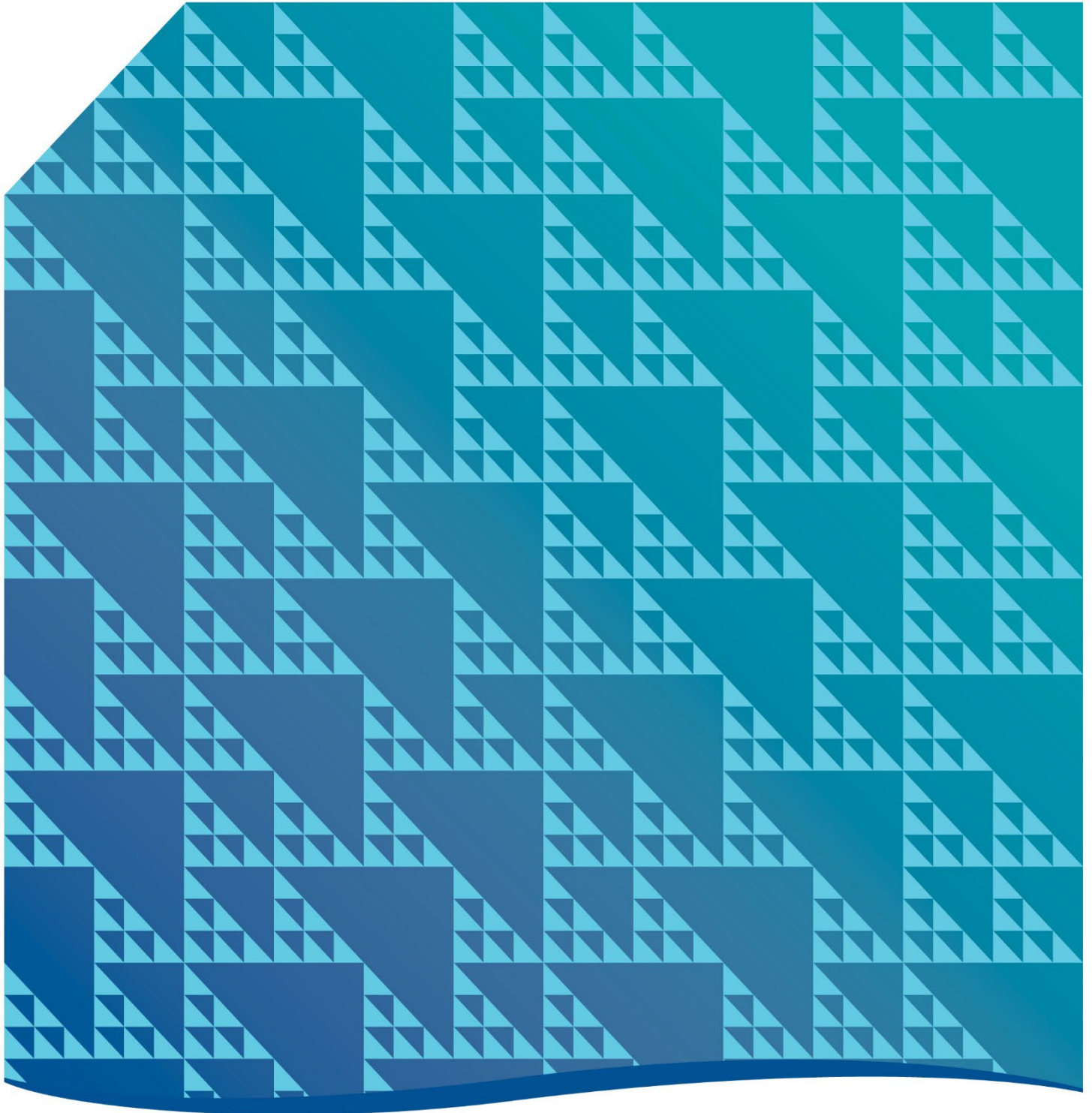


*Taxi and Hire Vehicle Industries Regulations
2023*



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Introduction

The *Taxi and Hire Vehicle Industries Regulations 2023* (the proposed Regulations) are intended to replace the *Taxi Industry Regulations 2018*, the *Luxury Hire Car Industry Regulations 2018* and the *Restricted Hire Vehicle Industry Regulations 2013* which are set to lapse mid-2023.

The proposed Regulations are a principal element of the regulatory framework governing licensed small passenger transport services operating in Tasmania. However, these services operate within a larger Tasmanian passenger transport and transport related legislative framework.

Background

Taxis, luxury hire cars and restricted hire vehicles provide important transport services. They meet a variety of transport needs, including basic mobility for less mobile community groups, such as elderly and people with disabilities. They can be used for transport in emergencies, general transportation for non-drivers or as an alternative transport option for vehicle owners and/or public transport users, and mobility for tourists and visitors.

In Tasmania, these services are regulated under a complex set of regulatory, economic and social frameworks under the *Taxi and Hire Vehicle Industries Act 2008* and the *Passenger Transport Services Act 2011*. There are further laws relating to the safety of vehicles and drivers under the *Vehicle and Traffic Act 1999* and the *Traffic Act 1925*. The objectives of the frameworks are designed to influence behaviour of land-based passenger transport operators and the travelling public using passenger transport services by:

- ensuring safety and reducing harm.
- creating economic efficiency in terms of price, service delivery quality and upholding competition.

The intention of:

- the *Taxi and Hire Vehicle Industries Act 2008* is to:
 - promote a safe, demand-responsive, taxi transport system that adequately meets the needs of consumers and is appropriately licensed (for taxi services); and
 - ensure that such services are appropriately licensed (for luxury hire and restricted hire vehicle services).
- the *Passenger Transport Services Act 2011* is to:
 - provide for the accreditation of public passenger vehicle services;
 - provide for the expected behaviours of the travelling public; and
 - provide for the authorisation of large public passenger vehicles for paid services by passengers.

The *Passenger Transport Services Act 2011* applies to all commercial passenger transport services, that is large, small, and ride-source services. The *Taxi and Hire Vehicle Industries Act 2008* applies only to small commercial passenger transport point-to-point licences and vehicles with nine seats or less (including the driver) which provide a taxi, restricted hire vehicle or luxury hire car service or with 12 seats or less (including the driver) which provide a WAT service.

Under the *Taxi and Hire Vehicle Industries Act 2008* and the *Passenger Transport Services Act 2011* the passenger transport subordinate legislation comprises the:

- *Passenger Transport Services Regulations 2013*
- *Taxi Industry Regulations 2018*
- *Restricted Hire Vehicle Industry Regulations 2013*
- *Luxury Hire Car Industry Regulations 2018*
- *Taxi and the Hire Vehicle Industries (Review of Decisions) Regulations 2019*

The time periods for each instrument under the suite of passenger transport subordinate legislation varies. Both the *Restricted Hire Vehicle Industry Regulations 2013* and *Passenger Transport Services Regulations 2013* are due to lapse on 25 June 2023, while the *Taxi Industry Regulations 2018* and *Luxury Hire Car Industry Regulations 2018* will lapse on 19 September 2023. The *Taxi and Hire Vehicle Industries (Review of Decisions) Regulations 2019* will not lapse until 10 December 2029.

During 2022-2023, the Department of State Growth (the department) undertook a program of work to review and improve the passenger transport subordinate legislation to coincide with the remake for June 2023. The review considered whether the passenger transport subordinate legislation:

- supports the intention of the *Taxi and Hire Vehicles Industries Act 2008* and the *Passenger Transport Services Act 2011* by balancing sustainability and enabling public access to services.
- creates a contemporary effective, efficient, and necessary regulatory framework, and removes red tape on operators and removes duplication of regulatory provisions.
- gives regulatory effect to Government policy such as initiatives to improve access for people who use a wheelchair and anti-social behaviour on buses.

