

Review of the
Taxi and Luxury Hire Car Industries Act 1995

Paper 7 – Radio Rooms

Department of Infrastructure, Energy and Resources

June 2006

This is the seventh in a series of discussion papers to be produced by the Department of Infrastructure, Energy and Resources about the taxi industry.

These papers will address issues that were identified during the work of the Taxi Industry Review Group established in 1999 to review Tasmania's taxi legislation, as well as issues of ongoing interest.

The purpose of these papers is to seek input on these issues from members of the taxi industry, through the Taxi Industry Reference Group, and other interested stakeholders.

The issues in this paper are presented for discussion and do not represent Government policy.

The work of the Reference Group and the input from stakeholders will contribute to a process of rewriting the Taxi and Luxury Hire Car Industries Act 1995 and making new regulations to replace the Taxi Industry Regulations 1996 and the Taxi Industry (Taxi Areas) Regulations 1996, proposed for 2007.

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1. Introduction

This paper is one of a series of discussion papers addressing issues that were identified during the work of the Taxi Industry Review Group, which was established in 1999 to review Tasmania's taxi legislation, and other issues of ongoing interest.

Recommendations from the Review Group resulted in the development of the *Taxi and Luxury Hire Car Industries Amendment Act 2003*, which was enacted in December 2003. The major features of the legislation included the requirement for new perpetual taxi licences to be made available every year, and the introduction of wheelchair accessible taxis (WATs). During the review several issues were identified that were outside the scope of the Review Group's Terms of Reference. These issues were to be addressed after the commencement of the new Act.

The Department of Infrastructure, Energy and Resources (DIER) has established a Taxi Industry Reference Group to provide advice on a range of issues affecting the industry, including the outstanding issues identified by the Review Group. The Review Group recommended that a Working Party be established to consider the issues that required further work outside the Review¹. The Reference Group will fulfil this role.

Initially the issues considered by the Reference Group will be those which will inform a process of rewriting the *Taxi and Luxury Hire Car Industries Act 1995*, the *Taxi Industry Regulations 1996* and the *Taxi Industry (Taxi Areas) Regulations 1996*, which is proposed to be completed in 2007. Further information on the Reference Group's work can be found in [Section 4](#).

This discussion paper relates to the operation of radio rooms (taxi dispatch systems or booking services)², which was one of the issues the Review Group recommended be addressed outside of the Review.

The Review Group noted the important role radio rooms play in the taxi industry. It recommended that the role of radio rooms be reviewed to consider whether they adequately promote competition for taxi services within areas, and whether they can improve their capacity to respond to and adopt innovative practices and technologies³.

In 2005 DIER commissioned research into the regulation of radio rooms in Australia and compulsory taxi operator affiliation or membership⁴. This research found that all states and territories outside Tasmania regulate their radio rooms. In these jurisdictions, membership of or

¹ Taxi Industry Review Group: *Taxi Industry Act 1995 and luxury hire car legislation* Regulatory Impact Statement, April 2000, page 12.

² In this paper the term 'radio room' will be used in lieu of 'taxi dispatch service' or equivalent terms used in other states and territories.

³ Taxi Industry Review Group: *op. cit.*, page 12.

⁴ Van Putten, Ingrid: *Research Report: Regulation of Taxi Dispatch Services in Australia and Compulsory Taxi Operator Affiliation or Membership*, for the Department of Infrastructure, Energy and Resources, 31 January 2005 (unpublished).

affiliation with a radio room is compulsory for taxi operators. In the Northern Territory the provisions have not been actively enforced. This paper will review the provisions governing radio rooms in each state and territory, as their role varies across states. However, in most jurisdictions it is the responsibility of the radio room to ensure that taxi operators are accredited, and there is a requirement for ongoing reporting and monitoring of service levels from radio rooms. Radio rooms may be required to ensure safety standards, provide electronic monitoring facilities and, in some jurisdictions, provide taxi driver training and maintenance of vehicles.

The paper will also consider whether, if radio rooms were regulated, membership should become compulsory at the same time. Alternative options to compulsory membership or affiliation might include a form of 'associate' affiliation, where an operator does not use the radio room dispatch services, but is able to use other services such as signage.

There will be links between the issues raised in this paper and issues considered in previous papers, especially the issue of operator accreditation⁵. In non-metropolitan and country areas of other jurisdictions, due to the small size of the networks, the radio room requirements and compulsory membership may not be adhered to, and these provisions are generally not strictly enforced. In taxi areas where there is only one taxi licence, the concept of a radio room is not applicable. Radio rooms that cross taxi areas might be considered as an alternative. This issue will also be considered in the context of the amalgamation of taxi areas (the subject of a future discussion paper) and was considered in the context of community transport⁶, as there might be opportunities for radio rooms to contribute to better provision and coordination of taxi services in rural areas.

The costs and benefits of regulating radio rooms will need to be carefully considered, along with the effect of this on competition in the industry particularly in relation to the principles of National Competition Policy.

⁵ Department of Infrastructure, Energy and Resources, *Review of the Taxi and Luxury Hire Car Industries Act 1995, Paper 5 – Operator Accreditation*, Discussion Paper, March 2006.

⁶ Department of Infrastructure, Energy and Resources: *Review of the Taxi and Luxury Hire Car Industries Act 1995 Paper 3 – Rural Taxis*, Discussion Paper, February 2006.

2. Background

2.1. Role of Government

The Government has an interest in the operation of the taxi industry as part of the passenger transport network insofar as it contributes to 'an effective internal and external transport and communications system that meets and responds to Tasmania's needs⁷'. To enable this, the Government regulates the industry through the *Taxi and Luxury Hire Car Industries Act 1995* (the Act) and its associated regulations.

The Government regulates taxis primarily:

to ensure the provision of a safe, demand-responsive, taxi transport system in Tasmania that adequately meets the needs of various groups in the community in an orderly and commercially viable manner⁸.

This includes regulating in order to:

- (a) ensure safe operating conditions for passengers and drivers;
- (b) ensure appropriate minimum quality standards in the taxi industry;
- (c) ensure the availability of adequate standard taxi services at reasonable prices; and
- (d) enable variation in taxi services to meet community demands at prices determined by market forces⁹.

To assist in achieving these outcomes, the Government has introduced operator accreditation, which is regulated under the *Passenger Transport Act 1997* (PT Act). The Passenger Transport Operator Accreditation Scheme was considered in detail in DIER's discussion paper on accreditation. This paper noted that accreditation was intended to 'ensure that persons operating in the industry accept their responsibilities to ensure that the services they offer are safe and of a suitable quality¹⁰'. It noted further that:

Requiring operators to take responsibility for ensuring that their services are safe and that they comply with the requirements of the legislation is a significant change to an industry that has historically relied on an enforcement approach to compliance. The introduction of accreditation is intended to move the industry away from a system where Government inspectors monitor the industry to identify those who don't comply, to an approach that places responsibility on the industry participants to demonstrate, through self-regulation, that they meet the standards required by the legislation.

Accreditation is therefore the central means by which the regulation of the industry will be achieved¹¹.

⁷ Tasmania *Together*, Goal 1, Standard 3 (page 36).

⁸ *Taxi and Luxury Hire Car Industries Act 1995* (Tas), Section 4(1).

⁹ *ibid.*, Section 4(2).

¹⁰ Parliament of Tasmania, Hansard, Tuesday 30 November 1999, Part 2, Pages 33–107 (Minister Lennon, Second Reading Speech of the Passenger Transport Amendment Bill 1999 sourced from <http://www.hansard.parliament.tas.gov.au/isysquery/irla7b/1/doc> accessed 8 March 2006).

¹¹ Department of Infrastructure, Energy and Resources: *Operator Accreditation*, pages 7–8.

From the perspective of the Government, the enforcement of regulations governing a small number of radio rooms may be more efficient and effective than enforcing requirements for a larger number of individual operators. While the Passenger Transport Operator Accreditation Scheme places the primary responsibility for compliance on operators, for many customers the radio room, rather than the operator, is the face of the industry. This paper will consider whether radio rooms could be given responsibility for managing many of the safety, accreditation and accountability issues currently required of operators.

2.2. Taxi and Luxury Hire Car Industries Act 1995

The Act defines a radio room as:

a room or other area used for –

- (a) accepting bookings for taxis from members of the public; and
- (b) transmitting messages by telecommunication to taxis¹²

At present the Act does not regulate any aspect of the operation of radio rooms and there is no requirement for taxis to operate out of a radio room, or for operators or drivers to belong to a radio room. Accordingly, radio rooms are free to work under their own rules and guidelines as they deem appropriate, and are not required to provide reports to Government on their operations.

2.3. Radio rooms in other jurisdictions

2.3.1. New South Wales¹³

In New South Wales (NSW) taxi networks are regulated under the *Passenger Transport Act 1990* (NSW) and the *Passenger Transport (Taxi-Cab Services) Regulation 2001* (NSW).

Taxi networks are required to be authorised by the Director-General of the Ministry of Transport and to meet various standards and levels of service on which the authorisation is based. An applicant for authorisation to operate a taxi-cab network must meet, to the satisfaction of the Director-General, the criteria and conditions set out in the Taxi-cab Services Regulation. In particular, applicants must:

- be of good repute and be a fit and proper person to operate a taxi-cab network;

¹² Taxi and Luxury Hire Car Industries Act, Section 3.

¹³ Information obtained from the NSW Ministry of Transport website www.transport.nsw.gov.au/licensing/taxis/networks.html accessed 19 April 2006.

- have the technical competence to operate a taxi-cab network (including holding a licence to operate as a radio network);
- have the financial competence to operate a taxi-cab network; and
- have the managerial competence to operate a taxi-cab network¹⁴.

The Regulation imposes the following conditions apply to network providers:

Driver safety – the network provider must ensure that network equipment and staff are trained, to a level that ensures, as far as is possible, the efficient operation of alarms in taxi-cabs and the prompt response of network operators when such an alarm is activated.

