



GM Cabs

Response to Draft Fare Recommendations report

NSW IPART

Unbooked Taxi Fare Review 2024/25

March 2025

Contents

Summary	2
About GM Cabs	2
Introduction.....	3
Technical Issues - The Sydney Taxi Model and Booking fees	3
Wheelchair Accessible Taxis	4
Fixed Airport Fares.....	5
Airport waiting behaviours.....	6
Maxi Rates.....	7

Summary

We state once again that the New South Wales taxi industry is well overdue for a significant taxi fare rise. Taxi drivers should not be held to ransom because of actions of previous Governments and changes to licensing structure or desires to impact Airport precinct behaviours. The negative consequences of depressed fares affect both drivers and passengers.

We thank the Tribunal for its detailed review and urge the Tribunal to consider the public benefits of a vibrant taxi industry as well as all the new competitive factors since the last comprehensive review.

GM Cabs strongly believes that a healthy taxi Industry provides social benefits, economic benefits and positive environmental outcomes for NSW. This will result from an increase to fares.

About GM Cabs

GM Cabs is a proudly Australian private company. Its roots are entirely in taxis, and its founder has been a leader in the Taxi industry for over 30 years. Sydney-based GM Cabs has grown to operate in multiple parts of Australia. Our New South Wales fleet includes over 1200 taxis (badged as GM Cabs and as GM Signature), making it the second-largest taxi entity in the state and the largest wholly Australian participant in the point-to-point transport space in NSW. GM Cabs is justifiably proud of the many services it provides to Taxi passengers, vehicle owners (operators) and Taxi drivers.

Introduction

This submission does not address the Issues comprehensively, but is intended to be read in conjunction with our initial submission, supplied data and supplementary Fixed Airport Fare submission made to IPART in 2024.

At the IPART Public Hearings, before and following the release of the 2025 Draft Paper, there was a rare unanimity among:

- Industry Peak Body (NSW Taxi Council),
- Drivers,
- Driver groups, and
- TWU

All aligned on a disappointing fact; the need to raise fares. In essence this is a result of *many* years of stagnation of rates whilst the Taxi industry went through radical change. It is therefore deeply disappointing that other than *prospective* CPI, the draft recommendations of IPART are for a rebalancing of fares rather than an increase per se.

In this submission we respond to some issues and questions in the IPART Draft report, with a view to strengthening the case for real increase.

Technical Issues - The Sydney Taxi Model and Booking fees

The elasticity response and competitor responses to Price changes

Whilst we understand the Tribunal's use of the STM, its origins predate the massive legislative and cultural changes to the industry, the travelling public and those who choose to drive Taxis.

We draw attention to new and varied models of competition such as the Booked Rideshare as e-hails at Airports and the infinitely variable booked competitor surge pricing. The substitution effects may not be clearly understood along with the Rideshare responses following Rank and Hail price increases.

Our experience nationally and our research internationally suggest a game theory response, where Rideshare (on public record after years of loss-making operations) now responds to Taxi Price Increases with Increases.

We believe strongly that an "overdue" real increase will not produce significant negative public effects, or driver effects.

Booking Fees in the technical model.

We would suggest that reference to Booking fees is unnecessary and may create some confusion. In relation to the inclusion of Booked fares, the references in the IPART Technical Paper released in March 2025 arise from incorrect assumptions or data. The Paper erroneously suggests that 60% of trips are booked when it comes to Sydney. This is clearly fictional and is either a reference only to rural and regional taxis (where it may well be the case), or results from a self-selection problem amongst those drivers who may have answered any questionnaires. (With all due respect, completion of Government questionnaires is not an obvious task for many taxi drivers)

In the modern rideshare legalised environment, Sydney taxis would typically have 20% or less of their trips as booked trips. In addition, inclusion of booking fees is meaningless. Firstly, all booking charges are deregulated, this includes booking fees. Many networks do not charge any booking fees and many corporate contracted bookings, (an increasing number) or without booking fees. This is completely anachronistic. As described in our previous submissions; the introduction of rideshare has not only impacted the *bookings* market, but the way Rideshare is being delivered at Airports and events has increased its substitution potential for rank and hail trips.

[Wheelchair Accessible Taxis](#)

GM Cabs welcomes the Tribunal's focus on WATS and the NSW Government's recent moves to strengthen both funding and training and include the Taxi Industry in Training development. We hope that the training currently being developed is made available to Industry for free.

[Receipts](#)

The benefits of making receipting more widespread seem obvious. Any reference to mandating receipts, however, needs to take into account some of the anti-competitive effects which result from NSW contracting a single supplier to provide TTSS and related receipts despite there being multiple pieces of equipment in the taxi. We need to ensure that a receipts regulation does not grant a for-profit payments system monopoly if a supplier with dominant market share in the meter market declines to supply or provide tech access to any newly mandated tolling data with any other manufacturer and is not forced to do so. No one wants to have more than one taxi meter in a vehicle but that may be the logical end state from all the above.