As a result of the review the *Taxi Industry Regulations 2018*, *Restricted Hire Vehicle Industry Regulations 2013* and the *Luxury Hire Car Industry Regulations 2018* are to be amalgamated with provisions consolidated into the *Taxi and Hire Vehicle Industries Regulations 2023* (the proposed Regulations). The proposed Regulations are planned to be remade under the *Taxi and Hire Vehicle Industries Act 2008* on or before 16 June 2023. The consolidation will enable a more effective and efficient regulatory framework with like operational administrative regulations contained within the *Taxi and Hire Vehicle Industries Regulations 2023*.

The proposed Regulations provide for, and give clarity to, matters dealt with under the *Taxi and Hire Vehicles Industries Act 2008* and offer regulatory protections for consumers:

- to ensure the availability of licensed commercial passenger transport services.
- to have safeguards for rank and hail services.
- to correctly identify licensed services as there is a licence plate affixed to the vehicle.

The proposed Regulations will cover regulatory matters dealing with licensed commercial point-to-point small passenger transport services: taxi services; restricted hire vehicle services; and luxury hire car services. Regulations relating to the safety of small passenger transport services and behaviours relating to passengers, drivers or operators will be collectively placed in the remade *Passenger Transport Services Regulations 2023*. These laws relate to booking service accreditation and chain of responsibility to lead to a safe service, alongside enforcement powers and new remedies outlined in the *Passenger Transport Services Act 2011*. Over time, as booking service provider accreditation is fully embedded with services having mature risk management systems in place, there is a future regulatory opportunity for radio networks to self-regulate. A future self-regulation approach, if adopted may allow for booking service provider's freedom to determine the type, age and the taxi equipment installed in its fleet, and the frequency of testing, based on its risk profile and risk tolerance. It is too soon for Tasmania to consider a self-regulation pathway, as radio networks and ride-source platforms are making application for booking service accreditation at around the same time as the proposed Regulations commence.

The review follows a comprehensive legislative change program which introduced a regulatory framework for on-demand passenger transport services between 2020 and 2022.

The *Subordinate Legislation Act 1992* requires the preparation of a Regulatory Impact Statement (RIS) when proposed legislation will restrict competition or have a significant impact on business. Potential regulatory options will be canvassed by this RIS as particular provisions have been assessed as imposing a significant burden, cost, or disadvantage on some sectors of the public in accordance with section 5(1A) of the *Subordinate Legislation Act 1992*. Specifically, there are provisions that:

- impose a burden on operators due to the requirement to install and maintain equipment (taximeters, top lights, not for hire signs), and on operators of licences and drivers to perform certain tasks such as complete a logbook, to notify the Transport Commission (the Commission) if a licence is no longer in use or to notify if the operator is no longer in position of authority for the licence).
- impose an administrative burden on operators and drivers of WATs to undertake a minimum number of trips per month when carrying a person who uses a wheelchair.
- impact business by requiring that the operator must pay a proportion of the WAT trip fee to the driver.
- create a regulatory burden on operators and drivers to comply with geographical boundaries (taxi areas) and potentially limit drivers' ability to collect fees.

This RIS forms the basis for consultation with the public. The purpose of a RIS is to:

- articulate the objectives of the proposed Regulations.
- articulate specific residual problems in relation to the *Taxi Industry Regulations 2018*, *Restricted Hire Vehicle Industry Regulations 2013*, and *Luxury Hire Car Industry Regulations 2018*.
- outline options.
- assess benefits and costs for those options.
- set out issues surrounding restrictions on competition (if any) or the impact on business.

Information from the public consultation will be used to reach a decision on which of the following options will be implemented:

- the *Taxi Industry Regulations 2018*, the *Luxury Hire Car Industry Regulations 2018*, and the *Restricted Hire Vehicle Industry Regulations 2013* to be allowed to lapse and not be remade.
- the *Taxi Industry Regulations 2018*, the *Luxury Hire Car Industry Regulations 2018*, and the *Restricted Hire Vehicle Industry Regulations 2013* to be remade without amendment.
- the *Taxi Industry Regulations 2018*, *Luxury Hire Car Industry Regulations 2018*, and *Restricted Hire Vehicle Industry Regulations 2013* to be amalgamated and made into one instrument (that is, the *Taxi and Hire Vehicle Industries Regulations 2023* or the proposed Regulations).

In keeping with the *Taxi and Hire Vehicles Act 2008*, the current taxi areas are being retained on the basis that a licence is to be issued in line with the prescribed 24 geographical boundaries. As this RIS pertains to subordinate legislation, opportunities to enhance the current model in relation to taxi areas prescribed by the *Taxi and Hire Vehicles Act 2008* will not be explored. However, information and opinions relating to taxi areas and taxi area boundaries raised during consultation will be used as a starting point to commence future reform work.

Statement of problem

Overview and context

To undertake taxi, luxury hire car and restricted hire vehicle services in Tasmania, the operator¹ is required to hold a specific type of licence². In the case of a taxi service, there are different types of licences (perpetual, owner-operator, wheelchair accessible taxi (WAT) or temporary licence).³ The number of taxi licences is restricted, and taxi fares are set by the Transport Commission.⁴

Licensing places a broad range of requirements on operators and drivers, as follows:

- to display taxi licence plates, signs, and labels and to possess licence documents.
- comply with any conditions imposed on a licence.
- undertake a minimum number of WAT trips.
- to ensure taxi vehicles meets specifications and have taxi equipment installed (including to capture video recordings in the case of some taxis).
- to operate only to, from or within a licensed geographical area.

These licensing requirements offer protections for customers to ensure:

- the availability of licensed commercial passenger transport services.
- that the service is recognisable as there is a licence plate affixed to the vehicle.
- the availability of WATs.

Base case

Regulatory impact analysis for lapsing regulations involves assessing options to achieve specific objectives against the 'base case'. The base case consists of the scenario that allows the current Regulations to lapse without replacement. Under this scenario, licensing regulatory gaps would occur.

Overarching problem of having no regulations

The intention of the *Taxi and Hire Vehicle Industries Act 2008* (the Act) is to promote a safe, demand-responsive taxi transport system that adequately meets the needs of consumers. The Act establishes the nature and type of licence, the authorisation process, and limitations around the use of a licence, a taxi licence is issued for a specific area, the setting of fares and the use of taxi security cameras. The Act prohibits other small passenger transport vehicles from displaying certain equipment and being able to be hired by hail or by a rank, such as luxury hire cars and restricted hire vehicles.

¹ To this Regulatory Impact Statement, an operator of a licence is the owner/holder/lessee of a perpetual taxi licence, the holder/owner of an owner operator taxi licence or a wheelchair accessible taxi licence. A taxi operator must be accredited and be the responsible person for a taxi licence.

² Issued under the *Taxi and Hire Vehicle Industries Act 2008*

³ *Taxi and Hire Vehicle Industries Act 2008* deals with small passenger transport commercial point-to-point licensing matters. The laws apply to small commercial passenger transport point-to-point licences that provide a taxi, restricted hire vehicle or luxury hire car service and the vehicle with 9 seats or less (including the driver), or 12 seats or less (including the driver) which provide a WAT service.

⁴ *Taxi and Hire Vehicle Industries Act 2008*

The effect of no regulation is that there would be no supportive administrative and operational underpinnings to clarify matters, to achieve the intention of the Act. It would also be contrary to the original intention of Parliament that the Act would be supported by regulation when it passed in 2008.

Nature and extent of problem

All small passenger transport services can be pre-booked. It is well accepted internationally and nationally there is a lesser problem around anti-social behaviour when the vehicle is pre-booked. The consumer and the driver can acquire information about the service before the booking commences. With the emergence of on-line reviews, it is easy for a consumer to check the service's review rating before making a booking along with traditional methods such as word of mouth, brand reputation and so on. Business models for ride-source platforms capitalise on on-line bookings and reviews, and offer a range of information to enable a consumer to make an informed choice before using the service.

