Contents

[1. Introduction 3](#_Toc465851292)

[2. Regulatory responsibilities and accountabilities 6](#_Toc465851293)

[3. Key regulatory requirements 9](#_Toc465851294)

[3.1 Taxi and hire vehicle licensing 9](#_Toc465851295)

[3.2 Tariff regulation 11](#_Toc465851296)

[3.3 Passenger transport service operator accreditation 13](#_Toc465851297)

[3.4 Public passenger vehicle driver authorisation 14](#_Toc465851298)

[3.5 Mandated vehicle standards and equipment 15](#_Toc465851299)

[4. Regulatory costs 17](#_Toc465851303)

# Introduction

In Tasmania, the taxi and hire vehicle industries are regulated under a complex matrix of primary and subordinate legislation (which includes regulations, and statutory rules etc.)

The principal *Acts of Parliament* that govern the operation of the taxi and hire vehicle industries are the:

1. ***Taxi and Hire Vehicle Industries Act 2008;***
2. ***Passenger Transport Services Act 2011; and***
3. ***Vehicle and Traffic Act 1999.***

A suite of detailed regulations set out how the framework established by primary legislation actually operates at a practical, operational level.

Table 1 summarises the current Tasmanian legislative and regulatory framework.

### Table 1: Legislative and regulatory snapshot

| **Legislative or regulatory instrument** | **Key provisions** |
| --- | --- |
| *Taxi and Hire Vehicle Industries Act 2008* | * Establishes taxi and hire vehicle licensing regime, including licence categories and taxi areas. * Controls supply of new taxi licences under an annual release process. * Empowers the Commissioner for Transport to establish and enforce the various conditions and requirements of licences including the setting of fees, which are detailed in regulations. * Makes it an offence for a person to hail a vehicle on a public street unless the vehicle is a taxi. * Makes it an offence for a taxi or hire vehicle to solicit for trade on a public street. * Establishes power to make regulations with respect to a broad range of matters relating to each segment of the industry. See *Taxi Industry Regulations 2008,* *Luxury Hire Car Industry Regulations 2008* and *Restricted Hire Vehicle Regulations 2013* below. |
| *Passenger Transport Services Act 2011* | * Defines what comprises a ‘passenger transport service operator’. * Establishes the requirement for all passenger transport service operators to be accredited, unless they are exempted by the Commission. * Empowers the Commissioner for Transport to establish and enforce the conditions and standards of operator accreditation. |
| *Vehicle and Traffic Act 1999* | * Establishes requirement for the driver of a public passenger vehicle to hold an ancillary certificate. * Empowers the Registrar of Motor Vehicles to establish and enforce the conditions and requirements of ancillary certificates by way of regulations for the licensing scheme. * Establishes head of power to make regulations on a range of matters, including driver licensing and registration. |
| *Road Safety (Alcohol and Drugs) Act 1970* | * Requires public passenger vehicle drivers to have a zero blood alcohol concentration when they are providing a passenger service. |
| *Road Rules 2009* | * Establishes the rules that apply to all road uses, including those operating public passenger vehicles. * Prohibits vehicles other than taxis using taxi ranks. |
| *Economic Regulator Act 1998* | * Provides that the Economic Regulator may, at the request of the Minister, undertake investigations into taxi fares. |
| *Public Health Act 1997* | * Makes it an offence to smoke in a vehicle that is being used in the course of employment if another person is in the vehicle. |
| *Workers Rehabilitation and Compensation Act 1988* | * Provides that drivers are taken to be ‘employees’ for the purposes of workers’ compensation. Responsible operator of a service must provide appropriate workers’ compensation for their drivers, except in the case of self-employed owner-drivers. |
| *Vehicle and Traffic (Driver Licensing and Vehicle Registration) Regulations 2010* | * Sets out the processes, eligibility requirements, limitations and conditions with respect to the application for, issuing and holding of an ancillary certificate to drive a public passenger vehicle. These matters fall under the control of the Registrar of Motor Vehicles. * Sets out the vehicle inspection program for public passenger vehicles, overseen by the Registrar. |
| *Taxi Industry Regulations 2008* | * Prescribes matters of detail in relation to the practical operation and administration of the taxi licensing regime, including fees. * Prescribes in detail the standards and requirements for vehicles that are used as taxis – including vehicle types, licence plates, signage, taximeters, and security cameras. * Establishes maximum taxi fares and charges, and prescribes requirements for how fares are to be calculated and charged. * Prescribes duties of taxi drivers, including circumstances in which a hiring must not be refused. * Provides for a trip subsidy to be paid to wheelchair accessible taxi licence holders for the carriage of specified passengers who use a wheelchair. |
| *Luxury Hire Car Industry Regulations 2008* | * Prescribes matters of detail in relation to the practical operation and administration of the luxury hire vehicle licensing regime, including fees. * Prescribes in detail the standards and requirements for vehicles that are used as luxury hire vehicles, including age and type of vehicle, licence plates, logbook-keeping. |
| *Restricted Hire Vehicle Regulations 2013* | * Prescribes matters of detail in relation to the practical operation and administration of the restricted hire vehicle licensing regime, including fees. * Prescribes in detail the standards and requirements for vehicles that are used as luxury hire vehicles, including age and type of vehicle, licence plates, logbook-keeping. |
| *Taxi and Hire Vehicle Industries  (Review of Decisions) Regulations 2010* | * Prescribes the process for a person affected by an administrative decision made by the Commission to apply for a review of that decision. |
| *Vehicle and Traffic (Review of Decisions) Regulations 2010* | * Prescribes the process for a person affected by an administrative decision made by the Registrar to apply for a review of that decision. |
| *Economic Regulator (MAIB Premiums) Order 2013* | * Establishes vehicle classes and premiums for compulsory third party insurance purposes. |

