

**REVIEW of the TAXI and LUXURY HIRE CAR  
INDUSTRIES ACT**

**Submission by the Tasmanian Tax Association**

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## **Submission by the Tasmanian Taxi Association on the Review of the Taxi and Hire Car Industries Act**

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### **Introduction.**

This submission has been prepared on behalf of the Tasmanian Taxi Association and the views expressed in this document are those of that Association and do not necessarily reflect the views of the author.

The submission has been prepared on the basis of comment on each item mentioned in the Taxi Review draft report and where possible in the same order as the draft report. The draft is repetitious and as such this submission is also repetitious as it follows the draft.

Of some concern is that the draft review is lacking in evidence to support many of the conclusions reached. It is unfortunate that this submission has been critical in these areas but there appears to be no way of avoiding this.

Because of the time constraints placed on the industry and the public to respond to the draft report this submission is not as comprehensive as it might have been.

It is disturbing that the Department spent some 18 months in preparing the draft report but only permitted industry etc 6 weeks to respond.

### **Scope of the review.**

The review of the Act relies heavily on the issues raised by the 1999 Taxi Industry Review Group together with a number of issues identified later. The following issues form the basis of review.

- Fare setting mechanism and driver pay and conditions
- Industry code of conduct
- Taxi areas
- Role of radio rooms
- Review of national competition policy
- Rural taxis

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- Wheel chair accessible taxis
- Operator accreditation
- Interaction between taxis and luxury hire cars.
- Review of perpetual licensing
- Luxury hire cars

Industry had the opportunity of examining the discussion paper prepared by the 1999 Taxi Industry Review Group. However, there does not appear to be a final report or recommendation prepared as a result of the discussion paper.

Nonetheless, the terms of reference of the review require that a report be prepared for consideration of government and no doubt one was made available.

In any event, we assume the discussion papers 1 through 11 incorporate the recommendations of the review group and are adequately canvassed in the final draft policy proposals.

### **Historical.**

Taxis have been operating in Tasmania since before the turn of the 20<sup>th</sup> century. However, the first real attempt at regulating their use was perhaps in 1925 with the introduction of the Traffic Act.

Amendments to that Act were made in 1928 following establishment of the Transport Commission.

That piece of legislation required the Transport Commission to issue licenses in the public interest. However, in the exercise of its functions, the commission was required to

consider all such matters as it may think necessary or desirable for giving effect to the provisions of the Act and in particular having regard to:-

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- The suitability of the routes on which the service is to be provided.
- The extent to which the route areas or districts are already adequately serviced.
- The extent to which the proposed service is necessary or desirable in the public interest.
- The needs of the district area or locality as a whole in relation to traffic, (including provision of adequate suitable and efficient services, the elimination of unnecessary services and the provision of unremunerative service), and the co ordination of all forms of transport.
- The condition of the roads to be traversed with regard to their capacity to carry proposed traffic without unreasonable damage to such roads.
- The suitability and fitness of the applicant to hold the license applied for.

The Taxi Association believes many of these values apply today and should be given greater assessment by the Commission in its administration of the Taxi Industry.

The Traffic Act was amended in 1983 to provide for the buy back of licenses and a number of licenses were withdrawn from service. In 1993 a working party was established to report on Taxi Industry Reforms. As a result of the recommendations of this group, legislation was enacted virtually replacing the Traffic Act.

The Taxi Industry Act was enacted in 1995 and from that came a number of pieces of legislation.

A number of reports on the Taxi Industry have been prepared over recent years and these include:-

- The 1973 Royal Commission on urban transport.
- 1993 report of the Working Party.
- 1999 report of the Taxi Review Group.

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All these reports made recommendations relating to changes within the taxi industry but none have brought about a long term solution to the problems both perceived and real within the taxi industry.

In 1968 there were 455 Hire Car and Taxi licenses on issue in the state. This number subsequently reduced to 445 in the years 1969-1970.

From 1971 to 1976, the number of taxi licenses increased to 503. The increase resulted from

- A change in assessment of public need for the issue of licenses by the Commission to one of providing competition.
- The issue of licenses to assist with transport problems associated with the collapse of the Tasman Bridge
- The sale of Yellow Cabs to individual operators.

It should be noted that the population of Tasmania in 1968 was 379,649 supporting a cab and hire car population of 455, a ratio of 834 persons per cab and hire car.

For the period 1977 to 1986, license numbers reduced from 503 to 433, a decrease of 70 cabs and hire cars.

Industry and the Transport Commission combined to reduce the number of licenses by taking the following initiatives:-

- Withdrawal of licenses which were inoperative or seldom used.
- Cancellation of license illegally transferred to other parties.
- An exchange of 3 restricted licenses for 2 open Hobart area licenses.
- The creation of the Taxi Buy Back scheme.
- The purchase by the Taxi and Hire Car Association of 9 licenses in 1987 and returned to the Commission.

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Since the 1995 Taxi Industry Act, there have been advisory groups established, advisory boards and a host of changes in legislation. However, few of these initiatives have brought about any real improvements in:-

- The issue of licenses acceptable to all parties.
- The assessment of fares.
- Competition.
- Measurement of performance by the regulators.

### **1.0 Regulation of the industry.**

The Association accepts that the objects of the Act are paramount therefore it is necessary to ensure that these be carefully evaluated and accepted by the regulator, the industry and the customer.

#### **1.1 Objects of the Act.**

It is agreed that the purpose of regulating the industry should include safety, availability and affordability but it should also include industry viability.

The Association's views are summarised as follows:-

**1.1.1 Sub clause 4 (1).** The Department has removed from clause 4 (1) reference to “in an orderly and commercially viable manner”.

Whilst we agree that this wording may not be appropriate, it is nonetheless important to realize the intent of legislation to an industry body that is dependant on its viability from fares imposed on it by a regulatory authority.

The Department can take the view that it is not the function of legislation to ensure that operators remain viable, nor is it possible for an Act to ensure viability.

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We agree with this review as it relates to operators. However, as the Department imposes on taxi and hire car operator's fares and levies including charges relating to inspections, meter tests, provision of security cameras and licence fees etc, it in effect controls the revenue base of industry and is instrumental in incurring some of its costs.

The Association takes the view that the Department and government should accept some level of responsibility in relation to the overall viability of the industry.

In effect, it is clearly the moral responsibility of the regulator controlling fares and therefore the major revenue source to industry to ensure that those fares and associated charges allow for industry viability.

It is accepted that efficient innovative operators will survive and expand and less efficient operators will fail. It is certainly not the responsibility of the Department or government to ensure the viability of those operators.

If the industry was responsible for the setting of fares and charges then it would be its sole responsibility to ensure the viability of industry. As it is not responsible then it should follow that the regulator accepts some responsibility to ensure industry viability.

### **1.1.2 Sub Clause 4 (2).**

The removal of clause 4 (2) and the reasoning of the Department is clearly not understood by Industry Groups.

Minimum quality standards does not in our view relate to cosmetic items. To conclude that it does, is drawing an extremely long bow.

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Minimum quality standards refer to the standard of the vehicle and driver including cleanliness presentation etc.

Surely, the Department is interested in ensuring that cabs are reasonably presented, ie, dents, rust, general outward and inward appearance. Damage to the interior and exterior of a vehicle would give the impression to consumers that the vehicle was not generally maintained and that the driver was unkempt and slovenly, and therefore may in the eyes of the customer be unsafe.

Transport Inspectors have traditionally inspected cabs for safety related purposes and in the course of those inspections; have had general regard to the condition and cleanliness of both vehicle and driver.

Inspectors of a vehicle for safety related issues can easily involve an examination of quality standards without greatly increasing the time of the inspection.

In any event, it is not the responsibility of Industry to assume control over a function previously performed by government merely because government does not have the resources.

If government wishes to exercise control over industry to ensure that the public are receiving quality service and safety, it should ensure that it has the ability to do so professionally and not just what it can afford. If it cannot perform the task demanded of it by legislation, it should remove itself from the regulatory role and hand it to some authority that has the ability to perform the task to the satisfaction of the traveling public.

We feel sure that the public would want a well presented vehicle and driver that is both clean and safe to travel with.

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The public is not interested in traveling in a safe vehicle that is poorly maintained, is dirty with damaged interior and exterior components.

It seems odd that the reference to minimum quality standards is to be withdrawn from sub clause 4 (2) but will remain in sub clause 4 (b) relating to luxury hire cars. One must conclude that Transport Inspectors will be available to inspect luxury hire cars for quality standards but are not available to do so in relation to cabs.

There is inconsistency here and it should be revisited.

We were of the view that the Department wanted uniformity across the entire spectrum of small passenger vehicles.

The Taxi Association would want this provision to remain in the extent and objects of the Taxi and Luxury Hire Car Industries Act.

The Association has no difficulty with the Department's proposal to remove the word standard from sub clause 4 (2) nor does it have a problem with the change from variation to flexibility in sub clause 4 (2) (d).

### **1.1.3 Sub clause 4 (3)**

Agreed

### **1.1.4 Sub clause 4 (4).**

The purpose of distinguishing between cab and luxury hire car is to indicate to the public that one provides standard taxi services whilst the other provides an up market service with an up market or luxury vehicle.

We can see no reason why the definition should not remain as it is.

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We do not agree that clause 4 (c ) implies that the luxury hire car uses an up market vehicle.

## **2.0 Perpetual licensing**

### **2.2 License values.**

It is claimed that assessed market value (AMV) was originally established as a means of preventing sharp falls in license prices triggered by the release of new licenses into the market and as there has been continuing rises in perpetual license prices in the secondary market since 2003 suggests that such protection is unnecessary.

How can the Department arrive at such a conclusion when there have been no releases of new perpetual licenses into the market? So in effect, if there have been no releases of licenses how can it be judged that AMV would not have done what it is claimed they were originally introduced to prevent.

We find it difficult to accept the view that because of continuing rises in perpetual license prices suggests that protection is not necessary. In any other industry values rise, therefore why would the value of a license not rise?

Further, the Department claims that the introduction of the AMV in 2003 caused the National Competition Council to express reservations about Tasmania's compliance with the National Competition Policy in relation to taxi licenses.

The Department does not offer evidence to support any of these claims. In fact, they are merely a statement of opinions expressed by officers within the Department..

Without offering evidence that the system of the AMV has not worked and that it is no longer necessary is difficult to see how the Department can decide unilaterally to abandon the AMV.

As an example, where is the evidence that the National Competition Council expressed reservation about Tasmania's compliance because of the system of AMV's.

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The Department claims that removal of AMV's will eliminate the second round of annual licence issues and this presumably is an advantage to industry.

What is not appreciated is that licence issues annually will be at rates far lower than licenses available on the open market and this will seriously affect the viability of industry.

License values in Hobart are assessed at \$120,000 and in the first release this year, the numbers available are 5% of 207 licenses or 10 licenses. The average price of these license values would need to be 10% above \$120,000 before a second round of licenses would be issued.

Perpetual licenses were available for purchase on the open market in Hobart in 2006 for \$120,000.

Table 2.1 provides details of licence transfers in Hobart for 2005-2006.

Transfer price	Vehicle
\$100,000	-
\$117,000	including vehicle
\$130,000	-
\$120,000	-
\$120,000	-
\$126,500	-
\$115,000	-
\$117,815	-
\$117,000	-
\$117,000	-
\$130,000	including vehicle
\$130,000	-
\$125,000	-

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**Table 2.1 Average sales 2005-2006**

The average price was \$120,408 which is above the assessed market value for 2005-2006. Industry believes that there is virtually no direct linkage between taxi revenue/earnings/profit and licence values

The main long term factor in license values is simply inflation.