Conversely for services that are not pre-booked, there is no opportunity for a consumer to acquire the information about the service before choosing to use the service. They lack access to information to give confidence that the equipment is working, including that they will be charged the correct fare, and the vehicle is otherwise suitable. Such hires have a risk of anonymity as there are no records of the passenger, driver, or the journey.

Under the Act, taxis are the only authorised commercial small passenger transport point-to-point service where a consumer can hire by hail or on a rank without pre-booking the service. A rank and hail service creates a problem. A taxi needs to be recognisable as a taxi so that consumers can readily differentiate a taxi from other vehicles on the road, when hiring a taxi by hail or from a rank. It is a problem when a consumer is unable to recognise a taxi from a private car without any assurance that the vehicle and the driver is authorised. There is also a problem as a consumer has no safeguards around fare estimates and the operation of unauthorised services.

Parliament envisaged when passing the Act, that there was a need to protect consumers against the two problems by creating regulation making powers so that taxis are recognisable by the display of plates and labels and installation of equipment that works.

There is no evidence or data available to quantify these two problems, as they are effectively mitigated and well managed in Tasmania as taxis must be fitted with:

- licence plates and labels to show that the taxi is authorised.
- universally identifiable taxi equipment (such as roof lights).
- taxi security cameras in certain cases to protect the consumers and the driver.
- taximeters to ensure a passenger is charged the correct fare.

These mitigations are well recognised within Australia and overseas.

Identified challenges of current regulatory settings

Within the *Taxi Industry Regulations 2018*, *Luxury Hire Car Industry Regulations 2018* and *Restricted Hire Vehicle Industry Regulations 2013*, there are some identified challenges with the current regulatory settings.

Access to wheelchair accessible taxis

Feedback from WAT users is that there are times when WATs are not effectively servicing people who use wheelchairs as WATs may be unavailable for hire, can be cancelled at late notice, or in some cases, they do not arrive when booked.

WAT trips have declined by a significant amount in some areas since 2018. While in part related to the pandemic, this decline also corresponds to a reduction in the number of current WAT licences from 78 to 63. Further, some WATs are operating at only 60 per cent capacity spending as much as 40 per cent of the time off road. While there are numerous factors at play, part of this decline is also attributed to the taxi driver shortage, with attempts made to address the shortage by other government initiatives (including the trial of the revised licensing requirements for drivers, and the New Drivers' Grant).

In 2022, 33,000 WAT trips were undertaken state-wide, with radio networks reporting a further 1 000 calls for WAT services unable to be fulfilled.⁵ Data shows that the monthly average number of WAT trips is 106 in the North, 40 in the North-West, and 38 in the South.

The current regulatory requirements are allowing drivers to preference non-WAT trips over WAT trips. The current minimum service delivery for a WAT is to undertake at least one WAT trip per month. This number of WAT trips does not make operators accountable or reinforce that WAT trips is the core service for a WAT. It follows that some WATs are undertaking very few WAT trips.

Drivers are not incentivised to take a passenger who uses a wheelchair as they are not paid to load and unload the passenger and many WAT trips tend to be shorter and so attract lower fares. Operators receive a trip fee for each WAT user member of the taxi subsidy scheme that travels in their WAT, with the amount of the trip fee varying depending on the region: \$16 for the northwest, \$12 for the north and \$10 for the south. Some operators pass on the trip fee in a 50/50 arrangement with the driver but this is not universal.

The maximum operating age of a WAT increased to 12 years in early 2021. Despite this change, the fleet size is expected to continue to decrease. With the current age limits a further three vehicles will exceed the maximum operating age in 2023, two in 2024 and four in 2025. Over the coming years, it is likely that these vehicles will be retired and not replaced as the cost to purchase and modify a suitable vehicle is approximately \$100 000. There are also additional fuel, maintenance and cleaning costs compared to a conventional vehicle. Three new vehicles have entered the fleet since 2018.

Luxury hire car groups

The luxury travel market in Tasmania has changed over the years. Where once, this type of travel was often associated with stretched limousines, the desire for travel in a vehicle drawing attention or providing an ostentatious offering has largely disappeared from the luxury sector. Stretched vehicles are now typically only used to offer restricted hire vehicle services such as weddings and school formals. Due to this and other changes in the market, there are less than 10 luxury hire cars operating in Tasmania.

There are four classes or groups of luxury hire car vehicle provided for in the current regulations. Each class has vehicle requirements including: a minimum 2 800mm wheelbase, a minimum value of the vehicle relative to the Australian Tax Office Luxury Car Tax threshold; a maximum age at which the vehicle can begin to be used as a luxury hire car; and a maximum age beyond which the vehicle can no longer be used. Groups A and C provide for vehicles that are sedans or vans. Groups B and D provide for vehicles that have been manufactured as sedans or similar, but have been stretched or modified, that is limousine-type vehicles.

There are two problems associated with these vehicle requirements.

Firstly, the 2 800mm wheelbase means that many modern European-manufactured vehicles do not meet the criterion to be used as a luxury hire car. In many cases manufacturers have opted to produce vehicles with a slightly shorter wheelbase to navigate tighter roads more comfortably, and to assist with lowering overall weight which is an important factor in the manufacture of a zero-emission vehicle.

⁵ In accordance with a survey undertaken by the Department of State Growth in xx which radio dispatch services providing records of the number of trips that were unable to be fulfilled as there was no WAT available.

Secondly, when the criteria were adopted in 2008, the Australian Tax Office produced only a single Luxury Car Tax threshold. However, since at least 2010-11, two separate threshold values have been published. A higher threshold is published to apply to fuel efficient vehicles so as not to disincentivise the purchase of such vehicles which are typically more costly. With the introduction of the second tax threshold, it has been necessary to administratively adopt the lower of the two thresholds for all vehicles so as not to disadvantage luxury hire car operators wishing to operate a low emission vehicle.

Access to taxi services in rural areas

In Tasmania, a taxi licence is issued for a particular geographical taxi area, and the taxi authorised by that licence is only able to travel within, to, or from that taxi area. Taxis were and remain, the only commercial small passenger transport service with geographical restrictions.⁶

There are 24 taxi areas which are different with respect to geographical size, population, the number of taxi licences issued and used, the level of competition between taxi businesses and from other small passenger transport services, and the respective minimum reserve price for the issue of owner-operator licences. There are three types of taxi areas:

- metropolitan (Hobart and Launceston), which together account for around 76 per cent of all taxi licences issued in Tasmania and service approximately 59 per cent of the population.
- urban/regional (Burnie, Devonport, Ulverstone, Perth, New Norfolk, West Coast and Huon Valley), which together account for around 18 per cent of all taxi licences issued and around 28 per cent of the population.
- rural (remaining areas), which together account for around 23 per cent of all taxi licences issued and around 11 per cent of Tasmania's population. There is an absence of any taxi services in eight rural taxi areas in Tasmania, with some services in other rural taxi areas indicating that the service may not be ongoing. The population living in those areas, may have limited or no access to a taxi service.

Taxi areas were introduced to ensure a supply of taxi services in regional areas by limiting regional taxis from operating in other taxi areas with higher population density. This is seen within metropolitan taxi areas where taxis tend to congregate in the highest demand areas leaving outlying suburbs with a lesser service. The effect of an unrestricted approach is seen in the ride-source model where service is typically only provided in the greater demand areas within metropolitan areas.

The minimum reserve price for issue of a licence varies depending on the area, together with the amount of fare payable.

The current operating environment has changed since the late 1990s when the taxi areas were designed. Taxi areas were designed when taxis were the sole provider of small passenger transport services and geared to consumers who had no access to other transport services. Differences in the current environment are, for example:

- many consumers have a wider range of options to hire commercial small passenger transport point-to-point services with a driver (such as ride-source, restricted hire vehicle or luxury hire car) and non-commercial services (such as community transport).⁷
- taxis are no longer the sole provider of small passenger transport services.
- consumers in up to eight rural taxi areas no longer have access to taxis as the associated business has closed.
- urban growth and urban residential planning may no longer align with taxi areas, for example one side of an urban street is in one taxi area and the other side of the road is in a different area.

