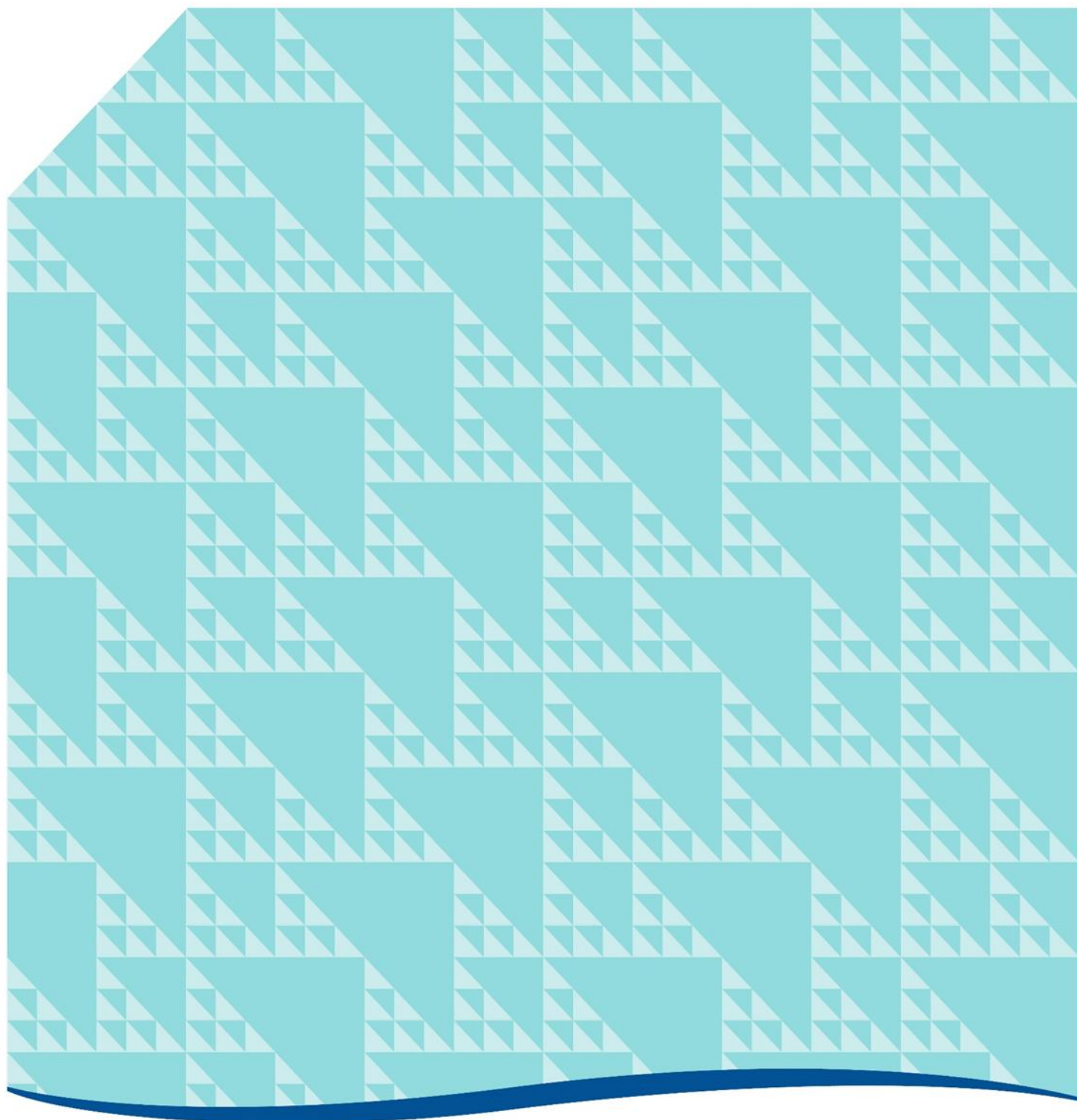


Consultation Summary  
on draft framework

December 2018

# Taxi and Hire Vehicle Industries Regulatory Review





# Proposed changes to the on-demand transport industry

The Tasmanian Government has developed a draft regulatory framework for the on-demand transport industry, which identifies key elements and provides options for the supply of new owner-operator taxi licences. The draft framework was published to provide opportunity for public comment.