License sales in Hobart during January to June, 1991 averaged \$85,000.

The Consumer Price Index (CPI) in the March quarter of 1991 was 105.8 and 155.0 in the December quarter of 2006.

This would reflect a 2006 license value of \$95,000.

Property (rental) values during the same period have increased by significantly more than the CPI.

The other main factor is supply and demand. An increase in the selling market will drive the price of licenses down and an increase in the buying market will drive the price up.

Revenue, earnings and profitability have a very limited impact on license values.

Obviously abandoning the AMV removes the need for revaluations. However, the Valuer General does not appear to have problems with revaluations so what is the point being made. Is it merely a cost cutting exercise?

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Without a reserve price the Commission will be in a position to accept tenders at low prices and whilst there are advantages in the take up of licenses in remote areas where there are no licenses, the same cannot be said of the areas currently serviced by taxis.

Rather than the present practice of releasing 5% of licenses at or above valuation, the Commission could accept tenders of \$100 for a license in Hobart, Launceston,

Devonport or Burnie. Obviously the take up of licenses will reach full capacity each time a release is made. Again if we use Hobart as an example the following becomes evident.

In year one based on 209 licenses on issue, 10 will be taken up and year 2, 11 and so on until year 10 when 128 licenses will be added to the Hobart fleet.

In 10 short years, the number of taxi licenses in Hobart will increase by 60%, does the Department believe this is good for the industry, drivers and the public.

In table 2.2 we list by taxi area the number of licenses on issue capable of competing for traditional taxi business.

Area	Taxis	Wats	Hire Cars	Total
Burnie	22	1		23
Break O'Day	3			3
Bruny	1			1
Central Highlands	1			1
Circular Head	5			5
Devonport	20	1		21
Dorset	2			2
Flinders Is	1			1
Georgetown	5			5
Glamorgan North	nil			nil

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Glamorgan South	4			4
Hobart	205	20		225
Huon	4			4
Kentish	nil			nil
King Is	2			2
Launceston	90	9		99
Meander	2			2
New Norfolk	9			9
Penguin	2			2
Perth	7			7
Tasman	2			2
Ulverstone	7			7
West Coast	8			8
West Tamar	2			2
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Totals	404	31	47	435

**Table 2.2 Licenses on Issue 2007**

As can be seen from this table there are 482 vehicles servicing the Taxi and Luxury Hire Car market? This equates to one vehicle per 1,040 persons.

The system of placing additional licenses in the market at the rate of 5% each year will mean an increase of 250 licenses in 10 years making a fleet of 700 licenses to cater for a population of 490,000. This means that there will be an additional 11 licenses in Burnie, 10 in Devonport, 45 in Launceston and 128 in Hobart. The increases in non metropolitan areas may be more dramatic because of limited availability of work...

This results in a cab to population ratio of 1 in 700.

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The ratio of cabs to population in 1968 when 455 cabs operated was 1 in 834. Generally across Australia, the ratio is usually 1 in 900.

The buffer in the present system is the requirement that tenders for licenses must exceed the assessed market value and as a consequence entrants to the industry have to be convinced they can recover the purchase price and operate viably.

This will not be the case under the proposal outlined in the review.

### **2.2 Ownership and leasing of perpetual licenses.**

The Department proposes that perpetual licenses remain the personal property of licence holders.

The original justification for perpetual licenses was to offer operators the opportunity of using the license as security so the holder could access funds to purchase vehicles and systems to operate a taxi business.

The Association does not have any problem with the Commission seeking through legislation additional powers for the purposes of imposing sanctions or suspensions.

However, we do not accept the view that the AMV constrains the extent to which market forces can determine the sale price of new perpetual licenses.

Licenses are traded in the market place for amounts agreed upon between the seller and purchaser and usually reflect what the market can bear.

The review claims that in an environment where license values are declining the AMV acts to benefit existing license holders by artificially inflating the value of new licenses.

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If this is correct, what is the position of the Department in an ascending market because the market is ascending as is evidenced by recent sales in Hobart where prices have reached \$140,000 - \$150,000?

The Valuer General in assessing market values advises that market value is what a reasonable person would pay and what a reasonable person would accept.

The Department appears to be saying that the Valuer General assesses market values but does not take into consideration the actual market value.

It is also claiming that the AMV is not the true value but is accepted in a declining market but the reverse does not hold true when license values are increasing. The Department's views are conflicting and its decision making process is flawed.

In table 2.3 are listed, the assessed market values of licenses in each of the traffic areas for the periods 2003 and 2006.

Area	2003 Valuation	2006 Valuation
Break O'Day	\$19,000	\$21600
Bruny Island	\$1,000	\$1,000
Burnie	\$40,000	\$46000
Central Highlands	\$1,000	\$1,000
Circular Head	\$20,000	\$22,500
Devonport	\$30,000	\$46,000
Dorset	\$3,000	\$3,000
Flinders Is.	\$1,000	\$1,000
George Town	\$21,900	\$25,000
Glamorgan North	\$3,000	\$5,000
Glamorgan South	\$1,800	\$2,500
Hobart	\$81,750	\$120,000
Huon	\$11,000	\$15,000
Kentish	\$3,000	\$5,000

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King Is.	\$1,000	\$1,000
Launceston	\$43,800	\$57,000
Meander Valley	\$21,900	\$25,000
New Norfolk	\$20,000	\$21,600
Penguin	\$2,500	\$5,000
Perth	\$21,900	\$25,000
Tasman	\$5,000	\$5,000
Ulverstone	\$30,000	\$34,500
West Coast	\$1,000	\$1,000
West Tamar	\$21,900	\$25,000

**Table 2.3**  
**License values 2003-2006.**

The Department claims that removing the AMV will ensure that the existing barriers to entry do not discriminate unduly between existing and potential market participants.

The review does not provide any evidence to support this view. Indeed we believe that tables 2.1, 2.2 and 2.3 provide evidence to the contrary. Therefore we are curious to see the evidence from the Department to justify its claims.

The decision to abandon the AMV will definitely have consequences for the issue of new licenses. Any prospective purchaser will undoubtedly wait until the annual release of new licenses to see if they can obtain a license at a price below that applying on the open market. Few astute business people will pay \$100,000 plus for a license that they may be able to obtain for \$100 merely by waiting for the annual release of licenses.

The effect will almost certainly be a reduction in the value of perpetual taxi licenses.

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The Association could not accept such a change in the system without some qualification to protect the industry.

With a system of mandatory release of 5% of licenses each year and no limitation on the tender price, licenses will be readily taken up and the opportunity of the industry to trade in licenses will be lost or substantially reduced. Coupled with this, will be a large influx of additional players resulting in a loss of business to many existing and long term operators.

We believe that if the Department intends to remove the AMV it should be replaced with a system where licenses are not issued on a demand basis but in the public interest based on proven need of additional capacity. This might well be achieved by issuing licenses based on response times and population growth and at current market value.

Attached as appendix A is a State by State comparison on the issue and availability of Taxi licenses. In almost all states issue of licenses is tied to market rate, public need or response times.

The Department proposal to only allow accredited operators to tender for future licences does not provide incentives but merely allows anyone to tender.

The gaining of accreditation is a relative easy process to negotiate.

In any event the process envisaged by the Department by automatically making licenses available each year with no pre requisite as to need or continued viability of the industry does not engender confidence in the industry.

The Association does not have any problems with the proposal to require all new licenses to be issued to holders who must actively operate the license.

However, we issue a note of warning that if the industry is to be flooded with licenses over the next ten years trading in licenses, could become commonplace.

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With no minimum time in which to hold and operate licenses, persons will freely trade licenses. New operators who find that the competition within the industry is too great because of an abundance of licenses will opt out. We do not believe this is in the best interests of the industry or the public.

The Association does not have a problem with all new license issues being subject to operation by the license holder. Leasing we understand will not be permitted.

Since the elimination of the sole/main income requirement with the ownership of licenses they have become very much an investment product. This is evidenced by the Victorian government legislation/regulation requiring that all license trading and leasing must be handled through/on the Bendigo Stock Exchange.

This view is taken provided existing perpetual licenses can continue to be leased. It should be noted that in Hobart 70% of licenses are leased and industry takes the view that this is desirable in an environment where long term operators approaching retirement age should be permitted and indeed encouraged to invest in the industry and at the same time be available to offer advice and pass on knowledge gained over many years.

Nationally more than 60% of taxi licenses are owned by investors. This is particularly so with fleet operators who mainly operate with leased taxis.

Investment in the industry with leased licenses is estimated to be in the order of 18 million therefore actions by the bureaucracy which interferes with that investment may bring about class actions against the Government or its agency.

In order to ensure that leasing does not occur, the Department will need to put in place, measures in which to enforce this provision. Merely noting on a license or register that the license cannot be leased will not prevent this practice.

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Leasing was not permitted under the Traffic Act but it was reasonably wide spread.

Following a crack down by the Commission, many inoperative and leased licenses were withdrawn. However, the practice continued until it was formalized.

The administrative work required to ensure leasing does not occur is considerable and will involve the Department in a greater degree of enforcement similar to that occurring in the 1970's and 1980's.

We do not believe that banning leasing will encourage applicants to take up new licenses. The returns from leasing are not comparable with operating a license but there other advantages. Leasing is attractive to the investor who does not wish to be involved in the day to day operations of taxis. It is also attractive to an operator who is not in a position to outlay funds to purchase an established business.

Doubts are expressed as to why the Department believes that existing perpetual licenses and new licenses may lead to a two tiered pricing structure. The fares model does not take account of leasing and therefore we fail to see how two perceived areas of licensing would lead to a tiered pricing arrangement. It is noted that the Department continually makes comment that leasing increases costs in providing services, in rate of pay to drivers and ultimately increases cost to the consumer.

We fail to comprehend the view of the Department as increased costs in providing services are met by the lessee. The driver is not affected because payment is on the basis of 50% of the metered fare. The public is not affected because leasing costs are not factored into the fare setting model. We would be interested in any evidence that the Department can provide to support its view.

The Association agrees that the Department should not involve itself with regulating the leasing of taxi licenses. In fact industry does not believe it is the Departments function to involve itself with leasing unless it can be proven that leasing increases costs to the public.

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The administration involved in achieving this would be considerable and in our view counter productive. In any event we do not believe it is a function of Government to over regulate the taxi industry.

### **2.3 Operation of Perpetual Taxi Licenses.**

Industry has been concerned for some time that some licenses are not being operated to the degree they are able to. Some operators utilize their vehicles in peak periods and refrain from operating in non peak periods. Whilst this may be beneficial to some industry members, it does not assist the industry in providing the best possible service to the public.

During periods of non availability of cabs, response times tend to increase and queuing occurs in radio rooms.

In a system where all cabs are aligned to radio rooms, the company could demand more operator involvement so as to reduce response times.

But again, with no accreditation of radio rooms and the absence of any authority to require drivers and license holders to provide minimum numbers of vehicles, the position will not improve.

Another problem experienced by industry, is the difficulty in obtaining and retaining drivers.

Later in this submission, we will discuss driver returns and the reluctance of drivers to operate certain shifts, we will also provide evidence that there is a shortage of cabs at particular times of day, but we do not support the Department prescribing minimum operating times.

However, we do believe that radio rooms in particular should have the authority to require members to operate minimum hours. We believe this is an industry responsibility.