⁶ Ride-source services, luxury hire car services and restricted hire services can operate freely across Tasmania.

⁷ Consumers in metropolitan areas may also have alternative point-to-point transport options without a driver such as hire and drive platforms (such as Uber CarShare, formerly Car Next Door) and scooters.

- taxi services are the only small passenger transport mode which are limited to a geographical area, and all other modes operate without boundaries.

The geographical taxi area restriction leads to a taxi service in a neighbouring area unable to expand its service into another area without purchasing or leasing another licence and potentially purchasing another fitted out taxi. The opportunity to purchase or lease may be limited as there may be no licence available in the secondary market and there is presently a moratorium on licence issue imposed by the Act. This issue applies across taxi areas, as there is a limited number of taxi licences issued for each taxi area.

While subject to regulation, operating a taxi service remains a commercial activity. Therefore, it is a matter for an intending operator to make their own assessment of the opportunity to provide a service in a particular area. The regulatory settings must balance the issues of the tendency for services to gravitate to the area of greatest demand with that of commercial potential. This requirement to find a balance is not new but has been an ongoing regulatory challenge.

Role of taxi meter adjusters

The role of taxi meter adjusters was important to ensure that taximeters installed in taxis were calibrated correctly to facilitate consumers being charged the correct fare. Historically, taxi meter adjusters were required to manually recalibrate and then test taxi meters as part of the installation process, as part of a fare change or where there was a suggestion that the taxi meter had been tampered with in some way. Due to this important role a taxi meter adjuster's appointment was rigorously considered as part of a strong statutory process to ensure the adjuster held the appropriate level of probity.

The role of a taxi meter adjuster has almost become obsolete. The overwhelming majority of taxi meters installed in taxis are now electronically recalibrated by an electronic or "over-the-air" update as part of an installation or when the fare rate changes. By the nature of an electronic update, there is no need for a taxi meter to be manually recalibrated or manually tested, as testing occurs prior to the roll out of electronic recalibration. It is almost impossible to tamper with contemporary taximeters. However, it is noted that mechanical meters are still used.

Logbook requirements

The requirement that the Commission require an operator of a restricted hire vehicle to complete a logbook was introduced to ensure that restricted hire vehicles were only used for pre-booked work. Due to the risk that an operator or driver may undertake work that was not pre-booked, there is a strict mandatory prescribed long list of details that must be completed in the logbook. These details relate to the vehicle, to the passenger, to the hire (such as time of day, when the passenger was picked up, whether the fare was agreed in advance), and to the start and end of the hire.

Logbooks are not often used to determine whether a vehicle was used to undertake work other than pre-booked work. The detailed list of mandatory requirements creates an administrative task on the driver to complete at the beginning and end of the hire, when there may be limited benefits from the logbook being completed.

Statutory enforcement powers and remedies in the *Taxi and Hire Vehicle Industries Act 2008*

The Act provides that it is administered by the same persons, such as authorised officers, as set out in the *Traffic Act 1925*. However, the Act gives the power to authorised officers to seize a licence plate. Conversely, the *Passenger Transport Services Act 2011* has a broad range of enforcement powers and statutory remedies (such as improvement notices and infringement notices). The powers also allow for action to be taken against the service itself including every vehicle, rather than individual vehicles.

Stated objectives of proposed regulations

The stated objectives of the proposed Regulations address the issues identified and build on the intention of the Act. The objectives are to:

- adequately protect the safety of the consumer.
- adequately respond to meeting the needs of consumers to enable access to, and minimum standards of taxi services.
- support the administrative and operational underpinnings, and clarify matters relating to licensed taxi, hire vehicle and luxury hire car services.

Features of proposed regulations

The proposed Regulations address the issues identified. The proposed Regulations consolidate three sets of regulations made under the Act.⁸ Regulatory efficiency is created by placing like provisions in the one regulation (for example there is only one regulation dealing with replacement plates).

The proposed Regulations deal with matters that are required to happen under the Act. That is, to provide the administrative and operational underpinnings, and clarify matters, to:

- promote a safe, demand-responsive taxi transport system that adequately meets the needs of consumers.
- ensure taxis, luxury hire cars and restricted hire vehicles are appropriately licensed.

In this way the proposed Regulations address key administrative underpinning areas being:

- issue and display of taxi licence plates, signs, and labels and possession of documents.
- compliance with any conditions imposed on a licence.
- requirement to undertake a minimum number of wheelchair accessible taxi trips.
- minimum vehicle specifications and taxi equipment installed (including video recordings in certain cases).
- taxis operating within to or from a licensed geographical area.

These licensing requirements offer protections for:

- consumers to ensure the availability of licensed commercial passenger transport services.
- consumers have safeguards for rank and hail services.
- consumers to correctly identify licensed services as there is a licence plate affixed to the vehicle.

The proposed Regulations do not deal with improper use or failure to display or install, licence documents, labels, plates, or equipment. These provisions along with provisions dealing with duties, obligations and offences are moved to the *Passenger Transport Services Act 2011* in line with the enforcement powers and remedies available in that Act.

⁸ The *Taxi and Hire Vehicle Industries (Review of Decisions) Regulations 2019* will remain a stand-alone set of regulations.

Identification of authorised taxis, restricted hire vehicles and luxury hire cars

The proposed Regulations will keep the requirements to display licence plates, signs and labels and possess a licence document. These requirements protect consumers so they can recognise a taxi and ensure the vehicle that they are hiring is authorised.

There is minimal cost to the department or the operator, as the licence documents are in electronic format and the cost of plates and labels is small.

The Act determines the nature and type of licence, the authorisation process, limitations around the use of a licence and the issuance of a licence plate to be displayed. It is not available for the regulations to provide for such matters.

Installation of taxi equipment

The proposed Regulations will keep the requirement that taxis must have equipment installed while allowing the operator greater flexibility to choose the equipment which meets their business needs and to respond to cheaper and emerging technology. The requirement for the installation of specific equipment in a taxi will allow consumers to recognise a taxi from a non-taxi and feel protected.

There will also continue to be required minimum specifications for vehicles so consumers can have confidence that the vehicle is not over-ridden e.g., age limits, vehicle specifications.

Remedies for failing to meet licensing requirements

The proposed Regulations will clarify the Commission's power to impose or vary a condition, suspend, or cancel a licence provided for in the Act. The proposed Regulations will allow the Commission to act when there is evidence that there has been a breach of a licence condition or requirement imposed at Act level or the minimum service level has not been met.

An action to suspend or cancel a licence is typically taken as a last resort unless there are immediate safety risks. There is a range of compliance strategies available, in addition to education, which are set out in the *Passenger Transport Services Act 2011*. These strategies target the accredited service rather than the licence itself, and provide the opportunity where appropriate to improve the non-compliance through improvement notices and probationary status before contemplating suspending or cancelling a particular licence.

If the Commission considers suspension or cancellation to be the appropriate tool, the operator will be given the right to be heard with any representation made by the operator fully considered before a decision is made. If the decision to suspend or cancel is made, the operator can apply for internal or external review.

Logbooks

The proposed Regulations will reduce the majority of regulatory burden associated with the completion of logbooks as this will be imposed as a condition of a taxi, luxury hire car or restricted hire vehicle licence by the Commission.

The condition will be imposed if there is a particular reason which may justify the operator to keep a record of the trips that are to be undertaken. The method of keeping the logbook is also open to allow for electronic records and use of "apps." Before imposing a condition, the Commission must consider the impact on the operator, give the operator an opportunity to be heard and consider any representations made by the operator. The decision to impose the condition will be subject to internal and external review. By dealing with the completion of logbooks by way of condition, this will replace the statutory prescriptive requirements for logbooks.