The framework seeks to deliver a level playing field for all in the industry. Annual administration fees, safety requirements and accountabilities will be applied fairly across all industry participants. For consumers, the proposed framework aims to promote better outcomes through increased competition for booked services, and to ensure safety standards are maintained.

The proposed framework seeks to:

- protect the safety of passengers and drivers
- promote greater competition and consumer choice
- ensure the adequate delivery of accessible services with wheelchair accessible taxis
- be able to respond to the emerging technologies and service models
- where possible, reduce the regulatory burden on industries.

## Consultation

Fact sheets on the key features of the draft framework were published on the Department of State Growth website on Sunday, 30 September 2018 to seek feedback.

The draft framework outlines two options for the deregulation of the supply of new owner-operator taxi licences:

- **Option 1** – Retain owner-operator taxi licences, with supply constraints relaxed over five years. In the first year, licences would be available at existing costs but supply limits would be removed. Over the subsequent five years, the cost of licences would be reduced by a fifth of the current costs each year.
- **Option 2** – Suspend the issue of new owner-operator taxi licences for five years and, at year three, reduce the existing 24 taxi areas to four (Hobart, Launceston, a combined Burnie-Devonport-Ulverstone, and the rest of the State).

To support the release of the fact sheets, the following supporting information was also available:

- a Proposals Paper – providing a holistic view of the proposed on-demand passenger transport industry, and the context for the key elements
- a Review Report – providing an overview of the work undertaken to date, a summary of analysis and key findings.

To support stakeholders to provide feedback on the proposals, regional forums were held in Hobart, Ulverstone and Launceston between 31 October and 2 November 2018. Approximately 80 participants attended the three forums, and there was active engagement in discussions.

Written submissions closed after eight weeks of consultation on Saturday, 24 November 2018. A total of 74 submissions were received. Submissions were received predominately from operators and those currently working in the taxi and hire vehicle industry.

In accordance with the Tasmanian Government's policy to publish the submissions received in response to public consultation processes, written submissions received during the consultation period are available on the State Growth website.

All written submissions have been published except those where the author requested that their submission be treated as confidential and not be published. There were no instances where a full submission was not published due to containing defamatory or offensive material.

When publishing submissions, no personal information other than the name of the individual submitted, or the organisation making the submission has been included.

## Your feedback

This section provides a summary of the key themes raised in consultation. To review individual submissions please visit the State Growth website at [www.stategrowth.tas.gov.au/taxireview](http://www.stategrowth.tas.gov.au/taxireview).

### General feedback

Feedback received at the statewide regional forums, and via the written submissions focused on the following key themes:

- deregulation of the supply of new owner-operator taxi licences
- deregulation of fares in the booked market
- opening up the booked class for hire vehicles
- regulation of booking service providers
- regulation of drivers
- regulation of vehicles.

### Deregulation of the supply of new owner-operator taxi licences

This topic was the main focus of feedback received.

The majority of feedback noted concerns about the deregulation of the supply of new owner-operator taxi licences.

This included concerns with regard to:

- the current and future financial condition of the taxi industry, including the risk of a decrease in income for taxi operators and drivers
- the oversupply of the on-demand transport industry, creating increased congestion on roads and busy commercial precincts
- the decrease in value of existing owner-operator taxi licences and the potential impact of this on the market value of perpetual taxi licences
- a lack of overall fairness to the on-demand transport industry, with the majority of proposed changes to be made by the taxi industry to level the playing field
- the proposed adjustment of boundaries have the potential to reduce the quantity of taxi service areas, creating pressure on taxi operators, and small taxi businesses in the State's north and north-west regions.

The overwhelming majority of submission, which were provided by operators and participants in the taxi and hire vehicle industry, supported Option 2, which would see the suspension of the issue of new owner-operator taxi licences for five years and, at year three, reduce the existing 24 taxi areas to four.

There was a strong view that Option 1 would adversely impact on the financial situation of those who invested in the industry. There was also a view that existing infrastructure for taxi services would struggle to provide for additional hire vehicles.