Access to booking service – the authorised taxi-cab network provider must not unreasonably (in the opinion of the Director-General) refuse to provide access to its taxi-cab booking service to an accredited taxi-cab operator or impose such charges for, or conditions on, access to its taxi-cab booking service as are, in the opinion of the Director-General, so unreasonable as to be intended to prevent or limit access to the service.

Child restraints – the authorised taxi-cab network provider must ensure that on every day, at least one in every ten taxi-cabs using the network booking service is capable of being fitted with and carries a child restraint (for networks with fewer than ten taxi-cabs at least one is required).

Wheelchair accessible taxi-cabs – the authorised taxi-cab network provider must ensure that every person who books a wheelchair accessible taxi-cab through the network is advised, within a reasonable time, of the time at which it is estimated that the taxi-cab will arrive at the nominated collection point.

Lost property – the authorised taxi-cab network provider must ensure that it has adequate facilities (including a secure storage area and sufficient staff) for dealing with lost property in accordance with procedures approved by the Director-General.

Affiliates of network – the authorised taxi-cab network provider must give written notice within 7 days after being requested to do so by the Director-General of the full details (including the name, address and place of business) of all accredited taxi-cab operators who are affiliated to the network.

Drivers to be authorised and affiliates to be accredited – the authorised taxi-cab network provider must not allow a taxi-cab to operate through the network unless the taxi-cab is operated by an accredited taxi-cab operator, and is driven by an authorised taxi-cab driver. The

¹⁴ *Passenger Transport (Taxi-Cab Services) Regulation 2001* (NSW), Regulation 52.

taxi-cab network must not accept a person as an affiliate of the network unless the person is an accredited taxi-cab operator.

Use of network equipment – the authorised taxi-cab network provider must not adopt any radio procedures that are likely to disadvantage the public, and must provide the Director-General with written details of any zones established in the network in relation to the despatch of taxi-cabs in response to bookings, and the method of identifying those zones¹⁵.

There are a number of performance standards that apply to networks. These include:

- in metropolitan areas networks are required to provide a radio booking service 24 hours a day, seven days per week;
- telephone answering standards, which require sufficient telephonists and telephone lines to enable 90 per cent of calls to be connected to the booking service immediately, with a view to increasing this to 100 per cent;
- delivery standards, whereby within six months networks must guarantee 85 per cent arrival within 15 minutes of the booking being made, 98 per cent within 30 minutes and 100 per cent within 60 minutes, with an expectation of 100 per cent prompt service and 100 per cent arrival; and
- customer service standards, including facilities to dealing with lost property, a complaints management process and facilities to provide customers with information on the status of their booking¹⁶.

These standards do not have a statutory base, but rather are intended as guidelines to be generally adhered to. However, the NSW Government is currently developing standards that are intended to be made pursuant to Section 34E of the Passenger Transport Act, giving them a statutory effect. These standards will include penalties that may be imposed for failure to meet the standards. This also includes other action that can be taken against a network, such as suspension or cancellation of the authorisation to be a network provider.

The Passenger Transport Act requires that all operators, unless granted an exemption by the Director-General, ensure that their taxi-cab is affiliated with a taxi-cab network for the provision of a taxi-cab booking service and that the vehicle is fitted with a receiver, appropriate for receipt of messages from the network, in working order¹⁷.

¹⁵ *ibid.*, Regulation 53.

¹⁶ NSW Department of Transport: *Interim Service Standards for Authorised Taxi-Cab Radio Communication Networks for Networks in the Metropolitan, Wollongong, and Newcastle Transport Districts*, September 1993.

¹⁷ *Passenger Transport Act 1990* (NSW), Section 31G.

Fees are currently set by the networks and are reported to be \$6 757 per year for radio access in metropolitan areas and \$10 572 per year in country areas¹⁸.

In NSW different rules apply in metropolitan and rural areas. As taxi operator numbers are generally small in rural areas, critical membership numbers may not be available to ensure network viability. In these cases affiliation with a network is not required¹⁹. However, rural networks exist, and their operators are required to be authorised by the Director-General in the same way as the metropolitan networks in relation to issues such as fitness and propriety, financial viability, technical competence and managerial competence. They are also required to comply with performance standards relating to hours of operation, telephone answering, delivery, customer service, the provision of information to the Ministry, use of wheelchair accessible taxicabs and driver safety.

2.3.2. Victoria

Victorian taxi dispatch services are regulated under the *Transport Act 1983* (Vic), the *Transport (Taxi Cabs) Regulation 1994* (Vic) and the *Transport (Passenger Vehicles) Regulation 1994* (Vic).

The Victorian Government requires taxi operators to operate their cabs from depots authorised by the Government because:

- depots provide a centralised booking and dispatch service for customers. More than 50 per cent of taxi services are pre-booked through this system.
- this system provides a safer work environment for drivers. The location and movement of each cab can be monitored by the depot while it is in service²⁰.

Each taxi operator enters into an agreement with an authorised depot and pays a fee for service. The terms and conditions of depot membership are not regulated by the Government. Monthly fees are reported to be approximately \$350 to \$400²¹. Drivers also have individual agreements with their depot for access to depot dispatch systems and services. Likewise, these agreements are not regulated by the Government²².

Taxi depots must comply with guidelines issued by the Victorian Taxi Directorate (VTD). The guidelines have recently been reviewed and the new guidelines for accreditation of taxi depots will be introduced later in 2006. The VTD will deem all current depots accredited for a period of

¹⁸ Van Putten: op. cit., page 10.

¹⁹ *ibid.*, page 8.

²⁰ Victorian Taxi Directorate website: www.doi.vic.gov.au/doi/internet/vehicles.nsf/AllDocs/712BF0EEC0458993CA256F320020A3FB?OpenDocument accessed 27 April 2006.

²¹ Van Putten: op. cit., page 10.

²² Victorian Taxi Directorate website.

12 months from the introduction of the guidelines, during which time depots must provide all information to confirm ongoing accreditation.

The guidelines include 11 standards that must be met. These are:

Character – applicants for depot accreditation must be deemed ‘fit and proper’ to operate a depot;

Business capability – applicants need to show sound business competence and experience, including evidence of a staffing management plan which enables a 24 hour, seven day a week operation, customer service standards, performance standards and a financial management and audit plan.

Service Delivery and Customer Focus – depots need to display a clear understanding of their customer focus and the services required to be delivered to each client group. Requirements include evidence of the depot’s capacity to provide a service for receipt and dispatch of customer service requests, record and maintain records, provide induction training for drivers and monitor driver safety, provide clear and unambiguous branding, as well as evidence of customer service standards, complaints management and identification of customer needs.

Financial Viability – applicants must be financially viable and able to sustain a viable business. The creation of a new depot must be in the public interest.

Legislative Compliance – depots are required to comply with all relevant legislation governing their operations, including taxi legislation, and legislation relating to issues such as occupational health and safety, anti-discrimination and privacy.

Information and Records Management – depots must maintain systems that can collect and distribute information required by the VTD to provide relevant industry data and manage performance standards. This includes information on the responsiveness of the dispatch service, statistics on trips dispatched etc and customer service indicators. Depots must also have systems in place to record business performance, driver records, vehicle inspections and customer complaints.

Transparent Processes – depots are required to be transparent in their dealings with customers. This includes systems to communicate with customers in relation to complaints, grievances and disciplinary procedures.

People Management – depots must deal with employees and customers in a fair and equitable manner. They must have in place a documented set of protocols and standards that set down the minimum acceptable behavioural standards for drivers, operators and staff, procedures for

managing drivers or operators with an unsatisfactory performance record and a process to inform employees of their rights and responsibilities.

Communication Systems – depots must maintain a 24 hours a day, seven days a week communications service. This includes a booking service, 24 hour two way communication to all operating vehicles, and at least one back-up system, evidence of communications infrastructure and support for the emergency warning systems, vehicle location devices and any other safety equipment and so on.

Performance – in order to maintain their accreditation, a depot must meet a minimum level of acceptable performance standards and provide all relevant data to demonstrate compliance with these standards.

Safety – depots must facilitate the safety of taxi drivers within the depot network. This includes having in place a 24 hour monitoring service which includes driver security warning facilities and an ability to broadcast to all vehicles attached to the depot in the event of an emergency, ensuring that all taxis affiliated with the depot and logged onto the system, are fitted with fully operational Global Positioning System (GPS) equipment which is linked to the driver emergency/security alarm switch in the taxi and complying with the Government's requirements in relation to security cameras²³.

2.3.3. Queensland

The *Transport Operations (Passenger Transport) Act 1994* (Qld) requires that all operators of taxi services in Queensland hold operator accreditation for taxi services. In addition to taxi operators this includes individuals, partnerships, companies or cooperatives that provide a taxi booking service or a taxi administration service²⁴.

The following factors are considered when making a decision to grant operator accreditation:

- whether a previous operator accreditation granted to the person(s) has been cancelled or suspended;
- whether the person(s) has repeatedly engaged in conduct that, in the Director-General's opinion, is damaging to the reputation of public passenger transport;
- whether the person(s) has been convicted of a disqualifying offence, or charged with a disqualifying offence that has not been finally disposed of; and

²³ Victorian Taxi Directorate: *Taxi Depot Accreditation Guidelines* (Draft at April 2006).

²⁴ Queensland Government, Queensland Transport: Information Bulletin PT 203/11.05: *Operator Accreditation for Taxis*.

- whether the operator has provided information relating to the services they will be providing, the vehicles proposed to be used, the training proposed to be provided to drivers and a copy of the proposed daily vehicle inspection check²⁵.