Authorisation of taximeter adjusters

The proposed Regulations will reduce the regulatory burden associated with the appointment, sanctioning and resignation of taximeter adjusters along with their statutory responsibilities with the regulatory provisions limited to the Commission being able to approve a suitable person to become a taximeter adjuster.

Legislative reforms

The proposed Regulations will introduce the following main legislative reforms to resolve the identified challenges:

New WAT requirements

This introduces administrative and operational regulation regarding access to WAT services.

New requirement	Purpose
Increase the trip subsidy to a flat fee of \$20 split in a 50/50 arrangement with driver.	Increase the trip fee as a payment to incentivise drivers to prioritise WAT trips.
Statutory obligation to give priority to pre-booked WAT work	Driver legally obligated to undertake pre-booked WAT work, and not to refuse WAT work without a reasonable excuse.
Increase the minimum service level from one to 30 WAT trips per month, unless unreasonable to do so	Sets the minimum service delivery to ensure that operators remain accountable and reinforces that WAT trips are the core service for a WAT.
Introduce the discretion for the Commission to increase the minimum service level to a higher number than 30 WAT trips per month	It is possible that monitoring changes in demand will show that the 30 WAT trips per month is insufficient in some areas, with a higher number of trips needed.
Remove maximum operating age of WAT vehicles, while maintaining the periodic roadworthiness check	To offset shrinking number of WATs

Luxury hire car requirements:

The proposed Regulations introduce a simplified regulation from four to two classes or groups of vehicle with the:

- first group to be a combination of the former Group A and Group B and adopt an increased maximum age limit of 15 years with a maximum age on entry of 10 years (retaining the minimum five year operating window).
- second group effectively combining Group C and D and apply an increased maximum age limit of 20 years with a maximum age on entry of 10 years.
- for both classes of vehicles must meet a minimum wheelbase of 2 700mm; and
- for both classes, the vehicles must meet the lower Australian Tax Threshold luxury hire car limit.

All existing vehicles used as luxury hire cars meet these criteria.

Taxi areas

The proposed Regulations will continue to allow for the geographical restriction for the 24 taxi areas. This is in keeping with the Act which anticipates that there will be 24 licence areas for a nominal area in anticipation that a taxi will operate out of that area.

The current model for taxi areas does not have hard boundaries as there is allowed to be movement across taxi areas as they are “to, from and within” which allows for some movement across taxi areas.

The taxi areas are retained on the basis that the Act provides that a licence is to be issued for a particular taxi area so that the operator could draw a minimum outcome to provide a viable service. The intended effect of taxi areas is to prevent taxis gravitating to the more populated destinations. This can be seen within metropolitan taxi areas where taxis tend to congregate in the high demand areas leaving outlying areas with a lesser taxi service. The effect of an unrestricted area is seen in the ride-source model where service is typically only provided in the greater demand areas within metropolitan areas.

Options

There are three options:

- Option 1: Allow the current regulations (*Taxi Industry Regulations 2018*, *Luxury Hire Car Industry Regulations 2018*, and the *Restricted Hire Vehicle Industry Regulations 2013*) to lapse, without being remade.
- Option 2: Remake the current regulations (*Taxi Industry Regulations 2018*, *Luxury Hire Car Industry Regulations 2018*, and the *Restricted Hire Vehicle Industry Regulations 2013*) without substantial amendment.
- Option 3: Make the *Taxi and Hire Vehicle Industries Regulations 2023* (the proposed Regulations) which amalgamates the current regulations (*Taxi Industry Regulations 2018*, the *Luxury Hire Car Industry Regulations 2018*, and the *Restricted Hire Vehicle Industry Regulations 2013*) along with the consolidation of like provisions with some regulations being allowed to lapse, with a regulatory response to the identified challenges.
 - The legislative reforms proposed in Option 3 to resolve the identified challenges include:
 - New WAT requirements.
 - New luxury hire car requirements.
 - Retain taxi areas.

Options analysis

Assessment of costs and benefits for each option

The purpose of this analysis is to estimate the costs and benefits of the proposed Regulations and consider how they are likely to be distributed among different groups (such as operators and consumers), using a qualitative cost-benefit analysis (CBA).

Option 1 - Allow the current regulations (*Taxi Industry Regulations 2018, Luxury Hire Car Industry Regulations 2018, and the Restricted Hire Vehicle Industry Regulations 2013*) to lapse, without being remade.

This option is a non-regulated model.

The benefits are:

- operators determine their own business model in terms of where they operate their service.
- operators may have increased earning potential as they can choose whether to install taxi equipment and how it is to be tested.
- operators have a lesser compliance burden, as they do not need to conform to minimum requirements such as minimum number of WAT trips.

The costs are:

- consumers unable to determine whether a vehicle is licensed as there would be no longer any requirement to display plates, signs, and labels or possess documents.
- consumers unable to identify a taxi from other small passenger transport vehicles.
- consumers unable to recognise a taxi as there are no standardised equipment on the taxi to identify it as a taxi and no minimum standards for a taxi to meet e.g., disability standards, roadworthiness standards, or regular vehicle regulatory inspections.
- consumers and drivers are not protected and cannot have confidence that there is working taxi security system installed in the taxi with images that can be downloaded and stored, to deter people inside the taxi from committing crimes against others in the taxi.
- consumers are not protected as they have no assurance that the vehicle or driver was authorised.
- consumers have no safeguards in relation to fare estimates and the operation of unauthorised services.

Option 2 - Remake the current regulations (*Taxi Industry Regulations 2018, the Luxury Hire Car Industry Regulations 2018, and the Restricted Hire Vehicle Industry Regulations 2013*) without substantial amendment.

This option is the status quo without change to the current regulatory framework.

The benefits are:

- maintains regulatory consistency and creates short term industry certainty, as the taxi industry adjust to the transformational change associated with the introduction of booking service accreditation, an increasingly competitive operating environment, On-Demand Reforms, outcomes of closed borders associated with COVID and a driver shortage.
- recognises that in December 2022 significant changes were made to the *Taxi Industry Regulations 2018* because of the On-Demand Reforms which led to a significant number of behaviour-related and record keeping laws being placed into the *Passenger Transport Services Regulations 2013*. While the sunset mechanism in the *Subordinate Legislation Act 1992* is intended to encourage and facilitate the periodic reconsideration of existing regulatory structures, there has been significant updating and change over the past few years.

The costs are:

- offences and duties relating to non-compliance would continue to be limited, as compliance and enforcement activities could not access the enforcement powers and statutory remedies (such as infringement notices) which are available under the *Passenger Transport Services Act 2011*.
- substantial elements of the *Taxi Industry Regulations 2018* and *Luxury Hire Car Industry Regulations 2018* have not been remade since 2008, and the *Restricted Hire Vehicle Industry Regulations 2013* have not been reviewed since 2013, so potentially no longer reflect contemporary efficient and effective regulation. The three sets of regulations also involve duplication and the inclusion of more prescriptive regulation, such as for the appointment of taximeter adjusters and a rigorous testing regime for taxi equipment.

Option 3 Make the *Taxi and Hire Vehicle Industries Regulations 2023* (the proposed Regulations).

The benefits are:

- consumers are able to recognise whether a vehicle is licensed due to the requirement to display, plates, signs, and labels and to have documents.
- consumers are able to recognise a taxi as there is standardised equipment on the taxi to identify it as a taxi and there are minimum standards for the taxi to meet e.g., disability standards and roadworthiness standards, and that the taxi has been subject to regular regulatory inspections. This would prevent a non-taxi from being hired by hail or on a rank.
- consumers and drivers are protected and have confidence that there is working taxi security system installed in the taxi with images that can be downloaded and stored, to deter people inside the taxi from committing crimes against others in the taxi.
- consumers are protected as they can recognise a taxi from a private small passenger transport vehicle, and they would have assurance that the vehicle and driver are authorised.
- consumers have safeguards in relation to fare estimates and protection against the operation of unauthorised services.
- operators have certainty about the grounds on which (certain types of) licence can be suspended or cancelled.
- operators will gain flexibility on the types of taxi equipment which can be installed.
- operators will benefit from reduced cost associated with testing of taxi taximeters.
- offences and duties relating to non-compliance are transferred to the *Passenger Transport Services Regulations 2013* to align with the enforcement powers and statutory remedies (such as infringement notices) which are available under the *Passenger Transport Services Act 2011*.
- the proposed Regulations contain contemporary and effective regulations without unnecessary regulation.