There was a strong view that the Government should consider exploring the provision of compensation to licence holders as part of any implementation. The proposed options included the buyback of licences, or the provision of funding at the reserve price of an owner-operator taxi licence or market value of a perpetual licence.

### **Deregulation of fares in the booked market**

Those submissions that commented on the proposed reduction in credit card surcharges were generally supportive.

Some feedback noted concerns regarding the deregulation of booking fares, stating that it would not provide a level playing field for the industry. The ability for a taxi operator to calculate a fair fee was also questioned, stating that it may put too much pressure on an operator to compete with lower cost, lower regulated, on-demand competitors, thereby further reducing the sustainability of operators. Concerns were also raised about the effect potential fare deregulation could have on the taxi industry, creating disruption, reducing competition and creating unhealthy working conditions.

The affordability of wheelchair-accessible taxis (WATs) and taxi vans, specifically, the changes to tariffs 3 and 4 was noted and the potential impact it may have on income for WAT operators and the flow-on effects for customers reliant on those services.

Concerns about accessibility and the application of the Taxi Subsidy Program to taxi services only was also noted in a small number of submissions.

### **Opening up the booked class for hire vehicles**

The proposed changes to restricted hire vehicles (RHV) and luxury hire cars (LHC) received mixed feedback.

Feedback received that did not support the proposed changes suggested that removing the separate RHV and LHC classifications, and allowing ride-sourcing to service the same industry, would create confusion for customers, and reduce the standard of service provided by RHV and LHC industries.

### **Regulation for booking service providers**

The majority of feedback supported the changes to booking service providers, in particular, the ability to take bookings from mobile phone applications, emails and phone calls.

There was overarching support for incorporating booking service providers, particularly ride-sourcing platform providers, into the regulatory framework as accredited operators. Strong support was also provided to the equal application of annual fees across all services, incorporating ride-sourcing services.

Positive feedback was also received with regard to the availability of ride-sourcing services operating in rural areas. The lack of internet connectivity to service ride-sourcing platforms in rural areas was noted as a potential limitation of this approach.

Concerns were raised over the independence of operators, particularly taxi operators, being regulated by taxi networks and dispatch companies.

## **Regulation for drivers**

Feedback was mixed regarding the mandatory training for taxi drivers, with feedback on this matter predominately received through the forums. Some operators and drivers opposed the relaxing of driver standards and the introduction of additional training to improve the credibility of the industry. Opposing submissions suggested that the level of training is already poor, and therefore was not essential for drivers to complete.

Several submissions questioned the standards and compliance of the Working with Vulnerable Person check across both the taxi industry and ride-sourcing operators.

Some concerns were raised regarding expanding medical self-declarations beyond ride-sourcing class of ancillary certifications. Additional feedback suggested medical checks should be compulsory for all drivers including ride-sourcing classes.

The addition of new regulations for safety standards, including worker rights and appropriate breaks and workable hours were also raised.

## **Regulation for vehicles**

The majority of feedback supported the proposed changes to vehicle age limits and ANCAP safety requirements, however, some feedback noted concern regarding additional costs. Some comments suggested further expansions to the regulation, such as expanding the age limits of permitted vehicles, and increasing the time and travel distance allowed between services to a vehicle.

Levelling the playing field was also a strong theme, with several submissions suggesting that regulatory costs should apply equally (including ride-sourcing vehicles) to registration, insurance and inspections. It was also suggested that to provide equality to safety standards across the industry, ride-sourcing vehicles should be required to have security cameras operational in-vehicle to protect both the driver and customer.

## **Additional issues**

Additional feedback was provided in the case of compliance and enforcement, especially in the north-west region of the State. Issues raised included the illegal operation of ride-sourcing operators, specifically the practice known as 'Des for Dollars', and that there is no definitive way for police to enforce the issue.

Concerns were raised around congestion at taxi ranks, in particular, in the Greater Hobart region, and a view that the existing infrastructure was not sufficient to support the further issue of new owner-operator taxi licences.

## **Submissions**

The Tasmanian Government would like to thank all stakeholders who attended a forum and/or made a written submission. Feedback received from the consultation process will be invaluable in completing the reforms of the on-demand passenger transport industry.