Full operator accreditation will only be granted to those operators who have completed the relevant training course. Operators who do not meet the relevant training requirements will be issued with provisional operator accreditation. The course includes the following competencies:

- Implement and monitor occupational health and safety procedures
- Apply quality procedures
- Coordinate fleet control logistics²⁶

Queensland taxis operate in either metered or exempted areas. All communities with over 10 000 people are serviced by one or more taxi booking companies, which enter into contracts with Queensland Transport to meet minimum service levels. All taxi operators in these communities are required, through a condition placed on their licences²⁷, to be 'a member or affiliated with a taxi service administration organisation which provides a communication service and which accepts bookings on behalf of the licensees and assigns vehicles on a continuous basis²⁸'. As at May 2006, there were 23 contract holders throughout the state with a total of 2 790 taxis affiliated with these contract holders. There were also 78 metered taxis not operating in contract areas. Although these metered taxis outside contract areas have the same terms and conditions in relation to membership of a booking service, they do not have to meet contract requirements.

At May 2006 there were 90 exempt taxis operating in Queensland. Exempted areas are those that are not large enough to support a full metered service and have only a small number of taxis (e.g. up to three or four). Taxis in exempted areas are not required to have a meter installed. Operators of exempt taxis must provide a telephone booking facility that accepts bookings for the taxi service 24 hours a day²⁹.

²⁵ Queensland Government, Queensland Transport: *Operator Accreditation Application*.

²⁶ Queensland Government, Queensland Transport: Information Bulletin PT 211/11.05: *Operator Accreditation Training*.

²⁷ The licence condition is imposed under the provisions of Section 74(3)a of the *Transport Operations (Passenger Transport) Act 1994* (Qld), which states that the conditions of a taxi service licence may require that the operator have access to a continuously operating booking service.

²⁸ Information about licence conditions supplied by Queensland Transport.

²⁹ Information supplied by Queensland Transport.

Minimum service levels for taxi booking companies in Queensland are as follows:

Off Peak times

- 85% of all hirers experience a maximum waiting time of no more than 10 minutes
- 95% of all hirers experience a maximum waiting time of no more than 20 minutes

Peak times

- 85% of hirers experience a maximum waiting time of no more than 18 minutes
- 95% of hirers experience a maximum waiting time of no more than 30 minutes.

This applies to both conventional and wheelchair accessible taxis (WATs). Currently under Queensland's taxi service contracts there are no penalties for non-performance. However, future contracts, which are currently being developed, will include penalties³⁰.

2.3.4. South Australia

In South Australia (SA), taxi dispatch is regulated under the *Passenger Transport Act 1994* (SA). Persons are not permitted to operate a centralised booking services unless they are accredited to do so³¹. Accreditation is intended to ensure that:

- the accredited person is of good repute and fit and proper to be responsible for the operation of a centralised booking service; and
- the centralised booking service complies with the prescribed standards relating to issues such as the ability to provide such a service, operational practices and procedures, service to users, and equipment³².

These standards include requirements for a centralised booking service to:

- ensure that 2-way radio or telecommunications contact between a central control station and each vehicle participating in the service is continuously available (excluding a case where a vehicle is in a part of Metropolitan Adelaide where such contact is impracticable);
- provide the service 24 hours a day, seven days a week;

³⁰ Information supplied by Queensland Transport.

³¹ *Passenger Transport Act 1994* (SA), Section 29.

³² *ibid.*, Section 29 (3).

- be able to deal with an emergency situation that involves the driver of a passenger transport vehicle participating in the service;
- be able to meet various levels of customer service (including as to waiting times) set by the Minister; and
- have a customer information system to respond to customer inquiries and complaints³³.

The Minister is able to impose conditions on accreditation in respect of issues such as the area of operation of the service; the periods within which vehicles may, or may not, be operated; the fares to be charged or other arrangements for remuneration to be made (including the use of vouchers and fare subsidy schemes); the manner in which the passenger transport service may, or may not, be operated; and the class of persons who may be transported on vehicles operated for the purposes of that service. Accreditation is also subject to the condition that the accredited person will observe the relevant code of practice³⁴.

The code of practice covers a wide range of issues pertaining to the operation of a centralised booking service. These include specifying a uniform for drivers, monitoring the fleet, ensuring that all staff are appropriately trained, ensuring that booking procedures are fair and equitable, taking disciplinary action against drivers and operators who breach customer service requirements, undertaking public awareness and education regarding the use of vehicles participating in the services, ensuring that docketts of the South Australian Transport Subsidy Scheme are verified and recorded, and providing assistance to drivers and operators in relation to the operation and maintenance of security cameras³⁵.

The Passenger Transport Act requires accredited operators to collect and provide to the Minister information relating to the operation of the centralised booking service³⁶. This includes quarterly reports on issues such as the number of vehicles participating in the service; average response times for various periods of the day; the telephone answering standards applied by the service; information relating to cases where vehicles were not available to take bookings; details of customer complaints and the action taken; details of disciplinary action against the driver or owner of a vehicle participating in the service; and details of a decision to refuse a person membership of the service³⁷.

³³ *Passenger Transport (General) Regulations 1994* (SA), Regulation 12(2).

³⁴ *Passenger Transport Act 1994* (SA), Section 31.

³⁵ South Australia – *Code of Practice for a Centralised Booking Service*.

³⁶ *Passenger Transport Act 1994* (SA), Section 33.

³⁷ *Passenger Transport (General) Regulations 1994* (SA), Regulation 14.

One of the conditions of taxi operator accreditation is that the operator must be a member of a centralised booking service³⁸. Membership fees are set by the booking service and are reported to be about \$120 per week³⁹.

2.3.5. Western Australia

In Western Australia (WA) taxi dispatch services (TDS) are regulated under the *Taxi Act 1994* (WA) and the *Taxi Regulations 1995* (WA). Under the Taxi Act, providers of TDS must be registered with the Government. There are two major TDS providers in Perth and several smaller providers. To gain registration as a TDS an applicant must be:

- of good repute and a fit person to be the provider of a taxi dispatch service; and
- capable of providing an efficient and reliable taxi dispatch service in accordance with the Act⁴⁰.

There is no fee for registering as a TDS. The Taxi Act provides for the Director-General of the Department for Planning and Infrastructure (DPI) to impose conditions on dispatch services. Current conditions include:

Metered Taxi Fares – TDS providers cannot make any changes to a fare schedule applying to all or a group of taxis within the fleet without approval of the Director-General. Taxi User Subsidy Scheme (TUSS) customers are to be charged the same fare rate as other members of the public.

Contract Taxi Fares – Contract fares may be set between a TDS provider and a customer. The TDS provider must keep records of all contract fares.

Customer Service Standards – This includes requirements for a TDS provider to meet or exceed the performance standards for a TDS provider; to not refuse requests for a taxi by a customer except in specified circumstances (e.g. if the person has a record of violent behaviour or fare evasion); and to advertise its hours of operation if it does not provide a 24 hour, seven days per week taxi service.

Administration Standards – A TDS provider must not allow a multipurpose taxi (MPT) to operate on its fleet, nor dispatch work to an MPT, unless that TDS Provider is an MPT Coordinator (see below).

³⁸ *ibid.*, Regulation 7(1)(k).

³⁹ Van Putten: *op. cit.*, page 10.

⁴⁰ *Taxi Act 1994* (WA), Section 28.

Infrastructure Standards – TDS providers registered after 7 August 2000 cannot operate as a TDS Provider while they have a fleet of less than 20 vehicles, unless a different number is approved by the Director-General.

Record Keeping – TDS providers must collect and retain information relating to waiting times, telephone response times, jobs outstanding, and jobs not covered, and provide this to DPI on demand. Other records that must be kept include information on violent behaviour, non-payment of fares, the number of taxis operating and the area of operation of the TDS, and the use of emergency buttons in taxis.

Complaint Resolution – TDS providers must refer serious complaints (e.g. physical abuse, refusal to accept a hiring, unlicensed drivers, refusal to accept TUSS vouchers etc) to DPI. TDS providers are required to have a complaints handling process in place, must keep records of all complaints and must refer these to DPI on a monthly basis. They must also take relevant action in relation to drivers who are the subject of complaints⁴¹.

The TDS is also responsible for ensuring that its taxis comply with conditions relating to the area in which the taxis operate; the hours of operation; fare schedules; driver qualifications and standards; and vehicle standards and inspection requirements⁴². The Taxi Regulations require the provider of a TDS (and any operator who is independent from a TDS) to have a driver's uniform approved by the Director-General⁴³. Drivers are required to wear the approved uniform⁴⁴.

TDSs wishing to operate MPTs can apply to be appointed as MPT Coordinators. There are currently two TDSs registered as MPT Coordinators. A number of additional conditions are imposed on MPT Coordinators. These include ensuring that taxis are available 24 hours per day seven days a week and that priority is given to wheelchair and electric scooter customers. There are a number of other conditions relating to issues such as monitoring the availability of MPTs, monitoring the performance of drivers, allocating work to MPTs and complaints management.

Taxi licence conditions stipulate that operators must belong to a TDS. Fees for membership of the TDS are set by the TDS and are understood to be about \$100 per week⁴⁵.

⁴¹ Government of Western Australia, Department for Planning and Infrastructure: *Taxi Dispatch Services (TDS Provider) Conditions of Registration, Taxi Act 1994, Section 29*, revised July 2004.

⁴² *Taxi Act 1994 (WA)*, Section 20.

⁴³ *Taxi Regulations 1995 (WA)*, Regulation 17A.

⁴⁴ *ibid.*, Regulation 17B.

⁴⁵ Van Putten: *op. cit.*, page 10.

2.3.6. Northern Territory

In the Northern Territory (NT), provisions to regulate communications or dispatch networks exist under the *Commercial Passenger (Road) Transport Act 1991* (NT). In the NT dispatch services are required to be authorised by the Government. The *Commercial Passenger (Road) Transport Act* states that the holder of a taxi licence may be required to join an approved communications or dispatch network⁴⁶. It is understood that, in practice, licence holders are currently not required to join such a network. Further, taxis are not required to be fitted with radios or dispatchers. It is understood that the fee for participating in a network is about \$220 per week, which is set by the network⁴⁷.

The requirements for authorisation of networks and service standards are currently under review.

