already in this \$25-\$26 area.

- \$40?

When this becomes published in the media, discussed on talkback radio or meme content on social -the story may be “greedy cabbies want more of your money at a time when rideshare is moving into the airport”.

Any minimum fare at this level or above risks serious negative publicity without materially changing the situation for drivers or passengers.

	Day Rate	Night Rate	Peak Rate
PSL	1.32	1.32	1.32
Airport Charge	\$5.80	\$5.80	\$5.80
Flag fall (Hire Charge)	\$3.60	\$3.60	\$6.1
Per Km	\$2.29/min	\$2.73	\$2.73
Waiting	\$0.944/min	\$0.944/min	\$0.944/min

A taxi trip from T2 “ Virgin” Rank to Mascot Railway station currently Costs >\$20 - \$25 depending on time and traffic.

A taxi trip from T2“ Virgin” Rank to T1 International Departures Costs >\$22 - \$27 depending on time and traffic.

We believe the best solution to this question (and the associated problem of negative passenger interactions from disgruntled drivers) lies in implementing a simple **short fare solution**.

Versions of this include a **return to front of queue** or a **shorter trips rank**.

If IPART recommends that a *minimum* fare is to be imposed – we strongly feel this should be a metered fare (e.g. a tariff where the Hiring Charge (flag fall) **includes** say the first 7 km, then per km charging)