# Regulatory responsibilities and accountabilities

In Tasmania, there are five clearly identifiable entities within the small commercial passenger services industry that are subject to obligations and responsibilities imposed by regulation, namely:

1. service operators;
2. licence owners, holders and lessees;
3. drivers;
4. booking and dispatch services; and
5. registered operators.

In some cases these entities and roles may overlap; for example where a service operator is also a vehicle owner and driver. The broad regulatory responsibilities that currently apply to each of these entities are summarised in Table 2, below.

### Table 2 - Industry entities and key regulatory responsibilities

|  | **Entity and role** | **Key regulatory responsibilities** |
| --- | --- | --- |
| 1. | Service operators | * The primary entity for the purposes of the Tasmanian regulatory framework. * The Tasmanian operator accreditation regime does not distinguish between multiple vehicle / multiple driver operators and single vehicle operators with respect to the requirements and standards that must be met. * All operators are required to be accredited. Accreditation is also required in order to obtain or lease / hold all types of taxi licence and any hire vehicle licence with the exception of perpetual taxi licences. * Once accredited, a range of compliance obligations are placed on the operator, which revolve around having systems in place for managing risk and ensuring the safe operation of the service. |
| 2. | Licence owners, holders and lessees | * The concept of a licence holder (or owner with respect of a perpetual taxi licence) exists principally as a function of the licensing regime. * Minimal regulatory obligations with respect to the operation of the service are actually attached to the licence holder *per se*. The Tasmanian framework regulates the activities of licence holders principally in their capacity as responsible operators. * A licence may only be used to provide a service by a responsible operator, who must also be accredited with respect to the provision of a passenger transport service. * A perpetual taxi licence is the only category of licence where the owner does not have to be the responsible operator. Consequently, a number of perpetual taxi licence owners are not actively involved in the provision of a taxi service and lease their licences to accredited taxi service operators. |
| 3. | Drivers | * Drivers can only carry passengers for financial reward as part of an accredited passenger transport service that is operating under the authority of an appropriate licence. * All taxi and hire vehicle drivers must hold an ancillary certificate to drive a public passenger vehicle. * There are minimum eligibility requirements for obtaining an ancillary certificate (age, period of time driver licence held). In addition, the ancillary certificate application process requires medical, police, working with children checks and a knowledge test. * Taxi drivers have a further requirement to complete a training course before being issued with an ancillary certificate. * Drivers are personally responsible for complying with all ‘on-road’ legislative and regulatory requirements – including the road rules, not standing at taxi ranks if not a taxi, zero blood alcohol whilst operating a service, accepting assistance animals, no soliciting / touting. |
| 4. | Booking and dispatch services (including radio rooms, phone and online booking services). | * Unlike a number of other Australian jurisdictions, booking services are currently not subject to any specific authorisation or accreditation regime in Tasmania. * These services are not regulated as in the past it has been considered that the costs of doing so (in particular the imposition of an extra layer of regulation) would outweigh the benefits. * Regulation is limited to ‘taxi dispatch services’ (strictly defined) being required to provide any information required by the Transport Commission to support the effective administration of the *Taxi and Hire Vehicle Industries Act 2008*. This does not apply to booking services for other (non-taxi) hire vehicle services, including ride-sourcing booking services like Uber. * Taxi radio rooms and cooperatives are required by the *Disability Discrimination Act 1992* to ensure that response times for accessible vehicles are the same as for other taxis. This is a requirement of the Australian Government. |
| 5. | Registered operators | * The Tasmanian regulatory framework does not recognise vehicle *owners* as a relevant entity for regulatory purposes. * The vehicle owner and operator may be the same individual or company in many instances, but ownership in and of itself does not attract any specific form of regulatory control under the current framework. * Responsibility for compliance with all relevant vehicle standards in relation to a passenger transport service ultimately falls to the service operator. |