### **3.0 Wheelchair Accessible Taxis.**

#### **3.1 Summary**

In an ideal world one would believe that service provision is upper most in the philosophy of the cab operator.

In reality the operator is in the business for the purposes of making a success of that business with reasonable high returns for effort. The provision of service standards follows that basic aim.

Legislation, enforcement, market forces etc will not alter that basic philosophy. Incentives provided by government will encourage operators to provide and indeed improve service standards? The heavy handed approach will not.

Licenses of any description involving regulation of an industry automatically results in the license having a value. We see it in the fishing industry, particularly abalone.

In the bus industry, the Department actively restricts entry and controls all areas of the industry operation therefore contributing to the value of bus licenses. In this instance it is in the Department's interest to have total control and although it does not support licence values its very actions encourage the value of licenses.

In the taxi industry, government contributes very little towards the viability of the industry and therefore would like to see a system where there is no value in licenses.

The Association does not have a problem with what is being attempted to reduce or eliminate values in WAT licenses it merely believes the proposed action will not achieve the desired outcome.

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WAT licenses were primarily introduced to service the needs of those persons within the community who are either wheel chair bound or find it difficult to utilize the services of conventional cabs.

In order to encourage operators to take up WAT licenses, the government allows such licenses to operate as conventional cabs.

What we should be mindful of is that WAT vehicles are made available primarily for the use of TAS scheme members (wheel chair bound).

According to the draft review, there are 400 registered users of the TAS scheme living outside the metropolitan areas of Hobart, Launceston, Devonport and Burnie. There are no details of the numbers of registered users of the TAS scheme in the metropolitan areas. Therefore it is difficult to provide an educated view.

If the 400 registered users of the TAS scheme in rural areas doubled over the next few years, 800 users of the TAS scheme are hardly sufficient to justify the provision of more than 5 or 6 WAT licenses across the state in rural areas.

There is little point in flooding the market with WAT licenses if those licenses are not being used by those intended to use them. Industry is concerned that whilst many existing WAT licenses are used primarily for the carriage of wheel chair passengers, some are used exclusively as conventional cabs.

If this trend continues, the amount of work available for taxis including wheel chair accessible vehicles will be substantially reduced. This will have an effect on operators, radio rooms and drivers and may ultimately lead to a reduction in service standards currently enjoyed by the traveling public.

From studies undertaken in Queensland and New South Wales, WAT vehicles undertake an average of 3 wheelchair jobs per day. The only figures available from DIER are contained in table 8.1 and from these we can calculate indicative numbers of WAT jobs in Tasmania.

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The calculation is as follows:-

- Number of wheelchair jobs 21,025' divided by no days 184 = 114 jobs per day.  
(6 months)
- Number of wheelchair jobs per day = 114
- Divided by no. of WAT's , 31 = 3.6 jobs per day.

This calculation appears to support the experience in Queensland and New South Wales.

Nevertheless, the Association accepts the proposal of the Department in providing trip subsidies and the right to operate across taxi areas, may encourage greater take up and use of WAT licenses.

We have some reservations about the use of these licenses across taxi areas because of the distances and time involved. Taxi areas closely aligned may well offer some scope for cross area operation and is worthy of a trial at the very least.

The proposal to allow second hand vehicles in rural areas may also assist in encouraging the take up of this class of license. Allowing the use of standard taxis to be operated as WAT style service is not fully understood.

Standard taxis now carry wheel chair passengers and have done so for many years. Is it the intention of the Department to continue this practice but to allow the operator access to the WAT fare provisions etc, or is it subject to the supply of a WAT style vehicle?

What the Department appears to be proposing is for a standard cab license to operate WAT style vehicles in place of conventional sedans then there may be some interest in rural areas

although we have reservations because of the high cost involved in purchasing and or converting vehicles to carry wheel chairs.

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The Association has some confusion with this proposal as it is not clear what the Department is attempting to achieve. Is it to be accessible and therefore acceptable under DDA standards or is it to be some other hybrid under DDA standards?

We also have some confusion over the use or non use of swipe card meters and operation across areas.

We draw attention to the proposal to replace this type of service should a WAT style service become available.

It is bad practice to encourage a service to meet a need only to revoke that service should a more acceptable one become available. We believe operators would be reluctant to provide vehicles and a WAT style service knowing it could be revoked at any time.

### **3.2 Taxi Industry issues.**

The Department has made some assumptions in relation to a centralized booking service for WAT licenses.

Many people particularly the elderly and children place importance on being transported by known drivers.

A centralized booking system has the ability to provide drivers of choice in relation to WAT vehicles. In fact, we believe that a centralized system may well be better suited to provide drivers of choice.

The Association in response to matters raised from time to time by the Department and other authorities believe that many problems within the industry would be solved if there were compulsory affiliation with radio networks.

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However, the Department has made it clear it will not entertain such a move for various reasons not the least is freedom of choice.

To claim such a reform might be regarded as contravening National Competition Policy is unrealistic for the very reason that requiring operators to be accredited or providing security cameras or de licensing cabs at age 7 years etc, could on this basis be regarded as contravening the National Competition Policy.

Is the Department aware of response times of WAT licenses in other jurisdictions where centralised booking arrangements apply? Equally is the Department aware of the response times of WAT licenses in Tasmania?

Listed in table 3.1 are details of response times of WAT licenses attached to Taxi Combined Services in Hobart.

Date	No. Vehicles	No. Jobs	Ave. Response times in minutes	Comment
19.3.2007	3	15	10.93	one response was 20.34
20.3.2007	4	26	4.98	
21.3.2007	3	32	6.87	
22.3.2007	4	34	7.21	
23.3.2007	4	62	6.70	
24.3.2007	4	33	7.68	one response was 15.17
25.3.2007	4	11	12.56	responses of 19.19 13.14 10.53
Averages	3.71	30.4	8.41.	

**Table 3.1  
Response times WAT licenses.**

It should be noted that the job with a recorded response time of 20.34 was later cancelled after the driver spent 20 minutes attempting to find the customer. Again one job on the 24.3.07 was cancelled after an 8.35 minute wait by the driver. Therefore the average response times for the week should be around 7.46 minutes.

According to the draft review compliance with the DDA is the legal responsibility of radio networks.

If this is correct, how do independent operators comply with the DDA. The need to comply with the DDA is another reason why consideration should be given to accrediting radio networks. Other reasons will be mentioned further in this submission.

The proposed new information gathering powers of the Department will it is claimed allow the Commission to provide comparative data on response times.

How does the Department propose to do this? Individual operators would not be in a position to provide response times with any degree of accuracy.

Indeed operators attached to radio networks would not know their response times as they are not privy to the times calls are received.

Networks are in the best position to report on response times and this information can be authenticated and recorded. Another reason to consider accreditation of networks.

It is understood that the transport access scheme provides details of travel undertaken by recipients of the scheme and as such, the Commission should be in a position to determine the class of vehicle used. The Department confirms that since the introduction of WAT licenses the use of taxis by TAS members has increased significantly. What would be of

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value is to know the level of use by TAS members of the type of vehicle used, ie, standard cab or WAT vehicle.

Does the Department have statistics in relation to this issue and if so, could these be made available to industry.

It is noted that the Department will continue to monitor the proportion of wheel chair work undertaken by WAT operators.

It is agreed that the Department should be concerned that WAT vehicles are primarily available to wheel chair bound customers and that secondary is the use by the general public.

Education programs alerting the public to the use of WAT vehicles is commended but again we draw attention to the possible oversupply of this class of taxi to the detriment of the industry as a whole.

It is noted that the Department does not propose increasing the trip subsidy but it believes the current fare structure may not adequately recognise the additional time needed to complete a wheel chair hiring.

There appears to be some confusion in relation to the proposed scheme for substitute WAT vehicles.

A WAT vehicle by definition is a new vehicle suitably modified to carry wheel chair passengers. The vehicle is to meet the standards laid down by the DDA for wheel chair accessible vehicles.

It follows that a substitute WAT vehicle is one that is wheel chair accessible and therefore meets the requirements of the DDA but it may not be a new vehicle.

In effect is not a substitute WAT vehicle a WAT vehicle.

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Again why cannot a substitute WAT vehicle be used as a WAT vehicle in say, country areas. It does after all comply with the accessibility requirements.

It seems to industry that the Department should re examine its' proposal on substitute WAT vehicles and perhaps even re evaluate its definition of a WAT vehicle.

In the case where a WAT substitute is not available, a standard cab will be permitted and will be in a position to operate as a standard cab with normal cab fares and conditions.

There will be maximum length of time for a substitution and this will be left to the discretion of the Department.

The Association has concerns about this proposal as it is open to abuse and manipulation.

What will be the position if after a period of time, the operator claims repairs to the vehicle are beyond his capacity and he wishes to revert to a standard taxi license?

It appears that the Department is placing itself in a position where it may by default increase the number of taxis within the industry without due regard to the viability of the industry. In effect, to flood the market in an endeavour to provide artificial competition.

History has shown that excessive licenses in the system do not bring about competition.

It usually results in and this was reflected in the 1970's and 1980's unsavory practices, poor maintenance, poor driver behavior and generally a downturn in the standard of service to the public.

### **3.3 Adequacy of WAT services.**

The initial question to be posed is what are the response times for standard taxis and WAT taxis. Obviously response times vary between networks and between individual operators.

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Does the Department know the average response times of standard cabs and WAT licenses?

What then is the current differential between both classes of licenses?

Table 3.1 provides details of response times for WAT's and table 3.2 provides details of response times for conventional taxis.

Date	Jobs	Rejects	Average Response In Minutes
19.3.07	1650	335	6.54
20.3.07	1688	316	6.42
21.3.07	1946	372	6.36
22.3.07	2338	467	6.42
23.3.07	2649	515	6.49
24.3.07	2462	399	7.02
25.3.07	1477	287	6.46
<b>Totals</b>	<b>14210</b>	<b>2691</b>	<b>45.71</b>
<b>Averages</b>	<b>2030</b>	<b>384.42</b>	<b>6.53</b>

**Table 3.2 Response Times Taxis**

It is claimed by the Department that response times for WAT licenses are greater than standard cabs and this is borne out by response times taken from the radio network at Taxi Combined Services, (see table 3.1 and table 3.2)

However the differential is not great particularly when the longest response times are taken into consideration. During the period 19.3.07 to 25.3.07 the longest response times recorded averaged 12.81 minutes. It is of interest to note that the average response times recorded in

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the 1993 Working Party report was 5.12 minutes and the average longest response time was 13.9 minutes.

We agree that the obvious means by which WAT response times can be improved is by having more vehicles available and affording wheel chair customers' priority.

It does not follow that there is a need to provide additional licenses to achieve this.

A more effective way is to ensure that those WAT licenses that are available are rostered on a regular basis and that priority is given for these vehicles to be used for wheel chair customers.

The Association believes that proper management of WAT licenses particularly those attached to radio networks would ensure sufficient WAT vehicles are available at all times.

Under the present climate, operators of cabs including WAT vehicles are rostered for work at the whim of the licensee. If he or she believes that the greater return is rostering vehicles for day work, Monday to Friday, then this is the period in which they will make the vehicle available.

If radio networks were accredited and charged with the responsibility of providing cabs including WAT's to operate on a 24/7 basis, the position would improve and response times would reduce substantially particularly in non peak periods.

In our view, WAT license issues should be tied to response times. Another area where the Department could bring about a significant reduction in response times is requiring cab operators to make their vehicles available for greater periods.

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The proposal of the Department to gain additional statistical information on cabs including WAT vehicles should provide a valuable tool in its regulation of the Taxi and Luxury Hire Car Industry.