2.3.7. Australian Capital Territory

In the Australian Capital Territory (ACT) taxi network provision is regulated under the *Road Transport (Public Passenger Services) Act 2001* (ACT) and the *Road Transport (Public Passenger Services) Regulation 2002* (ACT).

The *Road Transport Act* requires taxi network providers to be accredited⁴⁸. Under accreditation, taxi network providers must:

- be deemed to be 'fit and proper', which includes consideration of whether the applicant has been convicted of certain criminal offences or offences related to corporations law, as well as the applicant's experience and suitability to operate a taxi network;
- demonstrate that they have the financial capacity to operate a taxi network;
- demonstrate that they have the necessary technical knowledge, equipment and competence to operate a taxi network;
- demonstrate that they have procedures in place to ensure that, among other things, taxi cleaning and maintenance processes meet all relevant regulations, drivers are appropriately licensed, security alarms are monitored and customers will be treated on a priority basis;
- demonstrate that there are procedures in place to the management of WAT hirings;

⁴⁶ *Commercial Passenger (Road) Transport Act 1992* (NT), Section 20(5).

⁴⁷ Van Putten: op. cit., page 10.

⁴⁸ *Road Transport (Public Passenger Services) Act 2001* (ACT), Section 30.

- demonstrate that appropriate complaints management and dispute resolution procedures are in place, including training for staff in these areas; and
- demonstrate that there are procedures in place for the management of lost property⁴⁹.

Accredited taxi network providers are required to comply with a range of service standards. These include:

Service Standards for Operation of a Taxi Booking Service – this includes ensuring that the network can continue to operate in the event of a breakdown, that faults are repaired promptly, that drivers and other network users are adequately trained in the use of the network's equipment, and that taxi operators and drivers are provided with a copy of the network's standards and rules and that breaches of these rules are disciplined in accordance with the network's disciplinary procedures.

Service Standards for the Operation of the Taxi Network & Monitoring Safety of Drivers; Handling of Drivers' contraventions of Road Transport Legislation; and Ensuring Adequate Numbers of Taxis Are Available – this includes a range of requirements relating to issues such as ensuring that drivers are appropriately licensed and comply with any restrictions on driving hours, that taxis are cleaned and maintained in accordance with the relevant legislation, that the network's equipment is maintained and that alarms are monitored at all times, that taxis connected to the network are fitted with a compliant security camera system, that standards and procedures are applied equitably to all operators and drivers affiliated with the network, and that customers are treated on a sequential basis with no prejudice.

Service Standards for Wheelchair Accessible Taxis – this includes requirements for the network providers to ensure the management of the priority for allocation and response of WATs, ensure that every person who books a WAT is advised of the estimated time of arrival, and ensure that all WAT drivers respond and give priority to people with disabilities.

Service Standards for the Making, Management and Auditing of Records and Information – this includes requirements for the network provider to provide information to the ACT Road Transport Authority (RTA), including details of accredited taxi operators who are affiliated with the network, the commencement of new operators with the network and operators who cease to be affiliated with the network, and a response to customer complaints that have been forwarded to the network by the RTA.

Service Standards Relating for Customer Inquiries and Complaints and the Handling of Lost Property – this includes requirements for network providers to provide a booking service

⁴⁹ Australian Capital Territory *Taxi Network Provider Accreditation Application Guidelines*.

to the public 24 hours a day, seven days a week; to adhere to the procedures for customer complaints and dispute resolution in line with the network's registered procedures provided to the RTA, adhere to the statement of commitment for service to be provided to the public; receive and account for lost property in accordance with the approved procedures; and ensure that lost property given to an accredited taxi service operator, or taxi driver affiliated with the network is dealt with according to the network's procedures⁵⁰.

There are also a range of requirements that networks must comply with in relation to waiting times. For instance, after 12 months of operation at least 80 per cent of calls must be connected to the booking service within 20 seconds. Networks are required to submit quarterly reports to the RTA on waiting times for customers to be connected to the booking service and monthly reports on waiting times for a taxi. In peak periods, 85 per cent of hirings must have a waiting time of no more than 18 minutes, and 95 per cent of hirings must have a waiting time of no more than 30 minutes. These times are lower in off peak periods⁵¹.

The Public Passenger Services Regulation allows the RTA to take disciplinary action, including monetary penalties or suspension of its authority to operate, if a network does not comply with a minimum service standard⁵².

The accredited operator of a taxi must ensure that, while the taxi is operating as a taxi, arrangements are in force with an accredited taxi network provider for the provision of a taxi booking service for the taxi⁵³. If the accredited operator of a taxi service applies to an accredited taxi network provider for affiliation with the network, the network provider must not, without reasonable excuse, refuse to affiliate the accredited operator with the network. Acceptable reasons for refusing affiliation include the operator failing to comply with the network's accepted service standards for affiliation of accredited operators of taxi services. The network provider cannot accept an application if the accredited operator is not accredited to operate a taxi service of the kind for which the network provider is accredited to provide⁵⁴.

There is only one accredited network in the ACT. This is a taxi co-operative, which sets a joining fee of about \$20 000 for its members⁵⁵.

⁵⁰ Australian Capital Territory *Taxi Network Provider Service Standards Guidelines*.

⁵¹ Australian Capital Territory *Road Transport (Public Passenger Services) (Minimum Service Standards – Taxi Network) Approval 2006 (No 2) Disallowable Instrument DI2006-27*.

⁵² *Road Transport (Public Passenger Services) Regulation 2002* (ACT), Regulation 224.

⁵³ *ibid.*, Regulation 101(1).

⁵⁴ *ibid.*, Regulation 71.

⁵⁵ Van Putten: *op. cit.*, page 10.

2.4. Current situation

There are two major taxi networks operating in Tasmania, which are affiliated with the national taxi phone numbers 131 008 and 132 227.

Major radio rooms are located in Hobart (Taxi Combined Services and City Cabs), Launceston (Taxi Combined Services and Central Cabs), Devonport (Taxi Combined Services) and Burnie. There are also some smaller radio rooms or networks in Hobart, as well as more informal arrangements between independent operators. DIER does not have any verified information on the number of taxis and operators affiliated with each radio room, nor on how many operators are not affiliated with a radio room.

In most non-metropolitan taxi areas, there are generally only one or two operators, with the number of licences on issue in each area ranging from one to nine. It is expected that these taxis would operate out of much smaller scale radio rooms and that in areas where there are only one or two taxis, there may not even be a physical radio 'room,' with calls going directly to the driver/operator.

3. Issues

3.1. Issues for consideration

This section considers issues associated with the possible regulation of radio rooms in Tasmania. As noted in Section 2.2, radio rooms in Tasmania are able to set their own standards and guidelines, are not required to report to the Government, and can refuse to admit operators for any reason. They can also distribute work as they deem fit, in accordance with their own rules, and there is no obligation to provide a 24 hour a day, seven day a week service. There is no requirement for complaints management or dispute resolution processes to be in place.

3.1.1. The nature of radio rooms

Prior to considering whether there is a need to introduce regulation of radio rooms, it is important to establish what is meant by the term 'radio room' and what the role of a radio room should be.

DIER understands that, at present, radio rooms exist primarily to provide taxi dispatch services to their members. Radio room members are independent taxi operators, who can choose to join or not join a radio room. The fee paid by members enables them to have access to jobs requested by customers phoning the radio room for a taxi. DIER does not have any quantitative information as to the amount of work that comes through radio rooms, but understands that this work represents a significant proportion of taxi work, which operators who are not members of the radio room would not have access to.

The extent to which radio rooms provide other services to members is not known, although DIER understands that services such as administrative support, security camera downloads, taximeter sealing and other services may be offered by some radio rooms (see Section 3.3.2).

There may also need to be a distinction between a major radio room, which would generally operate out of a permanent office, employ call centre or switchboard operators to take calls and which would have in place a computerised dispatch system to dispatch work to taxis, and a more informal 'network', which might consist of a group of affiliated independent operators who would not operate out of a business premises and who would be contacted primarily by mobile phone, with operators sharing work between themselves.

For the general public, major radio rooms are often the public face of the taxi industry and are the public's main point of contact with the industry. Major radio rooms in the metropolitan areas normally have distinct signage on the taxis associated with them and operate from nationally recognised telephone numbers. While some operators and drivers operating outside (and also

within) radio rooms may have an established client base, where the user will contact the driver directly rather than book a taxi through a radio room (e.g. through an informal network as noted above), many users who call a taxi are likely to call one of the major radio rooms. Radio rooms are important in matching the needs of users and drivers, by enabling a user to make a single phone call for a taxi and (ideally) by dispatching drivers to jobs that are closest to them. In addition to this, members of the public generally recognise a taxi by its radio room signage, so will associate a particular taxi and its driver with a radio room, rather than with the responsible operator of the vehicle.

This means that it is in the interests of the operators and drivers affiliated with the radio rooms that the radio rooms provide a high standard of service to customers, including prompt dispatch of vehicles, equitable distribution of work, and management of customer complaints and concerns. Under the present arrangements, there is no requirement for radio rooms to do these things, other than under their own, unregulated, rules and business practices.

Issues such as vehicle maintenance and safety, driver behaviour, complaints management and the use of equipment such as taximeters and security cameras are largely the responsibility of the operator of the licence, either under accreditation or through the Taxi Regulations.

3.1.2. Need for regulation

There are potential benefits in requiring radio rooms to do more than merely provide a radio dispatch service. This happens to some degree already, although this is not regulated. For example, some taximeter sealers and camera downloaders are associated with radio rooms, and radio rooms might have their own mechanics, or contracts with mechanics for vehicle maintenance and repair. This paper considers the potential for formalising these arrangements and requiring radio rooms to take more responsibility for the operators, drivers and taxis that are affiliated with them. One reason for considering such an approach is that, as noted above, radio rooms are, for a large portion of the travelling public, the face of the taxi industry. Thus, when a taxi is poorly presented or a driver behaves inappropriately towards a customer, the customer is likely to see the radio room as the logical avenue for a complaint. However, radio rooms see themselves as providing a dispatch service to independent operators, with no responsibility for the presentation of the vehicles or the actions of the operators and drivers (see Sections 3.3.3 and 3.3.4). This paper considers whether this approach is effective and appropriate.