# Key regulatory requirements

## 3.1 Taxi and hire vehicle licensing

In Tasmania, the supply of licences allowing the provision of taxi and hire car services is subject to significant regulatory control by the Government.

In simple terms, the licensing regime does three things:

1. It delineates and differentiates service types based on certain criteria and prescribed standards (for example taxis, luxury hire car and restricted hire vehicle);
2. It limits the supply of standard taxi licences in each designated ‘taxi area’; and
3. It sets the price for acquiring certain licence types.

The supply of taxi licences (except Wheelchair Accessible Taxi licences) is restricted at two levels – the number of total taxi licences available in Tasmania and the total number of standard licences available in each prescribed geographic taxi area.

The current licensing regime provides for four separate taxi licence categories:

1. **Perpetual taxi licences (PTLs)** - PTLs are a ‘legacy’ licence category meaning no new PTLs may be issued, but they may be freely sold on the market, or leased to accredited operators.
2. **Owner-operator taxi licences (OOTLs)** - OOTLs were introduced in 2008 as part of the last review of the taxi and hire vehicle legislation. OOTLs are also subject to supply controls – (i.e. a limited annual release process). OOTLs may only be operated by the accredited operator that holds that licence. OOTLs may be traded but only to an accredited operator and with the approval of the Transport Commission.
3. **Wheelchair accessible taxi (WAT) licences** - WAT licence numbers are uncapped and are issued at the cost of processing and administration (currently just over $150), to act as incentive to provide WAT services. The major entry cost for WATs is associated with the procurement of a suitable vehicle. As with OOTLs, WATs may only be operated by the accredited operator that also holds the licence.
4. **Temporary taxi licence** (TTL) – a TTL has the effect of an OOTL, but is issued on a temporary basis at the discretion of the Commission. Very few TTLs have been issued.

Minimal regulatory obligations with respect to the safe and proper operation of a service are actually attached to the licence holder (or owner in the case of a perpetual licence) *per se.* These obligations principally attach to the role of responsible operator. A licence may only be used to provide a service by a responsible operator, who must also be accredited with respect to the provision of a passenger transport service.

It is an offence to operate a taxi or hire vehicle service without the relevant licence. The licensing regime works on a ‘one licence per vehicle’ basis. That is, the operation of multiple vehicles requires multiple licences. However, there is no limit on the number of licences a person can hold.

There are currently 618 taxi licences in operation across Tasmania. 25 taxi licences were issued in Tasmania in 2015 – seven WAT licences and 18 OOTLs.[[1]](#footnote-1) Licence numbers by type and distribution are shown in Table 3, below.

