

Taxi Fares

Introduction

This Information Bulletin provides details on different aspects of taxi fares, such as the history and current methods on how fares are set, the different rates of taxi fares, when a fare may need to be prepaid and if you pay a taxi fare using a non-cash payment method i.e. credit card, how much the maximum surcharge will be.

How Taxi Fares are Determined

Previous Fare Determination – Basket of Costs Model

Previously the Department of Infrastructure, Planning and Logistics completed a taxi fare review using a Basket of Costs model. This model, which was in use since the 1990s, took into account the costs incurred in operating a taxi with all identifiable costs included for consideration. The model recognised changes in fixed and variable costs of operating a taxi in the Northern Territory. Petrol, driver salary, maintenance labour, vehicle parts and panels, cleaning and tyres were considered as variable costs. Vehicle lease costs, insurance, government charges, network fees, plate lease fees and establishment costs were considered fixed costs. The model did not consider income in the calculation.

The Basket of Costs model taxi fare determination process was complex, time consuming and required significant buy-in from taxi operators and key stakeholders to provide detailed costing information.

Based on this and as part of the 2015 Commercial Passenger Vehicle Industry Review a detailed comparison of the impact of a fare review process, using both the Australian Consumer Price Index (CPI) and the Basket of Costs methodologies was undertaken. This comparison demonstrated little significant difference in fare outcomes and a new simpler fare determination was implemented in 2016.

New Fare Determination – Australian Consumer Price Index (CPI)

From 2016, the Northern Territory Government moved from the complex Basket of Costs model to the Australian Consumer Price Index (CPI) to determine taxi fares.

The CPI measure is an important Australian economic indicator. It provides a general measure of changes in prices of consumer goods and services purchased by Australian households. CPI figures are produced by the Australian Bureau of Statistics (ABS) for each quarter and are compiled according to international standards based on robust data collection and compilation methodology.

To ensure the new fare setting methodology does not increase fares to the extent that taxis are no longer an affordable transport option, a full comparison of fares (every three years) using the previous Basket of Costs methodology be conducted and fares adjusted accordingly if necessary.

Annual Review of Taxi Fares

Taxi fares will be reviewed on an annual basis using ABS CPI September quarterly figures and will come into effect by the end of each year.

How Taxi Fares are Calculated

Depending on when a taxi is used will determine the cost of the trip. Different rate charges apply depending on the time of day, if it is a weekend or public holiday and how many people travel in the taxi. Charges can vary depending on where you live in the Northern Territory.

If the journey involves multiple hirers with more than one drop-off point the driver will ask if you wish to split the fare. If you agree this means each passenger will only pay 75% of what the actual fare would have been if you travelled by yourself. For further information refer to CPV *Information Bulletin CPV24 - Taxi Multiple Hire*.

If you are travelling with a group of five or more people you will be charged a high occupancy tariff. There are two charges depending on what time and day of the week you are travelling.

If you travel 6 pm to 6 am Monday to Friday, on weekends or on public holidays the fare is increased. Refer to the Department of Infrastructure, Planning and Logistics' website for a full list of each region's fare indicators.

There are six different fare rates that taxis use. Please note a rate may also be called a tariff.



Rate / Tariff 1 (daytime rate) is for a journey from 6 am to 5:59 pm Monday to Friday (times are also the same for rates / tariffs 3 and 5).

Rate / Tariff 2 (night and weekend rate) is for a journey from 6 pm to 5:59 am Monday to Friday, and all day Saturday, Sunday and Public Holidays (times are also the same for rates / tariffs 4 and 6).

Rates / Tariffs 3 and 4 are called **Multi Hire** rates and may be used when there are two separate groups of people starting at the same place but going to different destinations (in the same general direction).

Rates / Tariffs 5 and 6 are called **High Occupancy** rates and may only be used when there are five passengers or more plus the driver in the taxi.

What the Lights on top of a Taxi Mean

All taxis have a dome light and two tariff indicator lights on the top of the vehicle. The tariff indicator lights show the taximeter has been engaged and which rate is being charged by the driver. For further information refer to the 'How Taxi Fares are Calculated' section.

The dome light and two tariff lights on top of a taxi all have meanings. A quick guide is below.

Taxi Lights	Services	Illustration
Dome light on and amber tariff lights off	Taxi is vacant and available for hire.	
Dome light and amber tariff lights off	Taxi is not available for hire.	
Dome light off and both amber tariff lights on	Taxi is in use. (Rate 1) daytime from 6 am to 6 pm Monday to Friday.	
Dome light off and the driver side amber tariff light on	Taxi is in use. (Rate 2) from 6 pm to 6 am Monday to Friday including weekends and public holidays.	
Dome light off and the passenger side amber tariff light on	Taxi is in use. (Rate 5) High Occupancy hiring being five or more passengers.	

Taximeters

All taxis have a taximeter fitted, which must be turned on (engaged) in a taxi area when passengers are in the taxi. An example of a taximeter used in the Northern Territory can be found under the section 'How Taxi Fares are Calculated'.

A taximeter is a mechanical, electrical or electronic instrument which records and displays information about taxi fares and hiring charges. For further information refer to *CPV Information Bulletin CPV08 – Taximeter and Roof Signs*.

Declared Taxi Areas

A driver may only operate their taxi in the area specified in the licence issued to that vehicle i.e. a Darwin taxi can only operate in Darwin.

There are three main journeys that can take place within a taxi area and each has individual rules when using a taximeter and charging fares.

1. Operate only within a taxi area

The driver must operate the taximeter on the correct rate for the entire journey.