The costs are:

- there is a minimum cost to the department or the operator, as the licence documents are in electronic format and the cost to the operator to purchase a plate is minimal and labels are free. There is little cost for the manufacture of plates and labels.

Specifically, the legislative reforms proposed under Option 3 to resolve the remaining identified challenges are:

New WAT requirements.

The benefits are:

- consumers have improved access to WAT trips as WATs must undertake at least 30 WAT trips per calendar month.
- consumers retain access to WAT services as retirement of existing operational WAT vehicles is avoided.
- consumers can be assured that WATs are safe, as minimum standards and specifications, safety checks, and regulatory inspections remain in place, despite the lifting of the maximum operating age for WATs.
- WAT drivers are paid \$10 (by the Government) for every WAT trip undertaken by a scheme member to reimburse their time to load and unload a passenger which will incentivise them to accept WAT trips.
- WAT operators can keep their WAT vehicles longer with the removal of the vehicle retirement age, provided the vehicle remains safe by undertaking the mandatory 12-month regulatory inspection.
- WAT operators have access to a reasonable excuse to allow for not undertaking 30 or more trips per month e.g., vehicle is off the road or there was not enough demand for WAT services without action being undertaken.
- the Commission can increase the minimum number of WAT trips (a reasonable excuse will apply if the vehicle is off the road or some other reason that prevents the WAT from undertaking the number of trips) undertaken by an operator to meet the objectives of the Act to ensure adequate delivery of services.
- WAT operators have certainty about the grounds on which their WAT licence can be suspended or cancelled.

The costs are:

- WAT operators may have their licence suspended or cancelled where other available compliance methods have not led to the desired regulatory outcome, as it is important that safe WATs remain in use.
- WAT operators who currently undertake few or no WAT trips, will need to change their operating practices and may incur a change to their profitability by undertaking 30 WAT trips. It is noted that concurrently the trip fee is being increased, and the required number of WAT trips is one per day.
- Government will have an increase in costs to fund trip subsidies by way of trip fees. Assuming that the number of trips undertaken in the 2023-24 financial year matches the number of trips in the 2021-22 financial year, this could cost \$360 000.

New luxury hire car requirements.

The benefits are:

- luxury hire car operators can access a broader range of vehicles by the reduction of the wheelbase to 2 700mm and will have clarity on the application of the lower of the Australian Tax Office thresholds.
- luxury hire car operators can continue to seek using a modified vehicle as a luxury hire car.
- luxury hire car operators have scope for greater return on their financial investment into the vehicle as they can bring it into their fleet at an older age and use it for longer (from 10 to 15 years and 15 to 20 years).
- consumers can be assured that safety checks and regulatory inspections remain in place.

The costs are:

- while luxury hire car operators will require a vehicle that meets their customers' expectations of what is a luxury vehicle, the minimum specifications will reduce the available pool of vehicles from which an operator can choose to operate their service.

Retain taxi areas.

The benefits are:

- consumers, drivers, and operators have certainty about where a taxi associated with a licence can operate.
- consumers can access taxis in regional areas, as there is a taxi area that applies for their location.
- operators, drivers, and consumers have certainty about the fares applicable for a taxi operating in a particular taxi area.

The costs are:

- contrary to the notion of free movement across Tasmania.
- operators of taxi services are the only operators of passenger transport services restricted to a geographical area.
- operators unable to expand their business to a larger geographical area without purchase of a further licence.
- driver has less profits as prevented from taking trips outside the geographical area.
- potential reduction of one-off profits when the driver is unable to undertake a hire as the taxi is not licensed to undertake the work and instead runs without a passenger back to the 'home' taxi area.

Assessment of options against stated objectives

The table below provides a summary assessment of the options against the stated objectives.

- **Green** bordered cells are intended to indicate that the option strongly meets the stated objective.
- **Orange** bordered cells are intended to indicate that the option only partly meets the stated objective.
- **Red** bordered cells denote where an option does not meet the stated objective.

Table 2: Assessment of objectives against options

Objective	Option 1	Option 2	Option 3
1 Adequately protect the safety of the consumer.	<ul style="list-style-type: none"> • Removal of all safety-related regulation may introduce an unacceptable level of risk to the community. 	<ul style="list-style-type: none"> • Retention of current safety-related regulation, including minimum vehicle specifications and taxi equipment, adequately meets this objective. 	<ul style="list-style-type: none"> • Retention of current safety-related regulation, including minimum vehicle specifications and taxi equipment, adequately meets this objective, while providing the flexibility for operators to choose the mode of installation and emerging technology.
2 Adequately respond to meeting the needs of consumers to enable access to, and minimum standards of taxi services.	<ul style="list-style-type: none"> • Removal of specific trip fees for WATs and vehicle ages may introduce an unacceptable level of risk, disincentivise WAT trips and reduce available services. • Increased likelihood that services will decrease in areas that currently have disproportionately low access to services. 	<ul style="list-style-type: none"> • Current structure of WAT trip fees, vehicle age restrictions and costs involved for a new WAT to enter the fleet will reduce access to services for people who use a wheelchair. • Sustained access to services for those who live in areas with limited access to alternative transport options (such as, rural, and remote areas). 	<ul style="list-style-type: none"> • Revised structure of WAT trip fees, increase to the minimum number of WAT trips and removal of vehicle age for WATs will improve access to services for people who use a wheelchair. • Sustained access to services for those who live in areas with limited access to alternative transport options (such as, rural, and remote areas).
3 Support the administrative and operational underpinnings, and clarify matters relating to licensed taxi, hire vehicle and luxury hire car services.	<ul style="list-style-type: none"> • The removal of logbooks, requirements for a certain level taxi equipment and the overall removal of clarity regarding the interpretation of the Act (all of which are provided by the current subordinate legislative environment) are considered to not meet this objective. 	<ul style="list-style-type: none"> • No streamlining of regulation as existing duplication persists across instruments, with the requirement to retain a logbook and restrictions of type and mode of installation of taxi equipment. The current regulations are not considered to be advantageous to the administrative or operational underpinnings of the current environment. 	<ul style="list-style-type: none"> • Streamlining of regulation due to amendments related to the requirement for logbooks to be by-exception (not rule), ability for operators to choose the mode of installation and emerging technology of taxi equipment, and reduction in duplication across instruments all contribute to meeting this objective.

It is not possible to quantify the benefits associated with the Options. This reflects that the regulations form an integral part of a much larger legislative structure, such that the specific contribution of the regulations to the achievement of consumer protection outcomes is difficult to identify within this broader context.

The expected benefits achieved under Option 3 (that is, to make the proposed Regulations) will provide for greater flexibility for both operators and drivers, specifically about the equipment, and attempting to address the needs and current challenges experienced by those consumers who rely on WAT services. In addition, the costs involved with Option 3 appear to be theoretically lower to both the Government and community, as administrative and compliance costs are further simplified than those under the current regulations (Option 2). Under Option 3 people who use wheelchairs will have improved access to WAT services than Option 2, and operators will have access to a broader range of vehicles while maintaining minimum safety standards.

Option 1 is not considered to be an appropriate option as it fails to meet any of the objectives.

As such, the streamlined regulatory Option 3 is the preferred option.

Assessment of the costs and benefits relating to resource allocation, administration, and compliance

The department incurs a significant cost holistically administering the full passenger transport regulatory framework in terms of back office and on-road enforcement. The on-road enforcement costs are primarily associated with the operation of its program of targeted and random small passenger transport inspections. The department is taking a risk-based compliance approach which principally targets safety related matters and unauthorised services. It follows that the administrative and compliance costs associated with each of the options are minimal.