### Table 3: Tasmanian taxi licence numbers, August 2016

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Taxi area** | **Perpetual taxi licences (PTL)** | **Owner operator taxi licences (OOTL)** | **Wheelchair accessible taxi licences (WAT)** | **Total** |
| Break O'Day | 3 | 0 | 0 | 3 |
| Bruny Island | 1 | 0 | 0 | 1 |
| Burnie | 20 | 0 | 0 | 20 |
| Central Highlands | 0 | 0 | 0 | 0 |
| Circular Head | 5 | 0 | 0 | 5 |
| Devonport | 23 | 4 | 10 | 37 |
| Dorset | 3 | 0 | 0 | 3 |
| George Town | 5 | 0 | 0 | 5 |
| Glamorgan / Spring Bay North | 0 | 0 | 0 | 0 |
| Glamorgan / Spring Bay South | 1 | 0 | 0 | 1 |
| Flinders Island | 0 | 0 | 0 | 0 |
| Hobart | 228 | 89 | 50 | 367 |
| Huon Valley | 5 | 3 | 1 | 9 |
| Kentish | 0 | 0 | 0 | 0 |
| King Island | 1 | 0 | 0 | 1 |
| Launceston | 101 | 3 | 20 | 124 |
| Meander Valley | 2 | 0 | 0 | 2 |
| New Norfolk | 9 | 0 | 0 | 9 |
| Penguin | 2 | 0 | 0 | 2 |
| Perth | 8 | 5 | 0 | 13 |
| Tasman | 1 | 1 | 0 | 2 |
| Ulverstone | 7 | 2 | 2 | 11 |
| West Coast | 2 | 0 | 0 | 2 |
| West Tamar | 2 | 0 | 0 | 2 |
| **Total** | **429** | **107** | **83** | **619** |

The supply of luxury and restricted hire vehicle licences is unrestricted and they can be purchased at any time. Unlike taxi licences, these licences are not restricted to a specified geographic area. The cost of a luxury or restricted hire vehicle licence is generally lower than a taxi licence. For example a luxury hire vehicle licence is $5000, compared to a taxi licence in Hobart, which has a reserve price of $60 000.

On the other hand, an operator wishing to acquire or operate under the authority of a taxi licence has only three options:

1. **purchase or lease an existing PTL from another licence owner;**
2. **Apply to purchase an OOTL through the annual Government taxi licence release process, or acquire a licence from another operator (with approval of the Commission); or**
3. **Apply to purchase a WAT licence from the Government or an existing licence owner.**

Legislation requires the Transport Commission to release every year a certain number of owner-operator taxi licences for each of the State’s 24 taxi areas. The number of licences made available is set at five per cent of the number of standard taxi licences already on issue in the relevant, area or one licence, whichever is greater. Licences are initially made available for sale by tender. At the conclusion of the tender, any unsold licences are available for purchase from the Commission at the reserve price. The licences remain available for sale until the next year’s tender is called, at which time they are withdrawn.

Licence reserve prices are fixed by legislation. Reserve prices were set below the ‘assessed market value’ (AMV) of perpetual licences in 2006 to reflect the additional conditions and restrictions on OOTLs. In Hobart, the reserve price is 50 per cent of the 2006 AMV. In many regional taxi areas it is 100 per cent (or as low as $1000 in some areas).

The costs of obtaining a licence, in particular a perpetual taxi licence in a metropolitan area, can be significant. For example, Hobart transfers of up to $150 000 have been reported to State Growth, and in Launceston where the reserve price of an owner-operator licence is $35 000, recent trades of PTLs have been reported in the order of $80 000 to $100 000.

## 3.2 Tariff regulation

In Tasmania, standard taxi fares are regulated by the Government. Luxury Hire Care and Restricted Hire Vehicle tariffs are unregulated and are set by individual operators.

The broad rationale for regulating taxi tariffs is to protect the interests of consumers by:

* reflecting the efficient cost of providing the service;
* protecting consumers from the abuse of market power;
* ensuring that there are no cross-subsidies between groups of customers;
* allowing a standard of service, including availability and safety, that consumers are willing to pay for; and
* providing incentives for the industry to improve efficiency.

Regulated tariffs also establish an agreed fare basis for travel for the purposes of government-subsidised programs such as the Transport Access Scheme, Tasmania, which provides taxi fare concessions to eligible members.

Maximum regulated tariffs are intended to operate as a ‘fall-back’ for customers. In other regulated industries, like electricity retailing, companies will often compete for customers by offering discounts under the regulated maximums.

However, in the Tasmanian taxi industry, there is currently very little if any evidence of price competition between taxi operators.

Maintaining industry viability is sometimes cited as a desired outcome of tariff regulation. However, from a strict regulatory perspective, viability is only important insofar as it ensures that customers will receive a service that meets their needs.