We believe such action is far more productive than relying on increased taxi numbers as a means of solving all the problems experienced within the industry.

It is believed that response times for WAT vehicles can be improved significantly if the management of these vehicles is improved.

We cannot compare response times of other WAT vehicles with those attached to Taxi Combined Services because this information is not readily available. For this reason, we do not believe the Department is in a position to make judgments.

We suggest that any decision to increase the numbers of WAT licenses should be held in abeyance until the Department has sufficient statistical data to make justifiable decisions.

What we do know, is that WAT license response times of vehicles attached to Taxi Combined Services can be improved substantially and at the same time, ensure that those customers most deserving of the service receive priority.

It is noted that the Department is in the process of trialing an electronic swipe card system for WAT trips and this has the support of the Association.

It also confirms our belief that the Department does not have sufficient statistical information in which to substantiate its' current and future proposals.

We believe wholesale changes to the industry should be withheld pending greater statistical knowledge.

### **3.4 Value for money.**

It is noted that the Department intends to review the maximum subsidy paid to WAT operators when more accurate operational data is available.

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The Association commends this approach to the decision making process.

The public is generally aware that in the process of hiring a cab, the fare starts immediately the cab proceeds and the fare concludes at the end of the journey. Drivers should be aware of this as it should be a fundamental part of their induction training.

Having said this, we can see no reason why the Department should not promote the definition of hire period. The flagfall component was designed to address the waiting period prior to and at the conclusion of the journey.

It is proposed that statistical information be provided by industry on the waiting periods required in transporting wheel chair customers.

We note that possible increase in costs associated with increased subsidies for wheel chair services and have no difficulty with the government prices oversight Commission being given the role of developing a fare model.

The Association would like to have some input in the development of the terms of reference.

### **3.5 Driver training and attitudes.**

There can be no quarrel with the new driving training system, particularly as it relates to the transport of the disabled.

All cabs from time to time, carry disabled passengers and therefore drivers should receive adequate training.

One issue is the cost of the training and we draw attention to increasing costs to industry without appropriate recovery. (User pays principle).

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### **3.6 Vehicle specifications.**

Industry agrees that it is too early to conclude if the 10 year lifespan on WAT vehicles is adequate.

It also agrees that before changes are made, specific evidence is required.

Market forces will guide the particular types of vehicles that are used as WATs and we do not believe the regulator should be involved in specifying particular types or models of vehicles suitable to WAT operations. The DDA specification is sufficient.

Industry does not necessarily agree that WAT vehicles must be new. In an environment where licenses are issued on a response time and population basis there is a case for well maintained secondhand vehicles to be used, provided appropriate standards are met.

However we believe that if the present system of license issues is on a demand basis, they should be subject to new vehicles.

The Department is to some extent sympathetic with this view as it proposes allowing secondhand vehicles to be used as WAT vehicles in rural areas.

We cannot see why it is necessary to differentiate between rural and urban areas. The public should be entitled to the same standard of vehicle irrespective of location.

We note that the Department is concerned about vehicle standards for WAT vehicles and not just vehicle safety as it is proposing for conventional taxi cabs.

We agree market forces will determine if multiple carriages of wheel chairs is needed.

It is agreed that the regulations should be relaxed to allow more efficient placement of wheel chairs within vehicles. This may lead to some vehicles being capable of multiple loadings.

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At this point in time, industry accepts the Department's view point that multiple hiring should be left to the discretion of the initial hirer.

### **3.7 Licenses.**

Industry agrees that the 10 year tenure of WAT licenses should be removed and that licenses should be available for transfer. Whether an initial operating period is mandatory is arguable.

There is no mandatory period for Perpetual Taxi Licenses therefore it could be argued none should apply to WAT licenses.

Industry is concerned about a possible spate of trading in licenses which is not conducive to good industry practice. What ever is decided upon might be left until the Department has sufficient information to form an educated opinion on the merits of requiring all licenses to be held for specific periods.

Industry takes the view that license fees should be standard across the entire spectrum of Taxi and Hire Car Licensing.

With the removal of the 10 year expiry provision, matters relating to purchase of existing licenses will not be an issue. The expiry of the age limit will be an issue but in these circumstances purchasers will adjust prices to reflect the age of the vehicle.

In relation to tradeable value, industry has said previously that these licenses will have a value and this will be reflected in any transfer arrangements. If the Department believes it can prevent value of licenses; it will achieve something that has not been achievable for time immemorial.

We agree with the Department's proposal in relation to the cancellation of WAT licenses.

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This provision allows an operator to theoretically operate a license for one day in each 28 without penalty. This is in effect 13 days per year. A more appropriate provision would be 60 days in any calendar year.

The proposal that operators be allowed to transfer licenses in cases where the Department is proposing canceling licenses is supported.

We can also see advantages in operators who are found to be using vehicles for other than wheel chair work on a regular and consistent basis, being required to place those licenses under management. Accredited radio networks can control and adequately monitor these operations.

The Department has repeatedly said that WAT licenses are primarily issued for the transport of the disabled and that conventional taxi work is secondary.

Some provision needs to be placed in legislation enshrining this policy. Alternatively statistical information should be collected that will monitor WAT performance and allow the Department to take appropriate action if necessary.

### **3.8 Supplementary questions.**

Industry does not object to WAT licenses plying for hire from cab stands when they are not being engaged or required for disabled transport. The Department should have the authority to monitor the use of cab stands by WAT vehicles and to ensure that they are first and foremost vehicles available for disabled transport.

We do not see any difficulty with WAT licenses being used as private vehicles and it is noted that public passenger vehicles must be driven with zero blood level.

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Whilst Industry has supported leasing it nonetheless is aware of the difficulties in leasing from the Commission viewpoint. Perhaps the Commission should ignore leasing and let it evolve provided there is no detrimental effect on the traveling public.

Nevertheless there is no objection to the Department attempting to prevent license leasing if it proceeds with its proposal to issue new non perpetual licences. We cannot see how this can be achieved.

Industry believes if the Department has the power to vary the conditions of licenses, there should be some avenue of redress.

Similarly we do not believe WAT licenses should be issued on demand. Indeed it is our belief any license should only be issued because of growth measured by population and response times.

## **4.0 Luxury Hire Cars**

### **4.1 Purpose of regulating Luxury Hire Cars.**

The Association accepts that there is a need for Luxury Hire Cars. The views of the productivity commission are noted and the Department's view that distinguishing between these services is unsustainable.

We also note with some concern that the Department rarely investigates allegations of improper practices within the industry. Early in this review, the Department maintained that there was little evidence of improper practices within the industry. How can it make such a statement when by this admission it has no real evidence?

We agree that driver identification should be visible within Luxury Hire Cars for obvious passenger safety. It is also recommended that driver and company identification should also be provided in cabs.

We have difficulty with the proposal that no external marking or advertising should be permitted because the Department's views on this subject are contradictory in the review report.

We cannot accept that quality standards should be removed from regulation and equally we do not believe enforcement should include only vehicles, driver and passenger safety.

Transport Inspectors should as they did in the past, continue to examine vehicles for safety, licensing and correct operational practices including quality standards.

### **4.2 Licensing arrangements.**

We don't believe increasing the cost of licenses in any area will improve the distinction between taxis and luxury hire cars.

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Operators of Luxury Hire Cars, who provide services to a different market than taxis, do not cause problems within the Taxi industry.

It is those operators who blatantly disregard the intent of the legislation who are of concern.

Providing for regulations rather than license conditions is supported and it is accepted that Luxury Hire car operators will continue to agree with customers on the method of calculation of the fare.

We note that taxi meters are to be banned from use in Luxury Hire Cars and this is supported because of the current trend of some hire car operators to align themselves with taxis and thus confuse the traveling public.

Legislative penalty provisions applying to taxis should equally apply to WAT licenses and Luxury Hire Cars. We can see no reason why there should be a distinction.

### **4.3 Vehicle standards.**

The Association accepts the recommendation of the Department that group 1 Luxury Hire Cars should be:-

- 2.800mm minimum wheel base
- When new, the vehicle attracted a luxury car tax, (around \$57,000)

and group 2 luxury hire cars should be:

- 2.800mm minimum wheel base
- When new attract a luxury tax 5 times the luxury tax threshold.

It is accepted that the current definition of a small passenger vehicle is to be retained.

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The present distinction between the age limits of stretched limousines is to be removed and the current age limits of all Luxury Hire Cars will be:-

- Group 1 vehicles        7 years
- Group 2        “        15 years.

We agree that group 1 vehicles should have an age limit of 7 years the same as the conventional cab. However, the taxi industry does not have an interest in this area, other than to comment that if luxury cars are to have the same age limits, irrespective of metropolitan and rural is the same standard to be applied to cabs for the same reasoning.

So far as entry ages are concerned, logic suggests that there should be entry ages for group 1 vehicles, and we would suggest 2 years after all the intention is to retain luxury status.

On the surface, Department views on quality standards might appear reasonable but vehicles age and require regular maintenance to keep them to a level commensurate with the concept of luxury.

If the Department is not to be involved in quality control, how can it be assured these vehicles will be maintained to the level expected.

It is also noted that previous sections of the draft report make mention of retaining quality standards for hire cars. The position is confusing.

If as the Department claims, industry has demonstrated its' ability to self regulate vehicle standards, then any Departmental involvement will be minimal. If the position deteriorates what power will there be to bring about an improvement.

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It is difficult to accept the view of the Department that accreditation is not an appropriate mechanism for addressing vehicle quality. The bus industry has stringent quality standards actively enforced by inspectors. The same position should apply to the taxi and hire car industry.

The Department considers that advertising on the exterior of vehicles is an acceptable means by which any business promotes its services therefore it is not envisaged that Luxury Hire Cars should be treated any differently (page 52 of the review).

On page 46 of the review, the following statement is made:-

- A requirement that Luxury Hire Cars have no external distinguishing marking or advertisement.

Surely this is a contradiction. What is the position?

Industry's view is that Luxury Hire Cars should be free of any advertising on the exterior of the vehicle.

At this point, we should draw attention to the fact there have been numerous conflicting statements within the review report and we suggest some of these require explanation before the Association can really express its' views.

### **4.4 Fares**

Whilst the Department believes that it is unlikely that Luxury Hire Car operators could recover costs associated with the high standards proposed for vehicles it is a proven fact that they can. According to information gained from meter installers, some 2-3 hire cars are fitted with meters which have been calibrated to the current taxi fare regime.

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It is suggested that the Department revisit this area as it is the practice of some Luxury Hire Car operators to openly compete on the basis of low taxi fares.

**4.5 Hiring arrangements.**

It is agreed that the requirement that a hire car be booked in advance is difficult to define and even more difficult to enforce.

Whilst the legitimate hire car operators may not deal with walk up customers, they would deal with telephone bookings as it is generally accepted in the industry that this is a pre booked hiring.

The Association is not suggesting that Transport Inspectors be stationed at ranks but it believes inspectors should give ranks some enforcement as they have in the past. It is also recommended that complaints lodged by industry members be examined and acted upon.

At present the Department admits it takes no action in relation to complaints from operators.

We support the proposal to introduce log books in hire cars and we suggest that independent taxi operators who have no means of providing details of hiring's be required to do the same.

Records of vehicles operating from radio networks are readily available for scrutiny by the Department.

We do not see a problem with the orderly operation of hire cars from radio networks as they are monitored and their operation subject to scrutiny.

Again we draw attention to inconsistencies in the review report.