The paper will also consider the potential benefits and disadvantages of requiring all operators to be affiliated with a radio room. It could be argued that the regulation of radio rooms would not be totally effective unless all operators were involved. If membership of a radio room were to be made compulsory, it would also be necessary to determine whether it would apply to operators, drivers or vehicles or a combination of the three.

This discussion relates mainly to taxis in metropolitan areas. The smaller number of taxis and operators in the rural areas means that radio rooms might not be able to function in the same way as they do in urban centres, and in some cases, there may not be any radio room at all. This issue is discussed further in Section 3.7.

3.1.3. Questions

1. Is the definition of a radio room as set out in the Act (i.e. a room or other area used for accepting bookings for taxis from members of the public and transmitting messages by telecommunication to taxis) appropriate?
2. What kind of taxi dispatching arrangements are used in the Tasmanian taxi industry? Which of these should be considered as a 'radio room' for the purposes of this paper, and why?
3. For what reasons do operators choose to join a radio room? Why do some operators not join radio rooms?
4. What services should the public reasonably expect from a radio room? Should they be solely providers of dispatch services or should they have other responsibilities (e.g. in terms of providing a high standard of customer service, handling complaints and so on)?

3.2. Compulsory membership or affiliation

Taxi operators in most other jurisdictions are required to be members of, or affiliated with, a radio room. This is not the case in the NT, where the legislative provisions for compulsory membership exist but are not enforced. The terminology used varies between states. In NSW and the ACT, the term 'affiliation' is used, whereas in Victoria and SA, the term is 'membership'. In Queensland, an operators must be 'a member or affiliated with' a booking company. For the purposes of this discussion the term 'affiliation' will be used to cover both membership and affiliation.

3.2.1. Fees

One significant concern about the requirement for compulsory radio room affiliation is the fees charged by radio rooms for operators to be affiliated. In the ACT, for instance, the co-operative charges a joining fee of about \$20 000⁵⁶, which could a significant barrier to entering the market when considered in conjunction with the cost of a licence and the other costs associated with

⁵⁶ *ibid.*

establishing a taxi business (e.g. vehicle costs). In other states, the approximate weekly fees are reported as ranging from \$90 to \$220 (at January 2005)⁵⁷. In Tasmania it is likely that fees vary across radio rooms, depending on the size of the radio room and the technology it uses. The taxi cost model for setting taxi fares (revised September 2005) assumed an annual fee of \$5 400, which was obtained from a large Hobart radio room. DIER understands that at least one radio room charges lower affiliation fees for WAT operators as these vehicles do not obtain a large number of jobs from the radio rooms due to their extensive pre-booking schedule.

Radio room fees in other states are not regulated by the Government. DIER's earlier research into radio rooms found that at least in Victoria, SA and the ACT, the Transport Departments were not aware of any complaints from operators about unreasonably high radio room fees, and noted that in NSW there were regulatory provisions for the Government to intervene if fees were seen as being so high that they prevented or limited operators from accessing a radio room's services⁵⁸. The NSW Government deemed introduction of these provisions necessary, as there had been reports of refusal of entry and complaints from operators. However, the NSW Government has not used the provision since its introduction, and fees continue to be set by the networks⁵⁹.

3.2.2. Choices for operators

The number of radio rooms impacts on the choice available to taxi operators. In jurisdictions where the radio room is a co-operative, such as in the ACT, there is generally one large radio room, resulting in a monopoly situation. Complaints of limited taxi operator choice have been registered in relation to such a situation. Theory suggests that this should not be a problem as the primary objective of the co-operative is to serve the interest of their members, who theoretically have a share in the gains. A feeling of 'lack of ownership' by members may contribute to the complaints about lack of choice⁶⁰.

In areas where choice of radio room is limited or unavailable, there is also the possibility that unreasonable fees could be charged by the service provider, thereby preventing some operators from accessing these services, as noted above, rendering them unable to enter the industry. In some states there is a legislative provision intended to overcome this issue should it become a problem (see Section 3.2.4).

DIER's research found that in most jurisdictions the general impression was that, overall, operators were satisfied with compulsory affiliation, but some resented the size of the fee to

⁵⁷ *ibid.*

⁵⁸ Regulation 53(3) of the *Passenger Transport (Taxi-Cab Services) Regulation 2001* (NSW) states: 'The authorised taxi-cab network provider must not: (b) impose such charges for, or conditions on, access to its taxi-cab booking service as are, in the opinion of the Director-General, so unreasonable as to be intended to prevent or limit access to the service.'

⁵⁹ Van Putten: *op. cit.*, page 9.

⁶⁰ *ibid.*, page 8.

gain access to the dispatch system. It was unclear if the complaints are actually related to the size of the fee, or to its compulsory nature⁶¹.

One benefit of compulsory affiliation with a radio room is that a more efficient taxi service could be expected, as customer contact is through a centralised dispatch service rather than through individual operators. Complaints are able to be directed to the radio room rather than an individual driver and are therefore likely to be dealt with more effectively. The quality of service might also be improved through radio rooms, if they required minimum driver and vehicle standards.

However, not all taxi operators and drivers are likely to support the compulsory membership arrangements. For instance some taxi operators, owner-operators in particular, prefer to operate as free agents, using mainly rank and hail work to build up their own client base, with customers contacting the driver directly by phone. Many regular customers may prefer this approach as they can build up a relationship with the driver who they know is reliable, with a known vehicle, rather than contacting a radio room and being sent an unfamiliar driver and vehicle.

This approach also enables operators to service a known client base rather than being dispatched to work anywhere within the taxi area. Not using the network also ensures that the driver can use his or her discretion about which customers he or she will pick up, and can avoid jobs that might be less desirable (e.g. jobs that involve a high degree of dead running).

Where groups of taxi drivers bypass the network as described above, this is sometimes referred to as a 'trunk radio network'. Taxi drivers will pass private jobs they are unable to take on to other taxi operators known to them personally, who will ensure the same level of service to these customers. As a result informal or 'pseudo' networks are formed⁶².

This type of arrangement can result in problems both for the radio room and for service delivery to customers. For instance, it is likely that the 'better' operators (e.g. those with higher standards of vehicles and service) will be best able to develop and maintain a private network of customers, which leaves those operators operating at lower levels to deliver services to the general public through the radio room. This might or might not be a problem, depending on whether the radio room is in a position to impose and enforce minimum standards on its operators, and might, in fact, serve as encouragement for them to do so. It could be argued that if an operator is prepared to invest in providing a higher degree of service than is required, they should be entitled to choose the customers that they know will respect and appreciate that service.

⁶¹ *ibid.*, page 12.

⁶² *ibid.*, page 13.

These informal networks also reduce the radio room's ability to distribute jobs by removing some vehicles from the available fleet. However, compulsory membership of a radio room would not necessarily restrict operators and drivers from working in this way, as DIER understands that drivers may, on occasion, log off from the network in order to undertake privately arranged work and avoid being dispatched to undesirable or unprofitable jobs. This might also affect the radio room's ability to dispatch work and meet customer demand.

There might be ways in which such an arrangement could be managed for operators that did not want to use the dispatch services of a radio room. For instance, there could be a form of 'associate' membership, where the operator accesses some services from the radio room (e.g. security camera maintenance), but is not connected to the dispatch service and does not take jobs from the network.

3.2.3. Competition

It might be argued that compulsory affiliation with a radio room could be a restriction on trade as it might prevent operators from doing business with their preferred clients. Likewise, if a radio room did not want to accept a new taxi operator – for example, if the radio room thought it had no capacity to take on new operators – but was required to do so, it might be argued that this requirement restricted its trade.

DIER understands that the Australian Competition and Consumer Council (ACCC) does not consider a requirement for taxi operators to be affiliated with radio rooms to be a restriction on trade. In his address to the 2004 Victorian Taxi Association (VTA) State Taxi Conference⁶³, the Commissioner of the ACCC observed that taxi booking services are in a powerful position in relation to taxi drivers, given that state's requirement for drivers to be affiliated with a network and the high proportion of work that is distributed through the networks. It is therefore important that radio rooms do not encourage or allow any anti-competitive conduct or do not use their position to impose harsh or unreasonable conditions on operators or drivers.

The Commissioner noted that, in itself, the fact that radio rooms are in a strong position relative to drivers and operators is not anti-competitive. Rather, a radio room would only be breaching the provisions of the Trade Practices legislation if it attempted to use its position for an unfair purpose. He cited an example of two Victorian taxi depots that, after the introduction of legislation relating to security cameras, supplied cameras to all of their taxis in return for an increased depot fee. Operators were not given the opportunity to have a say in which cameras were to be used, nor were they able to investigate alternatives. This also had an effect on manufacturers of the camera brands that were not chosen. The ACCC investigated this issue,

⁶³ Martin, John (Commissioner, Australian Competition & Consumer Commission): *Taxis and Trade Practices*, Address to 2004 Victorian Taxi Association State Taxi Conference, 9 November 2004.

and as a result the taxi depots changed their policies, allowing operators to install the camera of their choice and refunding the cost of the original cameras.

The Commissioner also cited the example of a radio room in Victoria which introduced rules restricting the hours drivers were allowed to work through a roster system and preventing drivers from accepting work via their mobile phones. He noted that rules such as these are anti-competitive and thereby outlawed under the *Trade Practices Act 1974*, unless they are formally authorised or notified by the ACCC. In this case, after investigation by the ACCC, the company abolished the roster system and permitted the use of mobile phones to accept bookings.

However, the Commissioner also noted that, as the taxi industry plays a role in providing an affordable and accessible form of transport, the ACCC is able to grant authorisations for conduct that might otherwise be deemed to be anti-competitive if this can be shown to have a net public benefit.