Compliance related activities are dealt with under the *Passenger Transport Services Act 2011* where offences, breaches of duties, enforcement powers and alternative remedies are set out.

As a result of streamlined internal processes and only a moderate volume of work, there is a low level of administrative effort associated with administering the requirements.

	Resource allocation	Administration	Compliance
Description	Internal resources relating to regulatory performance	Administering and issuing labels, plates, signs, and instructions to display.	Back-office costs associated with undertaking an investigation, gathering information, assessing information to reach a conclusion
Option 1 (Est \$ per financial year)	\$0	\$0	\$0
Option 2	> \$10 000	> \$10 000	> \$10 000
Option 3	> \$5 000	> \$5 000	> \$5 000

* If there is evidence that the Commission is required to intervene to increase the minimum WAT service levels, then there may be an additional cost of \$10 000 to gather information to enable the Commission to reach a decision to increase the number of WAT to more than 30 per month.

No on-road enforcement costs have been factored into the analysis. On road enforcement focuses on safety related matters under the *Passenger Transport Services Act 2011* or services that are unauthorised which are dealt with under the Act.

Assessment of competition analysis

The Act deals with matters that restrict competition as it requires a licence to undertake the lawful operation of a small passenger transport service. It is also the Act that sets a taxi licence can be issued for a particular geographical area and subject to restrictions and requirements.

An element within the proposed Regulations impacts on competition by the creation of geographic restrictions on taxi areas. The geographical restriction prevents an operator or driver undertaking a journey totally outside of the taxi area associated with their licence.

Taxi areas prevent regional and rural communities to access taxi services if a person requires travel wholly within a taxi area which has no taxi service. However, the impact of removing the boundary is unknown, as it is uncertain if a taxi service operating elsewhere would undertake a 'dead run' trip to service that passenger's travel needs, as the fuel costs and down time would likely offset any profit from the trip.

The Act contemplates that a licence is to be issued for a particular taxi area so that an operator could draw a minimum outcome to provide a viable service. This is consistent with the original contemplation of the Act which anticipates that there would be 24 licence areas for a nominal geographical area with a taxi operating out of that area. The Act⁹ creates the reserve price and calls up the former schedule 3 which listed 24 taxi licence types by named areas as being the areas for which initial reserve prices should be set. The Act¹⁰ then sets limits on the amount that these reserve prices can reduce over the first four years following the first reserve price determination. The initial determination four-year period is the period we are currently in, and due to expire in 2024.

The retention of taxi areas will give certainty when the proposed Regulations commence, about where a taxi associated with a licence can operate, expected minimum licence issue reserve prices and the fares that can be charged by that taxi.

It is accepted that the current taxi area model is imperfect. There are issues associated with the existing geographical areas, and the retention of the taxi areas does not resolve them.

To resolve the taxi area issues would require considerable consultation with industry and interest groups. There is a future opportunity for further work to be undertaken to redraw and/or amalgamate the areas, including redesigning taxi areas in accordance with population density or aligning taxi areas in line with demands for a rank and hail service. Any review would need to explore perceived commercial value of licences, the likely impact of the removal of taxi areas for industry and consumers or the amalgamation of taxi areas to address the issue and how to prevent perverse outcomes such as loss of service in more regional areas.

Alternative models would likely require higher degree regulation in other areas, such as a code of conduct for radio networks.

The proposed Regulations also have an impact on competition as it requires a WAT operator to undertake a minimum of 30 WAT trips per month. This impact is suggested to be a small barrier as 30 occasions amounts to less than one WAT trip per day. The proposed Regulations do not impose the number of trips during business hours or certain days per week, rather it allows the flexibility for the driver and the operator to choose when to undertake the minimum number of WAT trips.

⁹ s66C of the Act

¹⁰ s66D of the Act

Assessment of options which involves the greatest net benefit.

Table 3: Comparison of options

Criteria	Options		
	Option 1 - Allow the three existing Regulations to lapse	Option 2 - Remake three existing Regulations	Option 3 – Make the <i>Taxi and Hire Vehicle Industries Regulations 2023</i>
Meets stated objectives	Does not meet	Partially meets	Strongly meets the stated objectives
Costs	<p>Absence of taxi areas as they pertain to the licenses:</p> <ul style="list-style-type: none"> Less choice for consumers in regional areas as remaining taxi services gravitate to higher populated areas. 	<p>Retention of taxi areas as they pertain to the licenses:</p> <ul style="list-style-type: none"> Operators are unable to expand their business model without incurring cost of additional license. Operators unable to increase profits by taking booked or one-off fares outside of prescribed taxi area. Less choice for consumers as finite number of operators in a geographical area. Unable to respond to needs of consumer where other modes of transport are unavailable. 	<p>Retention of taxi areas as they pertain to the licenses:</p> <ul style="list-style-type: none"> Operators are unable to expand their business model without incurring cost of additional license. Operators unable to increase profits by taking booked or one-off fares outside of prescribed taxi area. Less choice for consumers as finite number of operators in a geographical area.
	<p>Removal of all WAT requirements:</p> <ul style="list-style-type: none"> Limited and rapidly decreasing availability of WATs without any subsidy payments. 	<p>Retention of existing WAT requirements:</p> <ul style="list-style-type: none"> Decreasing availability of services as current WATs exit and fewer new WATs enter the fleet. 	<p>Amendment to WAT requirements:</p> <ul style="list-style-type: none"> \$360 000 cost to Government due to increased trip fee. Potentially lower profitability for operators who do not, or are unable to, undertake-WAT trips and must adjust their business practice unless reasonably excused.

Criteria	Options		
	Option 1 - Allow the three existing Regulations to lapse	Option 2 - Remake three existing Regulations	Option 3 – Make the <i>Taxi and Hire Vehicle Industries Regulations 2023</i>
		<p>Continuation of duplicate regulation:</p> <ul style="list-style-type: none"> Numerous provisions are repeated across the three regulations. Current regulations no longer reflect contemporary practice. 	
	<p>Removal of all taxi equipment:</p> <ul style="list-style-type: none"> Consumers unable to determine if a vehicle is licensed as a taxi, and which drivers are authorised. Consumers and drivers unable to have confidence in systems (such as, fare meters, security systems). No minimum standards met (such as, safety, roadworthiness). 	<p>Retention of taxi equipment requirements:</p> <ul style="list-style-type: none"> Operators unable to choose the type, quality, or installation of required equipment. 	
Benefits	<p>Removal of compliance activities and prescribed operational model:</p> <ul style="list-style-type: none"> Less administrative and compliance burden. Operators can expand their business model without restriction. 	<p>Continuation of taxi equipment requirements:</p> <ul style="list-style-type: none"> Consumers able to determine whether a vehicle is licensed and which drivers are authorised. Consumer confidence in minimum standards being met (such as, safety, roadworthiness). Consumers and drivers have confidence in systems (such as, fare meters, security systems). 	<p>Amendment to taxi equipment requirements:</p> <ul style="list-style-type: none"> Consumers able to determine whether a vehicle is licensed and which drivers are authorised. Consumer confidence in minimum standards being met (such as, safety, roadworthiness). Consumers and drivers have confidence in systems (such as, fare meters, security systems). Flexibility for operators in meeting requirements for taxi equipment (such as, type of technology, installation method).