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On page 54 it is stated that the Department proposes that it will be an offence for an operator to place in the vicinity of the vehicle, any signage to indicate the vehicle is available for hire.

However, on page 52, the Department considers it appropriate for advertising on the exterior of vehicles to promote its' services. Is this not contradictory in that an operator can promote

his service by means of advertising on the vehicle and obviously including that it is for hire but he cannot leave signage etc outside the vehicle.

This needs to be qualified.

### **4.6 Use of taxi equipment in Luxury Hire Cars.**

We note and support the banning of taxi meters in Luxury Hire Cars. We do draw attention to the National Competition Policy which may interpret this as being discriminatory.

It is noted no action is to be taken over the use of mobile phones.

Industry view is that Taxi equipment should not be permitted in Hire Cars including meters, cameras and mobile data terminals.

### **4.7 Driver code of conduct**

It is our view that driver and company identification should be displayed in cabs WAT's and hire cars.

Identification with photographs is an aid to passenger safety and provides information as to driver and company in the event of lost property and complaints.

Identification has the added advantage of encouraging drivers to behave in a responsible manner merely because they are capable of identification..

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There are advantages in having a driver code of conduct for both hire cars and cabs. We believe some companies already have a code of conduct and we agree this is the responsibility of industry.

**4.8 Supplementary question.**

It is noted that specific registration plates are to be provided for all taxis. With dome And tariff indicator lights cabs will be easily distinguishable from hire cars.

## **5.0 Operator accreditation**

### **5.1 Focus of accreditation.**

We accept the view that accreditation to a large extent places responsibility on industry members to perform in accordance with legislation. However, accreditation is monitored by the Department and there are sanctions placed on anyone breaching the accreditation standards.

It is our view that quality standards whilst primarily the responsibility of industry should none the less be monitored by the Department and appropriate sanctions applied where necessary.

If this view is unacceptable, then we believe radio networks should be accredited and given authority to provide codes of conduct and quality standards.

Generally industry agrees that the financial position within the taxi and hire car industry is a matter for entrants to the industry to decide for themselves.

With proposed gathering of statistical information by the Department, it would be placed in a position of being able to assist industry.

As an example, the taxi newsletter could be used to publish such matters as numbers of taxi licenses on issue by area, the number of WAT licenses, response times, fare increases etc.

Industry believes there is a lack of statistical information available and reluctance on the part of the Department to release statistical information.

## **5.2 Provisions in the regulations relating to accreditation.**

### **5.2.1 License plates**

Specific registration plates for taxis are supported by industry. This question was investigated some 15-20 years and was deemed to be acceptable and its implementation was supported by the registering authority.

A copy of the joint report of the Department and Industry which may be of some benefit to the current regulators is available if required.

### **5.2.2 Security cameras.**

It is agreed that the question of spare cameras is one for industry and not a matter of concern to the Department.

### **5.2.3 Regulation and accreditation.**

Industry provides the following comments on the overlap between provisions in the regulations and the requirements of accreditation

- **Temporary taxi license labels( Regulation 9 (1) and 9 (4),**

It is agreed that there should be power to ensure temporary licenses do not continue in use after formal expiry and that this authority should remain in the regulations.

- **Permits of substitution labels (Regulation 13A (9)).**

The proposal that a perpetual license can be linked to any acceptable vehicle will be an advantage to industry. Such an arrangement will remove the requirements to obtain

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permits of substitution which is a problem within industry. However we note that the same proposal is not to apply to WAT vehicles.

Industry believes the same provisions should apply across the board. The Department has continually claimed that there should be uniformity and here we have another example of non uniformity within the taxi and hire car industry.

The effect of this will mean that regulation 13A (9) will remain but will not apply to taxis and presumably hire cars. This is not seen as good practice.

- **Issue of number plates and label (Regulation 17.)**

Industry agrees that the power to prosecute for the non return of plates and labels should be available to the Department and it is appropriate that this power remain within the regulations.

- **Obligation to display number plates and labels (Regulation 17A, and 17B.)**

It is agreed that there should be a requirement to display plates and labels as a means of identification of taxis and hire cars.

Such authority is appropriately within regulation.

- **Obligation to display inspection labels (Regulation 17C.)**

Industry agrees that this responsibility should remain within regulations.

- **Duties of operators and drivers (in relation to displaying labels on fares)  
(Regulation 22 (1) and 22 (2)).**

Industry agrees that this responsibility should remain within regulations.

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- **Taxi meters and taxi signs (Regulation 23 (1)).**

It is accepted that with the proposed six monthly inspection system precluding the checking of taxi equipment that the enforcement of this obligation should remain within regulation.

However, industry believes that this is a retrograde step and will lead to abuse and ultimately effect the customer.

Random enforcement will not in our view adequately prevent or reduce abuses of the requirement to have appropriate taxi equipment.

- **Discount fares (in relation to the displaying of labels) (Regulation 24A.)**

It is assumed that the Department is proposing to retain this provision in regulation although the review does not specify this.

If the assumption is correct, industry endorses this proposal.

- **Approved, testing and setting taxi meter (Regulation 25.)**

Industry agrees that the power of enforcement of this requirement should remain in regulation.

- **Evidence of testing (Regulation 26.)**

Agreed.

- **Testing and sealing of taxi meters (Regulation 27.)**

Agreed.

- **Interference with taximeter (Regulation 28.)**

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Agreed.

- **Security camera systems (Regulation 28A and 28K.)**

Agreed.

- **Distinguishing number plates and labels (WATs) (Regulation 28N.)**

Agreed.

- **Inspection requirements (Regulation 29.)**

Agreed.

- **Advertising material in or on taxis (Regulation 32.)**

Industry agrees that if this matter is dealt with elsewhere in regulations it should correctly be removed from regulation 32. there is little to be served by duplication.

- **Requirement for taxis (taxi equipment) (schedule 2.)**

This has been dealt with under taxi meters and taxi signs.

- **Installation of security cameras (schedule 5.)**

Provided the schedule is not a duplication of regulations 28A – 28K we have no objection to this proposal.

It is noted that the Department does not propose increasing the level of penalties applying to any of the offences.

We note that the Department proposes examining in greater detail the method of recording and issue of taxi licenses and plates. Including we trust registration plates.

Industry believes that the requirements for WAT and hire car licenses etc should be the same as taxis in all areas of operation.

### **5.3 Operator training.**

It is noted that the Department does not believe that there should be operator training prior to entry into the taxi industry. Department proposes removing relevant information about the taxi industry from it's web site and takes the view that it is not responsible for the supply of relevant information to would be entrants into the taxi industry.

Industry does not agree with the views expressed by the Department. It believes that the Department is responsible for the regulation of the industry and makes major decisions that affect the viability of industry participants. However industry will examine the feasibility of providing its own website incorporating information for entrants to the industry

### **5.4 Perpetual taxi licenses.**

Industry has stated that it does not agree with the proposal that future license issues should relate to the highest tender with no effective reserve price.

The proposal that future leasing provisions will be aligned to accreditation is noted.

Industry agrees that leasing disputes are private matters between the parties and government does not have a role. Similarly, it accepts that leasing is not a function of government and should never be.

It is the view of industry that the Department should be in a position to recognise the responsible operator at all times but should not be involved any further in the leasing arrangements.

### **5.5 Code of behaviour/code of conduct.**

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Industry provides the following views in relation to the issues listed:

- **Charging of fares. (Regulation 21A.)**

We agree that breaches of fares charging are a matter for regulation.

- **Duties of responsible operators and drivers. (Regulation 22 (3).)**

Agreed.

- **Taxi meters and taxi signs. (Regulations 23 (3) and 23 (4).)**

Agreed.

- **Use of taxis (areas of operation). (Regulation 24 (1) and 24 (1a).)**

Agreed.

- **Use of taxis (standing in public street). (Regulation 24 (5).)**

It is noted that this regulation is to be rescinded allowing taxis to stand in streets.

- **Use of taxis (permitting persons to ride in the taxi). (Regulation 24 (6) (b).)**

Agreed

- **Use of taxis (use of taxi zones). (Regulations 24 (6) © 24 (6) (d).)**

Agreed.

- **Use of taxis (soliciting for business). (Regulations 24 (8), 24 (9), 24 (10).)**

Agreed.

- **Lost property. (Regulation 31.)**

Industry does not have a problem with proposed changes to movement from regulations to accreditation.

Industry has a code of conduct and does not believe that the Department should be involved in preparing a code for industry. There is a need to update the industry code of conduct and this will be given due consideration.

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We believe there is a need to develop a greater awareness with customers of the taxi industry, its role and controls.

We note the views of the Department on fare evasion and this will receive industry attention in due course.

### **5.6 Accreditation of taxi operators.**

Industry notes the views of the Department in relation to accredited groups.

### **5.7 Supplementary questions.**

We note that it is not the intention of the Department to extend the fit and proper test to known associates.

However, we accept the proposal that the Commission may grant probationary accreditation to relatives etc where the original accreditation has been revoked. It follows that probationary accreditation can be revoked.

### **6.0 Radio rooms.**

#### **6.1 Issues for consideration.**

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Industry agrees that the term radio room should be altered to taxi dispatch service. There are essentially three types of networks operating in the state and these are:-

- Call centre facilities with electronic dispatch equipment.
- Trunk network operating between drivers and two way radio systems.
- Informal networks of drivers receiving customer requests via mobile telephones.

Industry agrees that networks should have an appropriate degree of accountability through an effective complaints handling process. This is another reason for networks to be accredited.

We have some concerns how small groups such as the third tier handle complaints etc.

### **6.2 Compulsory membership or affiliation.**

Networks within industry naturally support compulsory membership or affiliation for the reasons listed in the review.

These networks are concerned as is industry generally that some taxi operators do choose to take only the more lucrative jobs and this does disadvantage taxi customers.

Arrangements were made to extract from the computer system at Taxi Combined Services details of jobs refused by operators over a given period.

During the period 19 March, 2007 to 25 March, 2007, the amount of jobs rejected out of hand as against those not taken for a variety of reasons is show in table 6.1

Day	No. of jobs.	Not taken.	Refused.
19.3.07	1650	119	335
20.3.07	1688	119	316

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21.3.07	1946	139	372
22.3.07	2338	215	467
23.3.07	2649	244	515
24.3.07	2462	245	399
25.3.07	1477	157	287
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Totals	14,210	1,238	2,691

**Table 6.1  
Rejected jobs.**

The table clearly indicates that the number of jobs rejected was 19% of the total available during that period. When the jobs sheets are analysed the vast majority of rejects can be attributed to some operators who use the dispatch system as a means of topping up their other work.

We accept that the Department cannot reasonably provide for membership of radio networks. However, the Department could provide for accreditation of radio networks and monitor performance of these against independents. The information received over some years may well provide for a change in direction. During the course of preparation of this submission it became clear that the vast majority of taxis are attached to radio networks.

What is the position with mobile phones, are these to be classed as radio networks

In Devonport all are attached and in Smithton, Wynyard and Burnie, the same applies. Of the 226 cabs in Hobart including WAT licenses 200 are attached to networks and in Launceston 89 of the 91 cabs are attached to a network including 8 WAT licenses

- **A comprehensive and guaranteed transport service.**

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We accept that there is a place for independent operators. We also acknowledge that the Department cannot regulate for radio networks to be the only means of access to taxi services.

However, the Department could provide for networks to be accredited and with that might follow for membership to be subject to more stringent compliance procedures. Examples are to compel drivers to log in for specific suburbs or areas to work for a set minimum number of hours or even at specific times.