If regulation is efficient and tariffs are set at the ‘right’ level, then industry should remain viable because it will be able to cover its efficient costs and also make a return that mirrors that of a competitive market outcome.

In Tasmania, there are four main tariff rates applying to:

1. taxis in the Hobart, Launceston, Burnie, Devonport, Perth, Ulverstone and West Tamar taxi areas where taxis are required to have security cameras installed;
2. taxis on King and Flinders Islands;
3. taxis in all other taxi areas; and
4. Wheelchair Accessible Taxis when a wheelchair endorsed member of a taxi concession scheme is being carried.

Regulations also allow for a range of extra charges on top of the standard fares, including:

* A $2.60 surcharge for journeys originating outside of Burnie, Devonport, Hobart or Launceston taxi areas between the hours of 12.30 a.m. and 5.00 am;
* a 10 per cent credit card surcharge;
* a ‘befouling’ fee of up to $70; and
* the pass-through of any legitimate fee and/or toll incurred as part of the journey.

Taxi tariffs are reviewed periodically, generally at the specific request of the industry, and are based on an historical operating cost model established by State Growth, in consultation with the industry. The most recent schedule of fares came into effect in January 2014. Previous fare increases were granted in 2008 and 2011.

In 2008, the Tasmanian Economic Regulator was given the statutory power, where requested, to inquire into and report to the Transport Commission on appropriate methodologies in respect of setting taxi fares. The intention was to put in place a more transparent and regular process by which fares could be set, reviewed and amended.

The Regulator undertook an inquiry in 2012 and recommended a staged approach to improving the methodology and process for setting taxi fares, which would see:

* a revised set of cost weightings and indexation factors used for calculating maximum standard fares
* the Regulator take on responsibility for regular (four yearly) pricing investigations into taxi fares, with annual indexation and other adjustments to reflect input cost changes beyond the control of industry such as the price of fuel and changes in taxes
* the application of a zero per cent inflationary factor to taxi plate lease costs when setting regulated tariffs, to reduce the overall impact of this inefficient cost on consumers over time
* consideration of the partial de-regulation of fares, potentially through the use of a weighted average price cap, as opposed to prescribed tariffs.

The Regulator’s recommendations have not been implemented and the fare model has not been formally reviewed since the 2014 increase.

## 3.3 Passenger transport service operator accreditation

The ‘operator’ is the central entity in the Tasmanian taxi and hire vehicle regulatory regime. Accreditation is required in order to obtain OOTL and WAT taxi licences and any hire vehicle licence.

Operator accreditation operates as a consumer protection and safety framework, intended to ensure that passenger transport services, including taxis and hire vehicles, are operated safely and securely, and that the people providing these services are ‘fit and proper people’. Accreditation is also intended to ensure that the operator of a passenger transport service (or nominated Responsible Person) is accountable for the operation of the service overall.

The operator accreditation process requires the applicant to have in place systems that satisfy standards and requirements in relation to:

* administration and record-keeping;
* vehicle management;
* passenger behaviour management and reportable incident management; and
* driver administration.

Once accredited, a range of compliance obligations are placed on the operator, which revolve around the maintenance of systems for managing risk and ensuring the safe operation of the service. Compliance with these systems is enforced via an oversight regime administered by State Growth.

Ongoing and ‘point in time’ checks include:

* scheduled audits of the operators’ business systems and processes;
* vehicle safety checks;
* regular medical checks for drivers and confirmation that their ancillary certificate is still current;
* scheduled National Police Checks;
* random inspections by Transport Inspectorate; and
* investigations by the Commission triggered by evidence of non-compliance or complaint.

The Transport Commission has range of powers available to deal with non-compliance by operators, including:

* probation;
* suspension;
* cancellation;
* requiring additional audits or variation of conditions of accreditation; and
* a requirement to provide the Commission with information / evidence.

## 3.4 Public passenger vehicle driver authorisation

In Tasmania, all public passenger vehicle (PPV) drivers which includes taxi and hire vehicle drivers, must hold an ‘ancillary certificate’, in addition to their driver licence. The ancillary certificate application and approval process is the main instrument through which the Registrar of Motor Vehicles (RMV) ensures that individual drivers are fit to carry passengers on a commercial basis.