2. Operate partly in a taxi area

The driver must operate the taximeter for the portion of the journey inside the taxi area and the passenger may negotiate a fare for the portion of the journey outside the taxi area. The driver has the option of using the taximeter and charging a fare up to the total value of the meter at the end of the journey.

3. Operate outside the taxi area

The driver does not have to use the taximeter. The passenger may negotiate a fare before the start of the journey. The driver has the option of using the taximeter and charging a fare up to the total value of the meter at the end of the journey.

Prepaid Taxi Fares

Fare evasion continues to be a consistent problem in the Territory. Currently taxi drivers do have the right to refuse a fare if the passenger is unable to demonstrate a capacity to pay. This right of refusal is not effective and fare evasions frequently occur.

When do prepaid fares have to be paid?

The taxi driver can ask for prepayment of a fare every Friday and Saturday night between 10 pm and 5 am Territory wide. If the passenger refuses to prepay a fare on the request of the driver, the driver has a right to refuse to transport them.

The only exemptions to this are airport pickups and members of the Transport Subsidy Scheme.

How do Prepaid Fares work?

Before the Trip Begins

The taxi driver will estimate how much the fare will cost at the start of the trip using the Estimated Fare Schedule. The schedule is based on distance i.e. 5 km, 10 km and so forth. Refer to the section 'How to Estimate Fares using an Authorised Fare Schedule' for more information.

If a prepayment is required, the passenger must pay the driver the corresponding amount from the Fare Estimator.

If a prepayment is paid, a driver is required to provide a receipt for the amount processed.

Vouchers (such as CabCharge) should be made known to the driver at the beginning of the trip; the driver can ask the passenger for an alternative means of payment (such as cash or card) until the voucher can be successfully processed.

Drivers have the right to refuse a passenger or terminate a trip if the passenger does not wish to prepay the fare on request by the driver.

At the End of the Trip

The taximeter displays the fare. If the final taximeter reading is less than the prepaid amount, then the driver must refund the difference.

If the total taxi fare is more than the prepaid amount, then the passenger must pay the balance to the driver.

Note: Final adjustment of the fare is based on the metered amount and any authorised additional charges, not the estimated amount.

Penalties apply to both the driver and passenger if they do not refund or pay the correct amount.

How to Estimate Fares using an Authorised Fare Schedule

A Schedule of Estimated Prepaid Fares for a Taxi Trip will be available in every taxi across the Northern Territory (refer to the example provided). The Schedules will also be available online on the Department of Infrastructure, Planning and Logistics' website.

The schedule is based on 5 kilometre distance lots. For example if a Darwin passenger wants to travel approximately 25 kilometres to their destination the deposit will be \$53. At the end of the trip the taximeter displays \$56; the passenger will be required to pay an additional \$3 to the driver.


Estimates may vary from actual fare costs depending on road and traffic conditions and route taken. The estimate is not a negotiated amount and the prepayment does not represent an agreed amount for the trip. All fares are to be paid based on the metered amount and any authorised additional charges.

Schedule of Estimated Prepaid Fares for a Taxi Trip
Friday and Saturday nights - 10 pm to 5 am
Darwin and Palmerston Taxi Area

Distance	Up to 4 Passengers	5 or more Passengers
	Estimated Fare	Estimated Fare
5 km	\$15	\$20
10 km	\$24	\$34
15 km	\$34	\$48
20 km	\$43	\$62
25 km	\$53	\$76
30 km	\$62	\$90
35 km	\$72	\$105
40 km	\$81	\$119

Exemption from Prepaying a Taxi Fare
- All airport pick ups
- Taxi Subsidy Scheme Members

Approved by the Director Commercial Passenger (Road) Transport
1 October 2016

Department of Transport
NORTHERN TERRITORY GOVERNMENT

Receipts

A taxi driver must supply a receipt if any fare amount is paid when requested by a passenger. Penalties apply if the driver refuses to provide a receipt.

What happens if there is a Problem

If you experience a problem please contact the Compliance Unit of the Commercial Passenger Vehicles Branch on:

Email: cpv.compliance@nt.gov.au

Phone: 8924 7580

Online: www.transport.nt.gov.au/contact/website-feedback-form

Decals

Prepaid taxi fare labels are to be displayed on the bonnet of each vehicle. Please refer to the example provided. Further details on the manufacturing specifications can be found in the Northern Territory Taxi In-Service Vehicle Maintenance Standards available on the Department's website.

Prepaid Fares
Fridays & Saturdays 10pm-5am

Surcharges on Non-Cash Payments

From 1 October 2016 the electronic payment surcharge has reduced from 10% to a maximum of 5% (including GST).

An electronic payment and non-cash payment surcharge is the fee which is incurred when a passenger uses a credit, debit or charge card, manual voucher, e-ticket or smartphone apps to pay for the taxi fare.

How is the Surcharge Calculated

The 5% surcharge is the maximum amount that can be charged on top of the fare and is inclusive of GST. The below example demonstrates how the electronic surcharge fee is applied.

Previous surcharge of 10% plus GST		New maximum surcharge of 5% including GST (01/10/2016)	
Fare	\$100	Fare	\$100
Surcharge 10% (GST exclusive)	\$10	Surcharge 5% (GST inclusive)	\$5
GST on surcharge	\$1		
Total Fare	\$111	Total Fare	\$105

Important

This Information Bulletin is a guide only and contains general information and requirements in relation to the CPV industry. This document should not be regarded as a strict interpretation of Northern Territory law and In-Service Vehicle Maintenance Standards.

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