3.2.4. Fair treatment of taxi operators by the radio room

DIER's research report noted that, theoretically, there would seem to be no reason for a radio room to refuse a request for affiliation or membership if the operator is accredited⁶⁴. However, in NSW and WA, safeguards are included in the legislation to ensure the radio rooms do not treat taxi operators unfairly, such as by charging high affiliation fees. Unreasonably high fees could act as barriers to entry for operators. In SA, the legislation requires that a record has to be kept and submitted to the Government where affiliation has been refused⁶⁵. There are no explicitly stated processes to deal with these unfair refusals in the other jurisdictions as far as could be determined. However, government officials contacted as part of the research indicated that there was no evidence of unfair taxi operator refusal in other jurisdictions (particularly on the basis of receiving complaints from operators)⁶⁶.

However, DIER's report observed that there is anecdotal evidence to suggest that in reality radio rooms do refuse some taxi operators access to their service even where their driver is accredited. The driver may, for instance, have a high accident record, which is not immediately evident on the basis of their accreditation, but may be well known in the industry. In the past this was not reported as having led to intractable problems⁶⁷.

⁶⁴ Van Putten: op. cit., page 12.

⁶⁵ *Passenger Transport (General) Regulations 1994* (SA), Regulation 14(2)(g)(ii).

⁶⁶ Van Putten: op. cit., page 12.

⁶⁷ *ibid.*

3.2.5. Benefit of compulsory affiliation/membership

A significant benefit for the Government of compulsory affiliation with a radio room is that most of the complaints about driver behavior are dealt with directly by the radio room. The radio room has a reputation to maintain and it is therefore, in theory, interested in ensuring correct driver behavior and driving standards. DIER's research from other jurisdictions found that there seems to be a considerable reduction in the number of complaints that have to be dealt with by government departments as these are now dealt with directly by the radio rooms⁶⁸.

Related to the above is another very important benefit of compulsory membership, that is, the radio rooms deal with many of the safety issues and accountability. Operation of security cameras, such as the role of a download agent, has become largely a responsibility of the radio rooms in many states. Again, governments achieve efficiency in relation to maintaining safe work environments. The Government also obtains resource savings benefits from the 'pseudo regulating' that radio rooms carry out (refer to Section 3.3)⁶⁹. In Tasmania many of these issues are covered by operator accreditation, as noted in Section 3.3.2.

A secondary benefit of compulsory membership is that it is more efficient for the Government to discuss issues and complaints with small numbers of radio rooms than with each individual taxi operator⁷⁰.

Customers also benefit from compulsory membership of radios room as there is only a small number of phone number that can be called to order a taxi. Having a central agency is also important to customers where there is a need to discuss issues and lodge complaints. The customer is also ensured of the adherence to certain taxi operator service standards as these are outlined in the accreditation of the radio rooms and therefore their responsibility to uphold⁷¹.

3.2.6. Critical numbers necessary for radio rooms

Overall the small numbers of radio rooms and the large number of affiliated operators suggest that critical affiliation numbers are required to make such a service viable. This is evident from the fact that in some states, such as SA, the smaller radio rooms have been usurped by larger ones. This indicates a certain 'economy of scale'. The smaller radio rooms that operate generally offer premium or special services⁷².

A study undertaken in the ACT suggested that a minimum of 60 taxis is required to make up a financially viable radio room. This study was undertaken on the basis of the perceived need for

⁶⁸ *ibid.*, page 13.

⁶⁹ *Ibid.*

⁷⁰ *ibid.*

⁷¹ *ibid.*, page 14.

⁷² *Ibid.*, page 18.

a separate WAT network. However, as only 26 WATs operated in the ACT at the time this plan was subsequently abandoned. No other studies were undertaken to assess critical affiliation numbers for radio rooms as far as could be ascertained for the purpose of DIER's report⁷³.

3.2.7. Questions

5. Should all taxi operators (and their drivers) be required to become affiliated with a radio room? Why or why not?
6. How could this be controlled to ensure that operators were not unfairly excluded from radio rooms and hence from operating their taxi licence/s?
7. Are there alternatives to full membership of a radio room, for operators that choose to operate largely on an independent basis, without taking work from the dispatch system? Should this approach continue to be permitted?

3.3. Regulation of radio rooms – accreditation

All jurisdictions, including Tasmania, require taxi operators to be accredited. Details on each jurisdiction's requirements are outlined in Section 2.4 of DIER's discussion paper on operator accreditation⁷⁴. As noted in Section 2.3, all other jurisdictions also require radio rooms to undergo some form of accreditation. There are provisions in most radio room accreditation requirements that relate to the conduct and business practices of the affiliated taxi operators. As radio rooms are required to monitor these, they act as 'pseudo regulators'.

In Tasmania, radio rooms are currently not required to be accredited and do not have any requirements imposed on them by the Government. Therefore, any person with the relevant skills and infrastructure could set up a taxi radio room. This is in contrast to operators of taxi licences and taxi drivers. Requirements for operators and drivers are set out below.

Operator accreditation

Taxi operators (and operators of all public passenger vehicles) are required to be accredited under the *Passenger Transport Act 1997* (PT Act). Operator accreditation is intended to ensure that a person who provides a public passenger service or hire and drive service:

- is a fit and proper person to be providing the service; and
- accepts responsibility for the safety of the service; and

⁷³ *ibid.*

⁷⁴ Department of Infrastructure, Energy and Resources: *Operator Accreditation*, pages 16–23.

- is held accountable for any failure to comply with appropriate safety and related standards⁷⁵.

Accreditation also aims to encourage improved industry standards and awareness in relation to safety and related matters⁷⁶. Operator accreditation is effected through the *Accreditation Guidelines for Operators of Taxis and Luxury Hire Cars* (the Accreditation Guidelines), which focus on three aspects of a taxi or luxury hire car business:

- driver administration;
- vehicle administration and safety; and
- complaints management and handling.

The Transport Commission determines whether an application for accreditation is granted or refused. Grounds for refusal to grant an application for accreditation include that the applicant is not able to meet the relevant safety standards or implement the quality management procedures; that the applicant has been found guilty of a disqualifying offence⁷⁷ within the previous five years⁷⁸; that the Commission does not consider the applicant to be a 'fit and proper person' to be accredited; or that the applicant has provided false or misleading information in their application⁷⁹.

Further information on the issues covered by accreditation can be found in the Accreditation Guidelines and in DIER's discussion paper on operator accreditation⁸⁰.

Driver authorisation

In order to drive a taxi (or any other public passenger vehicle) on a public street for the purpose of carrying passengers for reward, a person must hold an ancillary certificate authorising them to drive a public passenger vehicle of the relevant class⁸¹. To be eligible to hold an ancillary certificate a person must hold an Australian driver licence to drive a motor vehicle of the relevant class and either be aged 20 years or more and have held an Australian driver licence (other than a learner licence) authorising them to drive motor vehicles of the relevant class for at least two years during the previous three years; or be aged 21 years or more and have held an Australian driver licence (other than a learner licence) authorising the holder to drive motor

⁷⁵ *Passenger Transport Act 1997* (Tas), Section 16B.

⁷⁶ *ibid.*

⁷⁷ The *Passenger Transport Regulations 2000* (Tas) prescribe as disqualifying offences against the following sections of the PT Act [section 14(2), 14(3), 1591], 16(2), 16A and 21(4)], the PT Regulations [Regulation 13(1), 14 and 17(1)], the Luxury Hire Car Regulations 2000 [Regulation 12] and the Taxi and Luxury Hire Car Industries Act 1995 [section 23I(2) and 23J].

⁷⁸ *Passenger Transport Regulations 2000* (Tas), Regulation 8.

⁷⁹ *Passenger Transport Act*, Section 16F.

⁸⁰ Department of Infrastructure, Energy and Resources: *Operator Accreditation*.

⁸¹ *Vehicle and Traffic Act 1999* (Tas), Section 15.

vehicles of the relevant class for at least 12 months during the previous three years. They must also be a 'suitable person' to drive public passenger vehicles⁸².

The Registrar of Motor Vehicles may require an applicant for an ancillary certificate to demonstrate that they are a suitable person to drive public passenger vehicles; or to successfully complete a relevant training course⁸³. This is intended to ensure that drivers of public passenger vehicles are of sound health and are suitable people to hold ancillary certificates. For instance, certain offences may result in the refusal of an application, including convictions for criminal or other offences or having being disqualified from driving for a traffic or drug/alcohol related offence within the last five years. If a person has previously been refused an ancillary certificate or has had an ancillary certificate cancelled, their application can be refused. Applicants must also undergo a medical examination. If their application is approved, the person is then required to successfully complete an approved taxi driver training course before they are issued with their ancillary certificate⁸⁴.

Radio room accreditation

This section considers what might be involved in the accreditation of radio rooms. In other jurisdictions there are at least two components involved with regulating radio rooms: the initial requirements required to receive authorisation to operate a radio room and the conditions and minimum standards relating to the operation of the radio room once it is established.

This section will therefore look first at the requirements that might be appropriate for the authorisation or accreditation of a person to operate a radio room, and secondly at the requirements for the actual operation of the radio room. There will be some equivalent components of the Passenger Transport Operator Accreditation Scheme, and this section will consider how such overlap might be effectively managed.

3.3.1. Conditions for establishing a radio room

In the application for authorisation or accreditation to operate a radio room, jurisdictions set a range of requirements. These requirements differ across jurisdictions and include general conditions that apply to the character of the person applying for authorisation (e.g. they must be a 'fit and proper' person), conditions that ensure the person is in an adequate financial position and has the appropriate managerial skills to run a radio room, and conditions relating to the availability of relevant infrastructure, including a licence to operate a communications network.

⁸² *Vehicle and Traffic (Driver Licensing and Vehicle Registration) Regulations 2000* (Tas), Regulation 40(1).

⁸³ *ibid.*, Regulation 40(3).

⁸⁴ Department of Infrastructure, Energy and Resources: *Ancillary Certificate to Drive a Public Passenger Vehicle Guidelines* (http://www.transport.tas.gov.au/operator_information/lpvc_guidelines.html).