Criteria	Options		
	Option 1 - Allow the three existing Regulations to lapse	Option 2 - Remake three existing Regulations	Option 3 – Make the <i>Taxi and Hire Vehicle Industries Regulations 2023</i>
		<p>Retention of taxi areas as they pertain to the licenses:</p> <ul style="list-style-type: none"> • Sustained access to taxis in regional areas. • Consumers, drivers, and operators have certainty about where a taxi can operate. • Operators, drivers, and consumers have certainty about the fare applicable given the taxi area. 	<p>Retention of taxi areas as they pertain to the licenses:</p> <ul style="list-style-type: none"> • Sustained access to taxis in regional areas. • Consumers, drivers, and operators have certainty about where a taxi can operate. • Operators, drivers, and consumers have certainty about the fare applicable given the taxi area.
	<p>Removal of compliance activities and prescribed operational model:</p> <ul style="list-style-type: none"> • Less administrative and compliance burden. • Operators can expand their business model without restriction. 	<p>Continuation of existing regulations:</p> <ul style="list-style-type: none"> • Maintained regulatory consistency and term industry certainty. 	<p>Removal of duplicate regulation:</p> <ul style="list-style-type: none"> • More reflective of contemporary practice. • Better support the administration, operation, and clarification of regulatory matters.
		<p>Amendment to WAT requirements:</p> <ul style="list-style-type: none"> • Some access to WAT services continues. 	<p>Amendment to WAT requirements:</p> <ul style="list-style-type: none"> • Consumers can access an additional 2,000 WAT trips per years due to increase in minimum number per calendar month. • Consumer confidence in WAT safety due to ongoing regulation, despite the lifting of the maximum operating age for WATs. • Operators have access to a reasonable excuse to allow for not undertaking 30 or more trips per month.

Criteria	Options		
	Option 1 - Allow the three existing Regulations to lapse	Option 2 - Remake three existing Regulations	Option 3 – Make the <i>Taxi and Hire Vehicle Industries Regulations 2023</i>
			<ul style="list-style-type: none"> • Commission oversight and penalties apply if minimum number of WAT trips are not completed. • Drivers and operators paid \$10 each (by the Government) for every WAT trip. • Operators can keep their WAT vehicles longer with the removal of the vehicle retirement age (conditional on inspection). • Operator certainty on grounds for WAT license suspension or cancellation.
			<p>Luxury hire car requirements:</p> <ul style="list-style-type: none"> • Operators can access a broader range of vehicles due to the reduction of the wheelbase. • Operators have scope for greater return on investment due to vehicle age changes.
Impact on competition	Nil competition impact	Some impact on competition due to allocation of taxi areas.	Some impact on competition due to allocation of taxi areas and additional WAT trip requirements.

Conclusion

Current regulations constitute an integral part of a much larger regulatory structure governing the taxi and hire vehicle industries. In addition, the broad regulatory approach pursued under the current regulations is determined by the shape of the Act authorising it and the other complementary *Passenger Transport Services Act 2011* and its regulations.

However, within this broad context, on balance of the costs and benefits involved, it is considered that Option 3 is preferable.

In qualitative terms, in comparison to Options 1 and 2, Option 3 provides for:

- elimination of areas of regulatory duplication and overlap, making it easier for operators and drivers to meet expectations of their compliance activities.
- the substantial and continuing changes that are occurring in the competitive environment within which the taxi industry is operating, and providing operators and drivers with the autonomy to adopt different technology (while ensuring compliance with minimum requirements).
- access and supply impediments for people who rely on the use of a WAT by mandating a higher number of WAT trips per month, while balancing this mandate with an increase to the flat trip fee and ensuring equitable distribution to the operator and driver.
- the proposed Regulations will achieve the policy objectives while maintaining regulatory consistency. This is important as the taxi industry is adjusting to transformational change associated with the impending introduction of booking service accreditation, an increasingly competitive operating environment, On-Demand Reforms, outcomes of closed borders associated with COVID and a driver shortage. In this environment any sweeping wholesale industry change could have an adverse impact on viability of the industry in mid-2023. It is in this light the proposed Regulations propose to maintain the imperfect taxi area boundaries.

On balance, the proposed Regulations are the preferred option that will meet the policy objectives and maintain a social benefit of protecting consumers.

Option 3 solves the issues with a regulatory response while acknowledging the taxi industry is adjusting to transformational change associated with the impending introduction of booking service accreditation, an increasingly competitive operating environment, On-Demand Reforms, outcomes of closed borders associated with COVID and a driver shortage. In this environment any sweeping wholesale industry change could have an adverse impact on the viability of the industry in mid-2023.

Consultation program

Copies of this RIS are available on the department's website.

The RIS is being released for public comment in April 2023, alongside the Proposed Regulations and the Draft Passenger Transport Services Regulations 2023. The public consultation period will run for three weeks from 26 April 2023 to 16 May 2023. This will allow members of the public and stakeholders to provide input on the draft legislation and on this RIS.

The release of the RIS and the draft legislation will be advertised in the state's daily newspapers. These documents will also be sent directly to stakeholders. **HOW TO MAKE A SUBMISSION**

All written submissions on the Regulatory Impact Statement relating to the Taxi and Hire Vehicle Industries Regulations 2023 must be received by 5.00 pm on 16 May 2023

Submissions can be forward to:

Email: taxireview@stategrowth.tas.gov.au

Mail:

Attention: Manager Legislation and Compliance
Department of State Growth
GPO Box 536
HOBART TAS 7000

Other than indicated below, submissions will be treated as public information and will be published on our website at www.stategrowth.tas.gov.au once consideration of the submissions have concluded. Submissions will be published by late May 2023.

No personal information other than an individual's name or the organisation making a submission will be published.

For further information, please contact: Manager Legislation and Compliance at taxireview@stategrowth.tas.gov.au

ACCESSIBILITY OF SUBMISSIONS

The Government recognises that not all individuals or groups are equally placed to access and understand information. We are therefore committed to ensuring Government information is accessible and easily understood by people with diverse communication needs

Where possible, please consider typing your submission in plain English and providing it in a format such as Microsoft Word or equivalent.

The Government cannot however take responsibility for the accessibility of documents provided by third parties.

IMPORTANT INFORMATION TO NOTE

Your name (or the name of the organisation) will be published unless you request otherwise.

In the absence of a clear indication that a submission is intended to be treated as confidential (or parts of the submission), the Department will treat the submission as public.

If you would like your submission treated as confidential, whether in whole or in part, please indicate this in writing at the time of making your submission clearly identifying the parts of your submission you want to remain confidential and the reasons why. In this case, your submission will not be published to the extent of that request.

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The Department will not publish, in whole or in part, submissions containing defamatory or offensive material. If your submission includes information that could enable the identification of other individuals then either all or parts of the submission will not be published.

The Right to Information Act 2009 and confidentiality

Information provided to the Government may be provided to an applicant under the provisions of the Right to Information Act 2009 (RTI). If you have indicated that you wish all or part of your submission to be treated as confidential, your statement detailing the reasons may be taken into account in determining whether or not to release the information in the event of an RTI application for assessed disclosure. You may also be contacted to provide any further comment.

Attachment I: Legislative context

- The *Taxi and Hire Vehicle Industries Act 2008* and the *Passenger Transport Services Act 2011* deal with the small passenger transport sector. The *Taxi and Hire Vehicle Industries Act 2008* deals with access to licensed



services, protections for consumers and licensing matters generally.

- The *Passenger Transport Services Act 2011* has a focus to ensure the safety of passenger transport services, including ride-source services and all licensed small passenger transport services. The *Passenger Transport Services Act 2011* achieves this focus by ensuring: the operator of the service has the appropriate safety, security and related system and manages safety risk through accreditation; placing duties and responsibilities on different parties; providing for enforcement powers; alternative regulatory action; allowing for evidentiary provisions; and allowing for alternative remedies such as traffic infringement notices. The *Passenger Transport Services Regulations 2023* will allow for provisions relating to the misuse of taxi equipment, obligations and duties for operators and drivers to use taxi equipment, operate in accordance with conditions and geographical restrictions.
- The *Vehicle and Traffic Act 1999* and its subordinate legislation deals with matters relating to the licensing of drivers of small passenger transport vehicles, ensuring that small passenger transport vehicles meet vehicle standards and compulsory regulatory inspection.



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