A real problem with all taxi operations is to have sufficient units available at non peak hours. As an example, a network can have 30 jobs booked in advance for pre 7.0am with only 15 units to service those 30 jobs. Accreditation with greater authority will enable networks to roster minimum numbers of units to service at least pre booked work and to control log in hours.

It may well be an inalienable right of a driver to refuse a fare but such a “right” may well impact on the client as not all rejection of work can be passed on and sometimes the customer is disadvantaged. Increased response times cannot be regarded as acceptable to the customer.

The Department can encourage independents or others passing on a request to inform the customer of the operator/company doing the work but in reality, this will not happen.

- **Quality of service.**

The Department view of service quality is not necessarily correct. Networks encourage quality of driver and vehicle and believe their service standards are equal to or superior to that provided by independent operators. Networks rely very heavily on repeat business.

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Industry does not accept that historically drivers and operators causing the most concern regarding service and vehicle quality have tended to be affiliated with the main networks.

These drivers and vehicles are readily identifiable by the customer because of the initial approach to the network. Independent operators are not so easily identified and therefore lodging complaints is seen to be difficult. The introduction of driver and company identification will change this and we feel more complaints involving independents will rise substantially.

Networks do not have a policy of denying responsibility for drivers.

Networks are not unwilling to apply strict sanctions for misconduct and to suggest that they are completely misrepresents the position.

Industry can give an unequivocal assurance to the Department that action has been and will be taken against drivers and operators where necessary. An accreditation system would ensure this and provide the Department with sanctions against networks if they failed to do so.

If the Department believed its own propaganda then it would seriously consider accreditation.

- **Efficiency of vehicle use.**

Industry notes that the Department accepts that there is greater efficiency in vehicle use within networks. Arrangements are in hand for industry to record through networks the incidence of “no show” including the possible false reporting. When we have sufficient data this will be made available to the Department.

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- **Driver and customer safety.**

Many networks have a basic alarm system. To go to GPS is expensive and not justifiable at this stage. However if the regulator adopted a supporting role to industry and refrained from increasing industry costs and threatening industry viability with unsupported innovations it may be possible to bring forward the examination of a GPS.

Industry will examine the possibility of providing reduced membership to those operators who wish to access network security options.

- **Complaints handling and lost property retrieval.**

We note that the Department concedes that networks provide benefits to drivers and operators to a greater extent than is evident with independent operators.

The cost of providing these benefits in today's technology is extremely expensive. Some networks do offer rebates to WAT operators and industry will encourage more of this. Industry will also examine other areas where rebates may be possible.

- **Impact on independents.**

Industry does not accept the Department's view that 10% is significant. If we look at the state as a whole, we find that in Burnie there are no independents, none in Devonport, few in Launceston again none in Ulverstone, Smithton or Stanley. Most independents are in Hobart where there are 3 or 4 networks.

Over the years, some networks have had arbitrary rules not acceptable to some operators and hence there has been a history of movement between networks and a movement away from networks.

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Accreditation of all networks would have the effect of requiring them to provide services etc in the common interests of customers and operators.

For the Department to make a statement that Treasury would oppose compulsory membership of networks on the grounds of being anti competitive and does not produce a net public benefit is unacceptable and cannot be sustained. Where is the evidence to support such a claim?

- **Operator choice.**

We do not accept the Department scenario in relation to Burnie, Devonport or Ulverstone. Operators have the choice of either joining existing networks in these areas or attaching themselves to other networks in other areas.

As an example, 80 operators in Launceston are members of Taxi Combined Services in Hobart. One operator in Hobart is examining the possibility of joining a Queensland network.

If compulsory affiliation with networks brought about the need for GPS then this would be met and members who benefit from the added security would need to meet the cost. We fail to see Treasury's opinion. If increased security reduced response times and greater efficiency is achieved the customer benefits. Why should customers not meet increased costs? Treasury is usually a great advocate of the user pays principal.

- **Regulatory creep.**

In the event that convergence continues and monopolies are created then industry would be obliged to accept government intervention to prevent exploitation etc.

However, industry accepts that compulsory affiliation is not available at this point in time. It may be down the track. What is essential now is to establish a framework to

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improve the delivery of services by networks and to put in place proper procedures to address the numerous points raised in the review. To this end, we believe network accreditation is necessary now and the Department is encouraged to proceed with this forthwith.

**6.3 Regulation of radio rooms – accreditation.**

During the course of preparation of this submission, industry has drawn attention to a number of deficiencies in the system.

To mention but a few

- Inability to roster sufficient units to meet some off peak demand.
- Inability to place sanctions on operators or drivers.
- Inability to insist on quality standards of vehicle and driver.
- Inability to impose a code of conduct to be observed by members of the network.

Industry does not want another tier of accreditation it merely needs radio networks to be accredited in the same manner as operators are accredited, and it needs the support and recognition of the Department. If it had, this it would be in a position to provide a substantially improved service that would benefit its' members and more importantly the travelling public.

With accreditation of networks come benefits to the Department by way of improved service standards, quality standards, driver standards and management of lost property etc.

The Department is proposing some minimum reporting obligations to be placed on networks. Accreditation of networks would make the gathering of information simple and possibly more comprehensive.

**6.4 Wheel chair accessible taxis.**

We do not believe that response times would be improved by centralising WAT booking services. Similarly we do not believe that a centralised booking service would lower standards of customer service. We do believe that WAT operators and customers would be better served by affiliation with radio networks.

**6.5 Promotions of competition for taxi services within areas.**

Industry believes that there is active competition between networks and agrees with the Department that networks should be free to compete for operator affiliation in the price and range of services they offer to taxi operators.

It is difficult for networks to be involved in discount fares except where it is across the board. Networks are established to provide work to operators on a fair and equitable basis. To advise customers that some operators provide discount fares would mean that these providers would get the greater share of work.

We believe networks should continue to share the work across network members. Individual operators can offer discount fares and the customers may on occasions get a discounted fare and on other occasions not be so fortunate.

Specific registration plates for taxis are supported by industry. This question was investigated some 15 to 20 years ago and was supported by both industry and the Department.

**6.6 Uptake of new technology.**

Industry agrees that it is better placed to consider whether there is a need to take up new technology.

**6.7 Radio rooms in non metropolitan areas.**

Industry does not believe radio networks should be regulated as such. We do believe networks should be accredited. We do not believe metropolitan areas should be treated differently from rural areas.

Operators in rural areas can utilize established radio networks or establish their own. They should be free to do this.

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### **7.0 Taxi fare and driver pay and conditions.**

#### **7.1 Role of government.**

Industry has consistently maintained that the regulated fare is in fact the minimum fare in terms of covering costs. In addition, the Department is proposing changes in the issue of licenses and the imposition of additional charges to industry.

With these changes there is no possibility of providing discounted fares.

It is agreed that government is not responsible for protecting industry participants from making poor business decisions. However, we believe government has a responsibility to industry as a whole to ensure it can operate viably and that regulation and fare setting is sufficient to allow this to be achieved.

#### **7.2 Taxi industry regulations 1996.**

Whilst there are problems with taxi fares being the subject of regulations and changes are cumbersome and time consuming, it is still effective and provides protection to the community.

We believe that a change in legislation calling for the Government Oversight Commission (GPOC) to set the fares for the taxi industry similar to the manner that Metro fares are approved is desirable and has the support of industry.

#### **7.3 Responsibility for setting fares.**

Industry agrees that a government agency such as GPOC be responsible for developing a taxi fares model that takes account of movements in the CPI or some other index.

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In the school bus industry adjustments in contract rates and commercial fares are determined by a Transport index. A model could be developed and adjusted quarterly or annually where there has been movement in an index.

The model could be subject to review each 5 years.

Industry does not see a problem with GPOC being the authority for determining taxi fares and charges. We see no difficulty in providing statistical information that would assist GPOC in determining appropriate fares.

This would give industry the opportunity of providing input into the process and making comment on GPOC recommendations.

In relation to funding, we do not believe industry should be required to provide funding. Government believes it is its duty to set fares in the interests of the community. In a normal business environment, fares on other forms of transport are determined by the provider.

Where government determines it needs to oversee the fare structure, it usually provides the mechanism for funding. This is so in the School Bus Industry and the Regular Passenger Transport Industry.

The taxi industry does not believe it should be treated any differently and therefore rejects the proposal to fund 5 yearly reviews of fares. We agree that industry as well as stakeholders and other interested parties should have the opportunity of contributing submissions to the initial development of a fares model and the five yearly reviews.

### **7.4 Options for fares setting.**

We agree that the indexation method should be determined by GPOC or some other independent body. Indices such as CPI, Transportation Index and Private Motoring Index should be examined to arrive at a suitable index for the taxi industry.

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### **7.5 Options for more flexible fares.**

Industry favours uniformity in all areas of small passenger transport and therefore would like to see a standard fare across all areas.

Having said that, we do not have a problem with maintaining the status quo.

Generally, Industry does not believe surcharges should be imposed because these bring about customer resistance. However surcharges such as the 12.30 to 5.0pm surcharge on country taxi hire is an exception because of relatively low returns of country taxis.

The determination of fares should take account of matters associated with operating taxi cabs such as short trips, driver payment for extended hours and after hours work and conditions including security.

### **7.6 Customer perspectives.**

The association accepts that Department of Infrastructure Energy and Resources should provide the terms of reference covering the investigation process but it believes it should be permitted some input.

In effect, we believe the terms of reference should be agreed to by the Department of Infrastructure Energy and Resources and industry. Users of taxis must accept increases in fares. Where costs increase so it follows that fares must increase.

We cannot accept the Department's view that increases in fares should take account of the TAS budgetary limitations. The taxi industry should not be penalized because government have problems with budgets. The public should be insulated against fare increases based on poor industry practices.

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### **7.7 Taxi industry perspective.**

If fares are determined based on costs incurred in the provision of efficient taxi operations, then industry cannot complain.

Operators who can reduce normal costs by efficiencies can afford to reduce the impact of fares. This has not been the case in recent times. However, a more efficient and justifiable examination of industry costs and appropriate fare setting in the future may bring about some discounting of fares.

### **7.8 Supplementary questions on fares.**

Industry has in the past seen no need to approach the Commission to set higher fares by means of a fare agreement. In view of this, we accept the decision of the Department to abolish this provision.

The provision for taxi drivers to carry passengers by the shortest route should be retained. We agree that the provision relating to the starting and stopping of the taximeter should be strengthened.

### **7.9 Driver pay and conditions.**

It is accepted that the agreements between drivers and operators about pay and conditions is a commercial one and should not involve the regulator.

### **7.10 Driver income.**

Industry believes that driver income is a matter between driver and operator and not the concern of the Department. We do not believe that changes in the nature of perpetual taxi

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licenses will have any effect on driver income. We do not accept that leasing has an effect on driver income.

The Essential Services Commission found that the level of increase required to significantly improve returns to drivers would be so large as to be unsustainable.

A change in the payment arrangement to drivers is a means of increasing their returns but a change to wage arrangement would have a significant impact on the fares model and would be unacceptable to the travelling public.

We have taken out some figures in relation to drivers pay for the period January – December, for the year 2005 and 2006 and these are shown in Table 7.1. Changes in the hourly rate (night shift) for 2005 and 2006 are shown in Table 7.2

Shift	Average	Per hour	% movement
	2005	2006	
Night	\$13.44	\$12.26	-8.77
Day	\$8.96	\$9.49	+0.05

**Table 7.1 hourly rates 2000-2006.**

These figures indicate that drivers are receiving less for night shift work in 2006 compared with 2005 which indicates that less work is available to drivers.