Eligibility to hold an ancillary certificate is determined by the RMV, who must be satisfied that the person:

* has reached the age of 20 and held an Australian driver licence for at least 2 years during the previous 3 years or reached the age of 21 and held an Australian driver licence for at least 12 months in the previous 3 years;
* is physically and mentally fit to drive a motor vehicle;
* is competent to drive a motor vehicle of the relevant class;
* has an adequate knowledge of the law governing road traffic; and
* is in other respects a suitable person to hold the licence, including a ‘fit and proper’ person.

There are currently two types of small commercial passenger service PPV ancillary certificate types: ‘Taxi’, which is required to drive a taxi; and ‘Other’ which includes bus drivers, drivers of luxury hire vehicles and drivers of restricted hire vehicles.

The requirements for obtaining a ‘Taxi’ ancillary certificate are more rigorous than for ‘Other’ drivers. To assess eligibility for an ancillary certificate the RMV currently undertakes the following checks upon application by a prospective driver:

*‘Other’ Ancillary Certificate*

* undertake a commercial medical fitness to drive assessment
* undertake a Road Rules and PPV Driver knowledge test
* provide a current National Police Check
* provide current Working with Children Registration (WWCR) details
* complete an application form including a declaration relating to ‘fit and proper’ and past criminal history.

*‘Taxi’ Ancillary Certificate*

In addition to the same requirements as PPV ‘Other’ requirements;

* satisfactory completion of the Australian Qualifications Framework (AQF) Taxi Training Course
* satisfactory completion of a literacy course (usually undertaken as part of the above training).

Ancillary certificates must be renewed annually. The renewal process involves the following checks:

* assessment of renewal application completed by Service Tasmania or State Growth;
* Current WWCR status completed by State Growth; and
* Criminal history check completed by State Growth.

‘Taxi’ ancillary certificate holders are required to undertake a commercial fitness to drive assessment every three years.

Many of the requirements associated with the driver authorisation process are set out in regulations. Therefore, most of the opportunities for improvements discussed below could potentially be achieved without legislative amendment in a relatively short period of time.

## 3.5 Mandated vehicle standards and equipment

The Tasmanian regulatory regime sets minimum vehicle standards, which vary according to licence type.  
**Taxis**

The vehicle and equipment standards that apply to taxis are linked in large part to their need to be readily identifiable to ‘rank and hail’ passengers (for example livery and signage) and their requirement to charge regulated maximum tariffs (for example taximeters).

Vehicle specifications have been progressively wound back over time and no longer cover aesthetic and comfort-based features such as size, and headroom. Further, the Commission no longer approves vehicles for use as taxis. As a consequence, operators are now able to use a wider variety of vehicles than was previously possible. For example, one operator recently introduced the Honda Jazz into their fleet, which might not have not have been approved in the past because of its small size.

The key requirements of a vehicle used as taxi are:

**Vehicle age** - In metropolitan areas (Hobart, Launceston, Burnie and Devonport) a vehicle used on a perpetual or owner operator licence cannot be older than five years when it starts operating as a taxi and cannot operate past eight years of age. In all other taxi areas a vehicle cannot be older than seven years when it starts operating as a taxi and cannot operate past 10 years of age.

**Seating and doors** - the vehicle must have an access door adjacent to each outboard seat; that is a vehicle where the passenger has to fold back the front seat to get into the back cannot be used as a taxi. Taxis are also required to have installed:

* a taximeter that is correctly programmed and sealed
* a taxi roof sign
* tariff indicator lights, which provide a means for a person external to the taxi to know what tariff (if any) it is operating under
* a security camera system (in prescribed taxi areas).

The justification for the older vehicles in regional areas is that it takes longer to recover the purchase cost of the vehicle in areas where there is less demand for taxis.

**Luxury hire cars (LHCs)**

Unlike taxis, the Transport Commission must approve vehicles for use as luxury hire cars against prescriptive criteria that relates to the age, ‘luxury’ status and length/wheelbase of the vehicle.

There are four categories of luxury hire vehicle under which the Commission may approve a luxury hire vehicle – see Table 6, below.