In most jurisdictions, operators must be deemed 'fit and proper' before they can operate a taxi licence. Some states also have requirements for operators in relation to their business management skills (e.g. in NSW and Victoria operators must successfully complete a taxi operator training course before they can gain accreditation). This is not the case in Tasmania. The issue of whether potential operators should be required to demonstrate relevant skills and knowledge in relation to the management of a taxi business was raised in DIER's discussion paper on operator accreditation⁸⁵ and has been discussed by the Taxi Industry Reference Group. While no decision has been made in relation to this issue, there is a strong view that, while information could be provided to potential operators to assist them in deciding whether or not to proceed, the decision on whether to enter the taxi market is ultimately that of the individual concerned, and they should be responsible for making a judgement as to their capacity to operate a taxi licence, based on the information available to them. If they subsequently fail in the industry this will be the result of their own decisions.

However, it could be argued that the failure of a radio room could have far more significant consequences for the industry and for customers than could the failure of one individual operator. For instance, a large number of operators and drivers would have no access to radio and dispatch services, and customers would be inconvenienced by not being able to contact the radio room of their choice. If a radio room provided other services such as vehicle maintenance and so on, operators would be without these services until they were able to join another radio room. Further, the existing radio rooms might not be in a position to take on a large number of new operators in a very short time frame.

Thus there is some justification for applicants wishing to establish new radio rooms to demonstrate that they are not only 'fit and proper' persons to run a radio room, but that they have the relevant understanding, skills, infrastructure and management practices to be able to deliver all of the services required of them.

In other states, applicants are required to supply information on a range of processes (e.g. relating to customer service and maintenance) that must be in place before approval or accreditation will be granted. These include:

- a licence to operate a radio network;
- details and specifications of equipment to be used and certification that this equipment is reliable and will provide adequate transmission in the areas the network is to operate in;

⁸⁵ Department of Infrastructure, Energy and Resources: *Operator Accreditation*, pages 37–38.

- details of a regular maintenance program for telephone exchange, transmitting and receiving equipment;
- details of the method proposed to register the activation of alarms in taxis and identify the location of the taxis concerned;
- details of the network's facilities for receipt, storage, reproduction and disposal of video recordings from security camera systems;
- standards and rules that will govern the operation of the network;
- training programs in the use of equipment and customer care by taxi drivers and radio operators/dispatchers;
- an ability and commitment to effectively discipline drivers, radio operators/dispatchers and network personnel for failing to meet standards or comply with the rules and procedures;
- information on the decals, livery and colours that will be used, and the network uniform;
- evidence that taxi cleaning, maintenance and driving processes will meet all relevant legislation, including occupational health and safety laws;
- details of procedures for the management of priority for the allocation of WATs; and
- details of complaints management procedures and lost property management procedures⁸⁶.

Frequently in other jurisdictions, the authorisation or accreditation process requires the applicant to prove that critical requirements in relation to infrastructure are met. This is to ensure that the applicant has the ability to deliver the service rather than specifying any requirements in relation to the physical location (or office) where the radio room may operate from. DIER's research did not find evidence to suggest that mobile offices were not permitted in any jurisdiction, although some conditions indicate that mobile offices may not be able to meet some requirements (e.g. facilities for security cameras and alarm recording and activation etc.) However, if technology permits, there would seem to be no official basis for preventing mobile offices⁸⁷.

Some states recognise that it takes time for a radio room to become fully operational and makes allowances for this when considering applications. For example, in Victoria, applicants are

⁸⁶ Taken from NSW Department of Transport: *op. cit.* and Australian Capital Territory *Taxi Network Provider Accreditation Application Guidelines*.

⁸⁷ Van Putten: *op. cit.*, page 15.

required to submit a business plan setting out the establishment arrangements and commencement dates. Interim authorisation is granted for up to 12 months, with the depot required to be fully established within that timeframe⁸⁸. In NSW, more stringent performance standards are required of radio rooms after 12 months. The improved standards include a requirement for continuous access to mobile units forming the network in the event of a breakdown and guaranteed provision of service in the entire licensed area through self coverage or through agreed allocation of hirings to other networks. Networks also have a lead time of up to six months to achieve the minimum service delivery standards in response to waiting times⁸⁹.

The main issues for consideration in relation to accrediting radio rooms in Tasmania are therefore whether applicants for accreditation must be able to demonstrate that they are in a position to establish and maintain radio room services to the required standards, or whether it would be sufficient for applicants to be deemed 'fit and proper' persons to run a radio room. If it is the former, consideration needs to be given to the issues that should be taken into account in considering an application, as well as determining whether any interim standards might apply to new radio rooms that are established.

3.3.2. Conditions for maintaining accreditation

A significant reason for considering the introduction of accreditation for radio rooms as well as ensuring that the operators are suitable people to be operating a radio room and that the radio room is well-positioned to provide an efficient dispatch service, is to provide a more coordinated approach to the management of the taxi industry. Accredited radio rooms could be given responsibility for the management of a number of issues that are currently the responsibility of a large number of individual operators. This could be expected to lead to efficiencies in fleet and driver management, and better customer service and complaints management.

The review of radio room requirements from other jurisdictions has identified a range of conditions that could be imposed on radio rooms to achieve this. As noted in Section 2.3, these conditions vary considerably across jurisdictions and include issues such as infrastructure, operation of the network, monitoring of drivers, information management, customer service and so on.

Many of these issues are currently required to be addressed by operators under accreditation. It will be important to determine how operator accreditation would interact with radio room accreditation. Under the PT Act, the operator must be accredited to ensure that they are a fit and proper person to be providing the service, that they accept responsibility for the safety of

⁸⁸ Victorian Taxi Directorate: *Guidelines for Authorisation of a Taxi Depot*.

⁸⁹ NSW Department of Transport: *op. cit.*

the service and that they are held accountable to any failure for comply with appropriate safety and related standards⁹⁰. The detail of the scheme is contained in the Accreditation Guidelines.

Many of the requirements of operators under the Passenger Transport Operator Accreditation Scheme could equally, and perhaps more effectively, be overseen by radio rooms. Therefore, there is potential for a considerable degree of overlap between the two forms of accreditation, unless clear distinctions are made between the operators' responsibilities and those of the radio rooms.

Under the PT Act, the operator would still be responsible for the safety of their service and would be held accountable for any failure to comply with safety and other standards, even if some of these standards were also required of radio rooms. This means that, while radio rooms could be given some of the responsibility for implementing the practical elements of accreditation, the responsibility to ensure that standards are met will still be with the operator. It will therefore be important that radio rooms are able to be held accountable to the operators affiliated with them, should they fail to discharge their responsibilities under radio room accreditation.

Relationship to operator accreditation

For the purposes of this discussion it is assumed that the current arrangements for engagement of drivers would remain in place – i.e. that the responsible operator of a licence would enter into an agreement with a driver to drive the taxi attached to that licence for specified shifts, days or times. An alternative arrangement might be for a radio room to engage a driver directly, and that driver would then drive for one or more operators, as allocated by the radio room. DIER is not aware of whether this occurs in practice.

The basic requirements of the Passenger Transport Operator Accreditation Scheme for operators of taxis and luxury hire cars are set out below.

Driver administration⁹¹

This component ensures that an operator's drivers are suitably skilled and meet specified minimum standards. It requires operators to ensure that:

- drivers are appropriately licensed and certified to drive a taxi or luxury hire car;
- driver details are recorded in a register and an individual file for each driver is kept and maintained;

⁹⁰ Passenger Transport Act, Section 16B.

⁹¹ Department of Infrastructure, Energy and Resources: Passenger Transport Operator Accreditation Scheme: Accreditation Guidelines for Operators of Taxis and Luxury Hire Cars, Version 1.0, August 2005, pages 16–26.

- driver behaviour, performance and history are monitored; and
- drivers follow a code of behaviour for the business.

Vehicle administration and safety⁹²

This component ensures that an operator's vehicles are safe, well maintained and roadworthy at all times. It requires operators to ensure that:

- vehicles are registered;
- vehicles are inspected for roadworthiness by Transport Inspectors or their agents on a scheduled basis;
- a nominated person undertakes a daily vehicle check;
- any vehicle faults are immediately reported, recorded and appropriate action taken;
- an effective programmed maintenance plan is in place to deliver scheduled and non-scheduled vehicle maintenance; and
- six-monthly or other periodic maintenance and safety checks are undertaken as recommended by the vehicle manufacturer.

Complaints management and handling⁹³

This component ensures the operators have systems in place to receive and handle complaints and feedback from customers. It requires operators to ensure that:

- passenger complaints are acknowledged and handled according to a set process; and
- records of complaints are maintained.

It also requires that identification and contact details, including the complaints telephone number, photo identification of the driver, the driver's first name and ancillary certificate number and the vehicle number, are easily visible to passengers.

Other radio room services

In addition to (possibly) being responsible for some aspects of operator accreditation, there are a number of other areas in which radio rooms could be regulated.

⁹² *ibid.*, pages 28–36.

⁹³ *ibid.*, pages 38–44.

Dispatch services

The most obvious service provided by a radio room is the radio booking and dispatch service, whereby drivers log into the radio room's network and receive access to the phone booked work that is received by the radio room. At present there is no requirement for a call to a radio room to be answered or for a taxi to accept a booked job. This enables drivers to refuse work that might be financially unviable or for radio rooms to refuse service to clients that have proven troublesome in the past (e.g. fare evaders, no-shows etc).

It could be argued that the ability of drivers and radio rooms to refuse work, other than for a valid reason (such as a history of unacceptable behaviour), is contrary to the existence of the taxi industry as a form of public transport accessible to people who are unable to access other modes of transport due to their location, time of travel, physical condition and so on. However, counter to this is the view that the industry needs to remain viable, and that a \$5.00 fare that costs the operator \$10.00 to undertake seriously undermines the operator's viability and hence their ability to continue to provide a service. Anecdotal evidence provided to DIER suggests that some drivers and operators are deliberately avoiding unprofitable work and targeting work with a higher earning potential (e.g. airport work), which leaves some customers, such as those in outlying areas, effectively without access to a taxi service. This is clearly not acceptable from a customer service perspective. However, there is currently no means by which drivers can be compelled to accept these bookings.