Year	\$ rate	\$ change	% change
2000	9.55		
2001	9.87	0.32	+3.35
2002	10.35	0.48	+4.86
2003	11.55	1.20	+11.59
2004	12.94	1.39	+12.03

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2005	13.44	0.50	+3.86
2006	12.26	1.18	-8.77

**Table 7.2 net hourly rate (night shift)  
2000 – 2006**

Most operators pay their drivers 50% of total revenue collected from fares. It follows from these basic statistics that returns for drivers are reducing. It also follows that the revenue received is reducing.

This may be attributed to a number of reasons but one thing is evident, additional licenses in the market place will not add to driver returns.

#### **7.11 Driver conditions.**

Industry accepts that some drivers may work long hours. Generally those drivers elect to do so and are not coerced by operators.

We believe that in the main, operators take a responsible attitude to work hours. It should also be remembered that by the very nature of the operation drivers enjoy long periods of inactivity, ie, waiting for hiring. Nevertheless, industry will address this issue.

We support the use of signage at taxi ranks etc as a means of better informing the public on the roles and responsibilities of taxi drivers and the work of the industry.

Drivers elect to work at varying times and for varying reasons. Many drivers work during periods of high returns. Some work other than late at night because of security risks. Others work nights and weekends to supplement other sources of income.

Industry has no difficulty in providing additional information to the Department but would prefer to do so under the umbrella of accreditation.

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**7.12 Supplementary questions on driver conditions.**

We believe the provisions of the Workers Rehabilitation and Compensation Act is appropriate to taxi drivers. Drivers of course have the ability to negotiate contracts and terms and conditions with operators.

## **8.0 Rural Taxis**

### **8.1 Structure of the rural taxi industry.**

Industry accepts the view of the Department of Infrastructure Energy and Resources that Burnie and Devonport should remain as metropolitan taxi areas.

### **8.2 Operating costs and returns.**

We accept that the higher operating costs in rural areas are to some extent, offset by other low costs. In any event, we do not believe there should be a different fare structure than that which currently applies. All Tasmanians should pay the same fares irrespective of location, except for perhaps King and Flinders Island.

### **8.3 Use of taxis in rural areas.**

There are differences in the rural taxi market such as frequency of use, longer distances in some areas, absence of out of hours use and increased operating costs. However, it is not considered that these differences warrant a variation in fare structure apart from those currently in existence.

### **8.4 Regulation of rural taxis.**

Generally operators in rural areas operate a 24 hour 7 day roster, based on known demand.

Where there is a demand for taxis, operators will roster vehicles and drivers and where there is little or no demand, operators respond accordingly.

We do not believe that the Department should interfere with this arrangement. The market will determine demand. In general terms, we do not believe there should be a

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fare differential between rural and metropolitan taxis except as the Department confirms, there is a need because of the operation of security cameras.

It is agreed that this is one area that should be included in the GPOC terms of reference and whilst we agree that rural areas have longer journeys and therefore greater dead running, it does not follow that rural taxis have a different fare structure.

Imposing surcharges to cover these matters, is not necessary or desirable.

As indicated previously, industry does not support the abandoning of the assessed market value unless the system of issuing licenses is altered to one of issue based on population increase and an increase in response times.

Licenses on issue should be operated and we commend the proposed action of the Department to require license holders to demonstrate that they are actively operating licenses.

The present age restrictions on license is considered appropriate but we oppose the removal of Commission's discretion to allow age limits to be extended in special circumstances.

We don't believe security cameras should be mandatory in rural areas. If circumstances call for greater security, then consideration can then be given to requiring cameras.

As the areas of West Tamar and Perth allow operation within the city of Launceston and the airport, the fitment of cameras would appear desirable and is supported.

### **8.5 WAT's in rural areas.**

It follows that if DDA compliance is the legal responsibility of radio networks and co-operatives, then where none exist, there is no requirement.

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It is highly unlikely that WAT's would be viable in non metropolitan areas except for large rural towns, such as Ulverstone, Smithton etc.

The Department might consider incentives but should not flood the market with WAT's. In the metropolitan areas, WAT licenses are generally utilised on the basis of 55% general taxi jobs and 45% wheelchair jobs.

Table 8.1 provides details of taxi access scheme (TAS) jobs, wheel chair jobs and total taxi jobs for the last 6 months of 2006.

Month	Total Taxi trips	Non wheel chair Tas trips	Wheel chair Tas trips.
July 06	8,435	945	3,684
August 06	8,496	660	3,635
Sept. 06	8,739	757	3,393
Oct. 06	7,030	714	2,810
Nov, 06	11,886	1,292	5,215
Dec. 06	4,755	336	2,288
<b>Totals</b>	<b>49,341</b>	<b>4,704</b>	<b>21,025</b>

**Table 8.1 TAS statistics**

The number of TAS jobs as a percentage of total taxi jobs reported is 52.15% and wheel chair jobs as a percentage of total taxi jobs reported, is 42.61%. The DIER's annual report of 2006 refers to 29,000 Tasmanian jobs in that year.

Industry has some reservations about this data as some operators may be disguising that they are more actively engaged in pursuing general taxi work.

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To further emphasize this view, we believe there is a distinct difference between non wheel chair and wheel chair jobs.

Non wheel chair jobs have been undertaken by standard taxis since 1981 and are regarded as standard taxi work and not specific WAT work.

Therefore Table 8.1 should conclude as follows:-

Total jobs	Standard Taxi (Tas)	WAT's Wheel chair (Tas)
49,341	28,316	21,025

The ratio is therefore 57.30% of standard taxi work and 42.16% of WAT's work. The number of trips listed in Table 8.1 appears to be incorrect as traditionally taxi work increases during the last quarter of the year and peaks in December.

Analysis of statistics over a seven year period indicates that work in December usually increases by 13% over the preceding month.

Table 8.1 reflects a substantial shift away from this trend in that jobs undertaken by WAT's during December, 2006 decreased by 40%.

This is another reason why industry is opposed to the issue of WAT licenses on demand and not on a needs basis.

Again, we stress the need to issue licenses on a population and response time basis.

Industry does not have a problem with relaxing some standards as a means of encouraging WAT availability in country areas.

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However, we find it difficult to accept the view that out of area work would be permitted but limited to wheel chair jobs and that such approval would be revoked if a WAT license was issued for the taxi area.

On the one hand, the Department encourages use of WAT's across areas only to withdraw that provision. We believe it is wrong to allow an operation with all the costs involved and later withdraw it for what the Department may consider is a better deal.

### **8.6 Relationship between rural taxis and community transport**

Industry accepts that there may be some advantage in approaching community transport organisations to see if taxi operations at discounted rates would be a possibility. We will examine this issue and see if there is an interest.

## **9.0 Taxi area.**

### **9.1 Over lapping taxi areas.**

Industry does not have evidence to suggest that there is a need to provide “spill over” zones in some taxi areas. What is known is that there are areas where there is a surplus of taxis that could be used as “spill over” taxis and these include Hobart, Launceston, Devonport and Ulverstone.

The enforcement of “spill over” zones would be difficult but not impossible. Re-defining the boundaries of Perth, West Tamar, Launceston and Meander might be acceptable if the existing taxi providers in the areas that lost access to the Casino and the airport were compensated.

Certainly the difficulties at present experienced with the current boundaries would be overcome.

In most cities in Australia, the airport is an integral part of the transport system and generally taxis operating in the city have access to the airport.

In the case of Launceston, the city boundary excludes the airport as this is within the municipality of Perth. However, cabs in Launceston have always serviced the Launceston airport even though it is in Perth.

Launceston Taxis have for years claimed that they should have exclusive access to both the Casino and the airport. It is possible and perhaps desirable to attempt to appease both Launceston operators and Perth operators.

We believe this might be achieved by re-defining the Launceston taxi area to include part of Perth, (casino) and (airport). In doing so, there is a need to compensate the affected Perth

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operators. This could be done by allowing a percentage of Perth cabs to become Launceston Cabs. The remaining Perth cabs would lose access to the casino and the airport.

Some Perth cabs would have access to Launceston. The existing Launceston cabs would have 2-3 additional cabs. This could be offset by not releasing further licenses to the Launceston area.

If such a scenario is not acceptable then we suggest the Department require both Launceston, Perth operators to keep records of the amount of work obtained from the casino and the airport and when this is available, make an informed decision as to what should be done in the re-definition of the Launceston taxi area.

### **9.2 Amalgamating taxi areas.**

We believe the numbers of taxis areas in Tasmania is appropriate. There are of course, some areas that might be combined but generally distances preclude this because of dead running and the maintenance of reasonable response times.

Taxi licenses are permitted to operate:

- Within the taxi area.
- To the taxi area from anywhere.
- From the taxi area to anywhere.

This provision allows for interaction between taxi areas and to some extent reduces the many perceived problems with a large number of taxi areas.

We agree with the Department that there does not appear to any good reason to permit permanent or seasonal “spill over” areas.

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The Department's view is that existing taxi operators should be encouraged to seek permission to utilize spare vehicles in other taxi areas not adequately serviced. This could be achieved by temporary licenses or transfer of licenses between areas and between operators.

### **9.3 Other taxi issues.**

We agree that to divide taxi areas may create more problems than currently exist. Certainly dividing cities and major towns is not desirable and this is our reasoning for allowing something constructive in relation to Launceston.

There is some evidence that outlying areas of some taxi areas are not being adequately serviced. Response times in these areas are significantly greater than the metropolitan areas. However, we do not believe that the Department should have the authority to direct drivers and networks to accept jobs or to service particular locations.

This is a matter best left to industry and we would not support a proposal that airports have specific taxi licenses or conditions.

We agree that Ulverstone should remain a non metropolitan taxi area. Irrespective of whether there is licenses in Waratah and Savage River, we cannot see any advantage in the Burnie taxi area absorbing Waratah and Wynyard.

We would suggest that taxi work in these areas is limited to journeys between Burnie and Waratah/ Savage River and these journeys are covered under existing Burnie licenses.

Taxi work wholly within Waratah/Savage River would not in reality be covered by Burnie drivers because of the high incidence of dead running.

Judgments have been made by past operators that there is little or no demand within Waratah/Savage River to justify a taxi service.

**9.4 Wheel chair accessible taxis.**

We do not believe that amalgamation of taxi areas will assist in the introduction of WAT's in non metropolitan areas. Large distances between towns would deny this option of any degree of success.

We would suggest that somewhere there would be available statistical information on the numbers of wheel chair reliant passengers and their locations.

If this information could be obtained and made available to industry, then industry could access the potential of establishing WAT's.

**9.5 Security camera areas.**

Security cameras are an aid to the operator, driver and passenger and generally should be mandatory in all taxis. However, because of the limited potential for passengers in rural areas, the compulsory fitment of security cameras may be the difference between viability and non viability.

Generally we tend to agree with the Department that cameras be provided when the need becomes apparent.

**9.6 Taxi industry regulations.**

Out of area operations of taxis is a reality and one causing concern to industry. Fortunately it is not as prevalent as it was. The only effective means of monitoring this is by complaint from existing operators and surveillance by Transport Inspectors and we suggest that the Department adopt both approaches and accept and investigate complaints at face value and not require firm evidence.

**9.7 Metropolitan and non-metropolitan areas.**

Industry has indicated it supports uniformity of regulation etc across the board. Apart from security cameras we believe requirements for taxis should be uniform.

