



INDEPENDENT CONSUMER & COMPETITION COMMISSION

## PUBLIC NOTICE

### PUBLIC MOTOR VEHICLE (PMV) AND TAXI FARE REVIEW ISSUES PAPER

#### NOTICE PURSUANT TO SECTION 25B OF THE PRICES REGULATION ACT

The Public Motor Vehicle (PMV) and taxi services are declared services for the purpose of price control under *Sections 10 and 21 of the Prices Regulation Act, Chapter 320 (PR Act)*. In accordance with the PR Act, the Independent Consumer and Competition Commission (**ICCC**) is responsible for setting the PMV and taxi fares for all approved and designated routes in the country.

#### ***Purpose of the PMV & taxi fare Review***

The current regulatory arrangements for PMV and taxi fares will expire on 31<sup>st</sup> December 2025. The ICCC is required under Section 25A (6) of the *PR Act* to undertake a pricing Review of the PMV & taxi fares (Review).

The principal objective of this Review is to determine whether to continue with the current regulatory arrangement, vary or terminate. If the current arrangement is to be continued, then the review has to determine the appropriate fares for all the approved routes throughout PNG for the next regulatory period (2026-2030). Some of the broader issues that will be considered as part of this Review will include but are not limited to the following:

- a) Review the current structure of the PMV and taxi industry in PNG;
- b) Identify any competition issues in the PMV & taxi industry. This will include the impact of the introduction of premium PMV services such as Ginigoada Meri safe buses (women only service) on existing PMVs routes;
- c) Determine the efficient costs for owning and operating PMVs and taxi in PNG. This includes taking into consideration the average cost of a typical motor vehicle used for PMV & taxi services based on the range of vehicles used, average depreciation costs, average passenger capacity (for PMVs only) and average operating costs;
- d) Estimate an appropriate return on investment for PMV and taxi owners, appropriate expenditure allowance, and regulatory depreciation forecasted over the next regulatory period;

- e) Using a building block approach, or any other appropriate methods, determine the appropriate revenue requirements or economic costs in the next regulatory period for PMVs and Taxis, respectively;
- f) Based on the revenue requirements or economic costs and a forecast passenger volume for PMVs, determine the appropriate fares (per kilometre fare and/or zonal fare) which will be used to re-set the base fare for all the approved urban and non-urban routes in the country;
- g) Based on the revenue requirements or economic costs and a forecast passenger volume for Taxis, determine the appropriate fare (per kilometre fare) and flag fall rate; and
- h) Consider all other issues relevant for this review but not limited to the effective enforcement of PMV and taxi fares, and the need to comply with safety and service standards.

### ***Review Timeframe and Deliverables***

The tentative timeframe for the Review is as follows:

<b>Review Stage</b>	<b>Tentative Date</b>
Release of Public Notice	07 <sup>th</sup> March 2025
Close of Receipt of comments on the Public Notice	20 <sup>th</sup> June 2025
Release of Draft Report	31 <sup>st</sup> August 2025
Close of comments on the Draft Report	19 <sup>th</sup> September 2025
Release of Final Report	31 <sup>st</sup> October 2025

### ***Public and Stakeholder Consultation***

The ICCC endeavors to conduct this Review in an open and transparent manner before making its final determinations. Thus, the ICCC encourages the general public, interested stakeholders, relevant government agencies and PMV and taxi owners to participate in this Review process by providing comments or written submissions on the issues outlined in this Public Notice. The ICCC will consider all relevant information provided in this Review.

Consistent with *Section 131 of the ICCC Act*, all submissions received will be treated as public information unless certain information is designated as “confidential”. Where information is considered to be commercially sensitive; this must be clearly marked “confidential”.

All enquiries on this Review should be forwarded to the Prices Regulation Division on the telephone number 312 4600 or on email [tvue@iccc.gov.pg](mailto:tvue@iccc.gov.pg).

Authorised by:

A handwritten signature in blue ink, appearing to be a stylized 'PAULUS AIN'.

**MR. PAULUS AIN**

*Commissioner and Chief Executive Officer*

07<sup>th</sup> March, 2025