### Table 4 – Luxury hire vehicle categories

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Group** | **Price** | **Wheel base** | **Max age at approval** | **Maximum operating age** |
| A | Equal to or greater than the luxury car tax threshold | 2800 mm | N/A | 7 years |
| B  (stretched version of A) | Equal to or greater than the luxury car tax threshold | 2800 mm prior to stretching | 7 years | 12 years |
| C | Equal to or greater than twice the luxury car tax threshold | 2800 mm | 7 years | 15 years |
| D  (stretched version of C) | Equal to or greater than twice the luxury car tax threshold | 2800 mm prior to stretching | 7 years | 20 years |

These categories and criteria were introduced in 2008 and replaced a system whereby specific makes and models of vehicles that could be used as luxury hire cars were prescribed in the legislation, with the Commission having the ability to approve later models and assign them to the relevant group.

**Restricted hire vehicles (RHVs)**

There are no specifications for RHVs providing a specific service, so long as they pass a vehicle roadworthiness inspection. This means that it is up to the operator to determine the most suitable vehicle to use for their service. There are no age limits on these vehicles. The Commission does not issue an RHV licence to an operator in respect of a specific vehicle, so an operator can move the licence between vehicles depending on the type of service required.

There is also a large number of people movers used under the authority of an RHV-specific licence to provide tours.

However, any vehicle used to provide an RHV-general service must be of an approved type. The *Taxi and Hire Vehicle Industries Act 2008* outlines a range of ‘suitable’ vehicles, including veteran/vintage/classic cars, street-rods and motor cycles, with specifications for some of these categories being prescribed in minute detail.

RHVs of this type are often wedding cars or used for events such as school formals and leavers dinners, or they may be older limousines that are no longer eligible for use as luxury hire cars, due to the age restrictions that apply to those vehicles.

# Regulatory Costs

There are a number of significant costs associated with operating a taxi or hire vehicle in Tasmania. A key aspect of this Review is to ensure that regulatory costs are efficient and do not act as an unreasonable barrier to entry. At face value it appears that there is scope to reduce aspects of the current cost base. Taxi licence costs are, by some margin, the most significant cost for entering and remaining in the market.

### Table 5: Key Tasmanian regulatory obligations and costs

| **Regulatory obligation** | **Service types to which obligation applies** | **Up-front cost** | **Ongoing requirements** |
| --- | --- | --- | --- |
| **Licence** | Taxis, LHCs and RHVs | Taxis  Depends on taxi area and licence type. Reserve price for  Hobart OOTL is $60 000, small regional areas can be as little as $1000  Application fee: $153 | Annual admin fee $670 (Hobart and Launceston), $278 outer regional  Lessees liable for ongoing lease costs |
| **LHC**  $5000, plus $153 application fee | $387 annual admin fee |
| **RHV**  $107 plus $30 application fee | None |
| **Operator accreditation** | All PPV operators, including Taxis, LHCs and RHVs | $700 - $1000 approximately (market rates) | Can be audited if not complying with standards – operator liable for cost |
| **Driver training** | Taxis only | $550 approximately | None |
| **Driver ancillary certificate** | Taxis, LHCs, RHVs and ride-source | $18.36 admin fee | Annual renewal |
| **Working with children registration** | Taxis, LHCs, RHVs and ride-source | $107 (valid for 3 years - $36 per annum) | Requires renewal every three years |
| **Vehicle safety inspection (accreditation regime)** | Taxis, LHCs and RHVs | $100 - $125 approximately (market rates) | Minimum six monthly inspections (or every  10 000 kms) |
| **Vehicle roadworthiness inspection** | Taxis, LHCs, RHVs and ride-source | $100 - $125 approximately (market rates) | Annual for vehicles three years and older |
| **Driver police check** | Taxis, LHCs, RHVs and ride-source | $45 | None. State Growth monitors criminal history and driving record |
| **Medical check** | Taxis, LHCs, RHVs and ride-source | $120 approximately  (market rates) | Every three years where driver is under 65 |
| **Additional compulsory third party insurance cover** | Taxis, LHCs and RHVs | **Taxis** - $728 | Annual renewal as part of registration |
| **LHC** - $728 | Annual renewal as part of registration |
| **RHV** - $128 | Annual renewal as part of registration |

1. Includes both licences issued following the release of unsold licences from the 2014 tender, as well as those sold as part of the 2015 tender. [↑](#footnote-ref-1)