**9.8 Radio rooms in non-metropolitan areas.**

Industry agrees that network services in non metropolitan areas will evolve when and if operators believe there is a demand. There may be a possibility of existing networks encouraging rural taxis to join at reduced costs.

We believe this should be encouraged by the Department and canvassed by networks. As an example, Taxi Combined Services Hobart have 80 Launceston taxis operating from that network.

That network and others might examine the possibility of taking on board some rural taxis.

**9.9 Taxi area funds and general administration fund.**

Obviously industry believes some funding should be supplied by government for the purposes of promotion and development of the taxi and hires car industry.

However, it is noted that the Department does not propose to provide funds and has recommended that existing taxi area funds be abolished.

**10.0 Technical issues, administration and enforcement.**

**10.1 Application of the Act.**

Comment has already been made on the proposal to include Waratah and Savage River in the Burnie taxi area.

**10.2 Control by the Minister.**

When an effective regime for the issue of licenses across the board has been established, we believe that should be controlled by the Commission and the Minister should have no power to direct the Commission in the issue of licenses.

**10.3 Funds for taxi areas.**

It is noted that the Department proposes closing all area funds and transferring any remaining monies to the general administration fund.

It is agreed that fees payable in respect to all licenses should contribute to the cost of administration provided those fees are reasonable and do not place unnecessary burdens on operators.

**10.4 Accredited taxi groups.**

It is noted that taxi groups will be designated authorized taxi groups. We agree that WAT's should be able to form taxi groups. It has been said previously, taxi operations including WAT's should be uniform across the board.

We note that the Department is seeking a power to revoke or cancel any agreement between groups.

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**10.5 Trip subsidy.**

Industry notes the intention of the Department to develop a definition of the term “wheel chair passenger”.

**10.6 Lost property.**

It is noted that the Department proposes changing the requirement to deliver lost property to “any” police station but the present time period will remain.

**10.7 Advertising material in or on taxis.**

We agree with the Department.

**10.8 Redundant provisions.**

We note the intention of the Department to remove the redundant provisions listed in appendix 6 from legislation.

**10.9 Issue of perpetual taxi licenses.**

It is noted that the Department proposes removing the requirement to provide information on the taxi industry and our views have been stated earlier in this submission.

**10.10 Effect of perpetual taxi licenses.**

Industry supports the Department in removing the requirement to have a specific vehicle nominated on the licenses.

**10.11 Temporary taxi license.**

Industry does not agree that temporary licenses be issued to any accredited operator. It believes radio networks might be a more convenient and effective way of issuing temporary licenses.

**10.12 Licenses conditions**

**10.12.1 Imposing licenses conditions**

Industry does not oppose the right of the Commission to impose conditions on licenses provided those conditions are reasonable and do not impose a duty on a licensee that inhibits his or her ability to operate in a viable manner.

We agree that where a power exists to impose or vary license conditions those conditions should be clearly stated on the license.

License holders should be notified of any intent to impose or vary license conditions and those license holders should have right to not only make representations but to appeal to a magistrate.

**10.12.2 Compliance with conditions.**

Industry does not have a problem with the same requirements and penalties being applied to perpetual license holders who breach conditions of license.

**10.13 Transfer of license.**

It is generally agreed that transfer of licenses should be subject to the operator of the license to be accredited.

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It is also accepted that the Commission should have discretion in relation to transfers but only in specified or regulated circumstances such as fit and proper, payment of fees etc.

The question of refusing transfers of suspended licences or licenses subject to cancellation causes industry some concern. We would take the view that it may be a better outcome to allow the transfer of licenses in cases where the existing licensee is in some difficulty.

It would be difficult to accept the decision of the Commission not to transfer merely because it is in the process of cancelling the license because of some difficulty with the existing operator.

Except in extreme cases, cancellation of a license or refusal to transfer could place a huge financial burden on the operator.

We do not see the role of the Commission as one of punishing operators for misdeeds. We see the role of the Commission as one of regulating the industry and having the means of removal of operators who do not meet the requirements of the Act and Regulations.

### **10.14 Register of licenses**

#### **10.14.1 Obligation to keep a register.**

It is agreed that the Commission should have the authority to record on the register any license condition. Similarly it is accepted that the register should contain information in relation to transfer, suspension and cancellation of licenses.

As to the other matters we believe the Department should indicate the type of issues it believes should form part of the register before we can adequately provide input.

**10.14.2 Registration of interests.**

We note the proposal of the Department to discontinue the existing security and contingent interest registration arrangements and believe this to be a retrograde step

In the system of registration of vehicles, provision is made to record the interest of anyone who has a financial interest in the vehicle.

We cannot see why a similar system should not apply in the licensing system.

**10.14.3 Public access to the register**

Industry is of the view that matters recorded on the register about licenses and vehicles should be public documents.

In other areas of the public domain, register of business name and company information is available to the public. Registers of vehicle and licenses engaged in the transport of the public should be capable of being accessed by the public.

**10.14.4 The register as evidence.**

In the past, extracts of the various registers held by the Commission were available to the courts and we can see no reason why this should not continue.

**10.14.5 Taxi leasing arrangements.**

Industry notes the proposed action of the Commission in relation to leasing arrangements.

However, we feel that in cases where leasing is permitted, the Department should have an appropriate management system to meet the needs of the leasing conditions.

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If on the other hand the Department does not accept that there should be multiple leasing, it should put forward a recommendation to ban multiple leasing not merely abandon its responsibilities in the regulation of the industry.

On the one hand the Department wants greater powers to adequately control industry but on the other where it appears too difficult, it wants to withdraw.

We do not have a problem with a change in legislation to require either the license holder or the lessee to be responsible.

### **10.15 Fees**

We note that the Department proposes introducing new fees covering WAT's and Hire Cars to bring them in line with fees charged to Taxi's. Generally we accept that this is necessary for the purposes of uniformity.

However, we again draw attention to the levelling of fees and charges on the industry and how this can affect viability and innovation such as discounting fares.

Industry does not have a problem with increased fees where recovery of the fees is factored into the fare structure provided that this is reasonable and does not result in customer backlash.

### **10.16 Fee units**

It is noted that the Department proposes moving the issue fee for LHC licences from the Act to regulations.

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**10.17 Fees to fund increased enforcement activity.**

As the regulator, the Department is responsible to government for the regulation of the Taxi and Hire Car Industry.

As such, it seeks through parliament, amendments to the Act and Regulations to give it the power to regulate the industry.

The Department now wants industry to pay for the administration of the Act and Regulations it is required to work under.

The legislation has been enacted by the parliament in the interest of the public not necessarily in the interests of the taxi operator. Therefore if anyone should pay for enforcement of legislation, it should be the public and not the operator.

Criminals do not meet the cost of enforcement, the public do.

Enforcement of the legislation is not to protect the industry, it is to protect the public, and therefore it follows that the public should meet the cost of enforcement.

However, we believe that the public would have the same resistance to such a proposal as industry does because it already contributes through taxation to the cost of providing enforcement.

The proposal being put is that there should be an annual fee for taxis and hire cars.

If we accept that there are 500 cabs and hire cars in the state, the annual revenue based on a fee of \$586 would amount to \$293,425. Is this the total amount required of industry or is this additional to what is currently being paid.

The review is not clear on this point.

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The amount of \$293,425 represents the salary of 7 people, (\$42,000 per person). For industry to adequately address this matter, we need information on the numbers of persons engaged within the Department who directly administer the Taxi and Hire Car industry.

In the period 1970-1990, there were the following engaged in administering all forms of public transport including trucks, aircraft, controlling the weighing of vehicles and traffic area systems etc.

- Administrator 50% 1
- Manager Public Vehicles 100% 1
- Clerical staff 10
- Uniform staff 30

A total of 42 staff and based on today's salaries, would amount to \$1,764,000. These officers controlled the following:-

- Buses 600
- Cab and hire cars 450
- Trucks 3,000

Based on these numbers alone Taxis and Hire Cars would amount to \$435 per cab and should be considerably less because the amount of staff required would be far less than was required then.

The traffic area system has been disbanded. Inspectors no longer do meter tests nor enforce out of area permits.

Licensing of 3,000 trucks is no longer required and inspectors no longer do road safety inspections of light vehicles. Inspectors are engaged in weighing trucks, conducting escorts and inspecting buses and trucks. The amount of time allocated to taxi's etc is limited.

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Similarly maintaining the register and other clerical administration of taxis would be minimal.

On this basis the fees required to recover the administration of cabs and hire cars should be substantially less than is proposed. It may be that the Department examine its staffing arrangements to see if the personnel employed currently could be reduced.

As mentioned previously, we need full details of the cost structure of the Department in the matter of administration of the Taxi and Luxury Hire Car Industry Act.

We believe that fees charged should be across the board and not regional based.

### **10.18 Non payment of fees.**

Industry believes that fees should be paid at the appropriate time and that failure to do so would result in suspension of the license.

We are surprised that as this provision was in the Traffic Act, it was not placed in the Taxi and Luxury Hire Car Industries Act.

### **10.19 Enforcement**

#### **10.19.1 Monetary penalties.**

The Department has the support of industry in this matter.

#### **10.19.2 Other penalties.**

We accept that the Commission should have the power to suspend or cancel a license but that these actions should be subject to appeal to a magistrate.

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The Department has a recent history of cancelling registrations and accreditations without good and sustainable reasons and therefore, safeguards should be in place.

Renewal of licenses should not affect suspensions.

### **10.20 Offences**

#### **10.20.1 Describing vehicles as a taxi.**

It is agreed that legislation is required to make it an offence to describe a vehicle as a taxi that is not a public passenger vehicle.

#### **10.20.1 Holding a license.**

Industry agrees that persons who do not hold licenses should be prohibited from representing themselves as holders of licenses.

### **10.21 Taxi standards, vehicles suitable to be licensed as taxis.**

It is agreed these standards be included in regulations.

### **10.22 Inspection requirements for WAT's.**

#### **10.22.1 Restraints and hoists.**

It is agreed these standards should be incorporated in regulations.

#### **10.22.2 Age of vehicles.**

For consistency, we believe that the date on the compliance plate should be the determining factor for age of the vehicle.

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**10.23      Obligation to display plates and labels.**

Industry agrees that the obligation to display plates and labels should be consistent across the board.

**10.24      Charging of fares.**

**10.24.1    Prohibition on charging.**

The intention of the Department not to prohibit drivers from charging a fare where the meter has not been engaged is noted.

We have difficulty with this as it is an offence to charge other than what is on the meter. Surely this is contradictory.

**10.24.2    Defining the hire period**

This appears to be another provision not transferred from the Traffic Act to the Taxi and Luxury Hire Car Industries Act.

Ideally the hire period should commence when the vehicle pulls away from the kerb. This provision should apply across the board. However, there are problems with the pick up of passenger including delays in the actual commencement of the journey. Industry accepts that the current definition is appropriate but is open to alternatives.

**10.25      Taxi signs.**

It is agreed that the type of taxi top signs should not be regulated. We believe driver and company identification in vehicles is necessary.

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The proposal to have specific registration plates for taxis is supported. We are unsure as to why these plates should be supported by the current license plate. Surely the registration plate could be both registration and license.

Top lights should be prohibited from use other than on licensed taxis.

### **10.26 Taxi meters.**

#### **10.26.1 Meter technology.**

Industry supports that regulations should be amended to take account of new meter technology and agrees that the Commission should have the power to prosecute a person who calibrates a meter to a higher rate than the approved tariff. We support the updating of regulations to contemporary metering technology.