In addition, since TfNSW and Point to Point no longer issue a government authority to Taxi Drivers (unlike other jurisdictions) some clarity around driver ID will be required in any new regulation.

Prior to any regulation –further consultation should occur with multiple industry providers to allow standards to be achieved by all suppliers.

In addition, we would expect in 2025 that electronic receipts (e.g., text and email would be acceptable and included both for reasons of technology and environmental impact.).

Our view is that several additional components are being supplied by some suppliers already (e.g., route maps emailed to passengers), and these additional information items are likely to grow as benefit offerings rather than being part of a mandate.

Fixed Airport Fares

We have previously made formal and verbal submissions on this issue. Several other Industry commentators have questioned the dollar amount suggested. We do not feel price deflation ex Sydney Airport should be used as a mechanism for managing airport related issues. This is especially true in the context of a long overdue and demonstrably necessary income increase for drivers. We argue that an increase is an obvious and easy way to achieve that increase in driver compensation

Fixed fares are better understood when tolls are included but given that tolls plus airport fees on an Eastern Distributor trip represent 25% of the total Fare, at times when limited work is available to drivers generally, there may be incentive effects to avoid tollways. This can disadvantage passengers.

As a practical matter - 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 any such trip can be suitably tracked - meter on and meter off - for levy, lost property and better understanding the outcomes of new Airport to City trial.

Airport waiting behaviours

There is a suggestion in IPART material that reducing drivers waiting at Sydney Airport is a desirable outcome that can be achieved by downward pressure on fares. We question this assumption.

Sydney Airport has recently increased the amount of space allocated to Parking (including Valet) and has expressed a desire to *rebalance* the amount of space between the space for Taxi and Rideshare. The commercial choices of the Airport are regulated by other agencies – but it does increase passenger charges regularly.

We ask IPART to assume that Taxi drivers are rational actors and are travelling to or waiting at the airport for a range of reasons which may not be clear to the general public. Inter alia:

- A well-known and understood amount of work.
- Typical fares are higher priced trips than others.
- Interaction with other drivers of similar backgrounds in what can be an extremely isolating occupation.
- The ability to have a coffee, a meal break or stop for a bathroom break without being questioned.

Other than anecdotes relating to grumpy drivers telling passengers I waited... for this trip – there is no real evidence that airport queues are a *cause* of overcharging, as opposed to a small number of rogue elements preying on tourists or other passengers with language limitations. As has been stressed elsewhere – any increase in overcharging for rank and hail trips corresponds with the introduction and matches the prevalence of surge pricing in rideshare vehicles.

Many ways exist to manage airport holding bay waiting and utilisation, from space allocation to kerbside space for *local* trips to short fare rights of return to improved communication with taxi networks.

Information is provided to drivers already at the holding bay – but a driver is already there. (She or he may have dropped a passenger). This information once a driver is already at the terminal is of less value than before a vacant driver drives to the Airport.

Technical Interfaces have been discussed at various times so that taxi booking companies can advise drivers of estimated wait times or % occupancy of holding bay. This goal should be pursued regardless of other outcomes. (They have been suggestions that WSI airport may do this upon opening). We urge the adoption of all these measures rather than price stagnation or deflation as a blunt tool to modify driver behaviour, in an industry where drivers are poorly remunerated in general.

Maxi Rates

The recommendation for a higher Fixed Fare from Sydney Airport for Maxi Taxis (Taxi Vehicles carrying 5 or more passengers - or specifically requested for luggage such as sailboards is understandable and welcomed. It may however come with unintended consequences:

- There will be a requirement to clarify whether this approach can be used ex locations other than at the Airport. A Maxi vehicle driver can now manually set this giving rise a source of overcharging complaints. (Drivers with option of Maxi Taxi rates setting them when they are not appropriate e.g. with a single tourist).
- Vehicles entirely inappropriate for Maxi travel try to be recorded as Maxis e.g. small 5-seater hatchbacks

The Road ahead

We agree that a return to a regular index-based review is the best way of both giving drivers and the industry hope in the light of years of no increase against cost of living rises as well as a path into the future. We note that this is the approach taken in most jurisdictions and strongly welcome this in NSW.

There are significant costs for those many parties who actively engage with IPART (GM Cabs supplies personnel to hearing, data upon request and submissions). It goes without saying that there is cost to IPART and Government. There is also a significant delay whilst IPART works through lengthy processes.

An emerging issue for rank and hail fares is reliability of the taxi meter to reflect the regulated fare as new providers of smart meters emerge. An on road audit regime remains a desirable support to this regulation as type approval is insufficient.