Imposing requirements on radio rooms to accept all phone jobs, other than for a specified valid reason, could assist in overcoming this problem. If implemented correctly, with means to ensure that radio rooms dispatch work equitably among drivers, as occurs in some other jurisdictions, this should ensure that while all drivers are allocated some less profitable work, they are also allocated a fair share of the more desirable work to balance this.

Better record keeping requirements on radio rooms and an effective grievance procedure could be implemented to ensure that work was distributed equitably and that there was an avenue for drivers and operators who believed that they were not receiving a reasonable share of work to raise this and have their workload reviewed. It could also be argued that if an operator believed that they were not receiving a reasonable share of work from the radio room that they would, if the issue could not be resolved, seek to join another radio room. It would therefore be in the commercial interests of the radio room to try and ensure that all operators were receiving similar numbers of jobs, both long and short.

Non-dispatch services

Some radio rooms in Tasmania are understood to offer other services to operators and drivers, such as assistance with security cameras (e.g. having spare cameras on hand in the event that one breaks down and/or providing downloading facilities), vehicle maintenance and meter

testing and sealing. In Tasmania there is no requirement for radio rooms to offer these services, whereas in some other jurisdictions, radio rooms are required to provide specific services under legislation. These vary across states, and might include training for drivers, vehicle inspection for standards compliance and/or maintenance, provision of monitoring services (e.g. GPS), operator and driver counselling and disciplining, and marketing to passengers⁹⁴.

In other jurisdictions, radio rooms might also offer additional services to those that are required by regulation. These are likely to be outlined in the business plans or codes of practice of the individual radio rooms. The services that are over and above the regulatory requirements are provided for profit making and goodwill reasons rather than being regulated⁹⁵. It would presumably be in the interests of a radio room to offer services to operators and drivers to assist them in carrying out their work that would be sufficiently attractive to operators to encourage them to join that particular radio room.

3.3.3. Complaints management

Complaints management is one area in which radio rooms could be expected to take a greater role. Under operator accreditation, operators are required to display a complaints telephone number in their taxis and to have in place a procedure for managing customer complaints.

As noted in Section 3.1, the radio room is often the public face of the taxi industry and is the main point of contact with the industry for the general public. Major radio rooms in the metropolitan areas have distinct signage on the taxis associated with them and operate from nationally recognised telephone numbers. Complaints are therefore more likely to be directed to a radio room than an individual operator, and it is likely that a customer would be more willing to make a complaint to a radio room rather than to an unknown operator, who might also have been the driver about whom the complaint is made.

DIER has received comments from a number of users that radio rooms have been unresponsive to their complaints about the level of service provided.

The position of one radio room in response to an alleged assault by a driver on a customer in 2005 was reported in the media as 'we don't hire the person. The only thing we do is dispatch work to independent operators'⁹⁶. This is consistent with the assertion of radio rooms that they are not responsible for the behaviour of their drivers.

⁹⁴ Van Putten, op. cit., page 11.

⁹⁵ *ibid.*, page 12.

⁹⁶ 'Taxi man bashes customer', *The Examiner*, 8 September 2005, pages 1–2.

This type of statement appears to contradict the public perception that the radio rooms have some responsibility for managing their fleets and their drivers. It could be argued that there should be an expectation that if radio rooms accept operators and drivers into their network and dispatch these drivers to their customers, there should be some degree of responsibility and duty of care to the customer, to ensure that any incidents arising are appropriately dealt with. It is, to some extent, surprising that radio rooms do not seem to take responsibility for managing some complaints (which might include complaints about taxis not arriving or being late, taxis being in poor condition or the behaviour of the driver) as it would seem to be in their interests to ensure that their customers are satisfied and will continue to use that radio room in future.

However, in relation to allegations of criminal behaviour, such as the above-mentioned incident, it might not be possible for a radio room to take any action against a driver until the police investigation has concluded and any subsequent action (e.g. court appearances) finalised. The same is true for DIER, which cannot suspend or cancel a driver's ancillary certificate unless the driver has been convicted of the offence.

It is suggested that a significant component of radio room accreditation could be a requirement that radio rooms develop and implement a complaints management procedure. Complaints could also be the subject of reports required by DIER (see Section 3.3.5).

3.3.4. Responsibility of radio rooms

By displaying prominent signage on their members' taxis, radio rooms are promoted to the public, and they obtain significant commercial advantages from this exposure (e.g. increased business and therefore the likelihood of attracting additional members). It could be argued that with this exposure should come some responsibility in terms of ensuring that the public, to whom they are promoting themselves, receive a high level of service, rather than absolving themselves of this responsibility.

As noted in the discussions on vehicle standards and complaints management, radio rooms do not see themselves as having responsibility for the presentation of vehicles, driver and operator behaviour or customer service. They see themselves as providers of radio dispatch services and consider that driver behaviour, vehicle standards and so on are the responsibility of the independent operators who belong to the radio rooms.

However, if this is the case, it could be argued that the people who are responsible for the service (i.e. the taxi operators) should be at least as identifiable as the radio room. This would mean that customers would know that, rather than travelling in an ABC Radio Room taxi, they were travelling in a taxi operated by Joe Operator. This could be achieved by not permitting radio room signage on taxis, with the only identification on the taxi being that required under accreditation (i.e. driver's photo identification, vehicle identification and a telephone number for

complaints). In this way the customer would know that they should direct complaints and issues to the operator, rather than the radio room. This would be consistent with the radio rooms' view that they only provide a dispatch service.

3.3.5. Reporting requirements for radio rooms

One reason for considering accreditation of radio rooms is to provide a mechanism by which the industry can be required to report to the Government on a regular and consistent basis. At present, there is no requirement for the taxi industry to provide information on issues such as response times, complaints management or driver conduct to the Government, although there is provision in the Regulations for the Commission to require an operator or an accredited taxi group⁹⁷ to supply information to the Commission in relation to the operation of their taxi/s⁹⁸. This provision has not been widely used. The only legislated reporting requirements are for WAT operators, who are required to report on the number of wheelchair passengers carried each month⁹⁹. There is no requirement for radio rooms to report to the Government, nor any existing legislative provision to enable the Government to require such reporting from radio rooms

Other jurisdictions require radio rooms to report to the Government, and the information that a radio room is required to report is similar in the various jurisdictions. The information mostly relates to response times, numbers of jobs covered and complaints received. Other information includes jobs not covered, records of violent incidents/dangerous behaviour, records of the use of the emergency button in taxi, records of disciplinary action against operators/drivers, the number of vehicles operational, and records of decisions to refuse a person membership of the service.

The reporting frequency varies between jurisdictions. In WA, for instance, the conditions of registration for taxi dispatch services require that information on waiting times, telephone response times, jobs not covered, and jobs outstanding must be collected by the radio room and provided to the Government 'on demand'. Taxi dispatch service providers must keep records of all complaints received and must provide information on complaints to the Department for Planning and Infrastructure (DPI) on a monthly basis. If a driver is subject to three complaints involving a passenger the taxi dispatch service provider must notify DPI and refer all future complaints against that driver to DPI for investigation and management¹⁰⁰.

⁹⁷ An accredited taxi group is a group of operators or a single operator accredited under Section 24 of the Act. The Act allows these groups to enter into arrangements with the Transport Commission in relation to fares and service standards that would otherwise not be allowed under the Act. This is different from operator accreditation under the Passenger Transport Act.

⁹⁸ Taxi Industry Regulations, Regulation 33.

⁹⁹ *ibid.*, Regulation 28T.

¹⁰⁰ Government of Western Australia Department for Planning and Infrastructure: *op. cit.*

In the ACT, reporting on waiting times is required on a monthly basis, and the radio room must give full details, including time, location and pick-up point for any hirers who have waited for 60 minutes or more. If the person had requested a WAT the network must also identify any WATs that did not accept the hiring when offered¹⁰¹. Failure to comply with the minimum standards for waiting times can result in a fine.

In Victoria, records on a range of issues must be retained by the depot for at least six months and can be subject to audit by the VTD. Depots must also submit regular reports on customer service and operator performance measures to the VTD, although this information can be submitted through the Victorian Taxi Association (VTA) rather than directly by the depot¹⁰². DIER's research noted that the VTD is heavily reliant on the goodwill of the VTA for obtaining data and that it was hoped that this issue would be addressed through taxi industry reforms and that new regulations would ensure regular receipt of monitoring data in the future¹⁰³.

In Queensland, the booking company is required to submit minimum service level data on a quarterly basis. In NSW, the Government regularly receives monitoring statistics for analysis. There does not seem to be a regular interval by which this information is received. In SA, monitoring requests by the Government are on an ad hoc basis (e.g. in the Christmas period). Monitoring and auditing occurs on receipt of complaints¹⁰⁴.

In determining what radio rooms might be required to report on, consideration needs to be given to the purpose of collecting any information and the use to which it might be put. There would appear to be little justification for collecting information that is not used in some way.

Response times

An obvious issue for reporting would be response times, whether against a specified performance benchmark (e.g. 'x per cent of jobs attended to within y minutes' as is required in the ACT) or in general. This is especially important in relation to WATs, as under the provisions of the *Disability Standards for Accessible Public Transport 2002* (the Standards), made under the Commonwealth *Disability Discrimination Act 1992* (DDA), response times for accessible taxis must be the same as for other taxis by 31 December 2007¹⁰⁵. The Standards place the responsibility for achieving this target on radio networks and taxi cooperatives.

Tasmania does not currently collect response time data, so there is no quantitative means by which the industry can be assessed against this requirement. A study commissioned by DIER

¹⁰¹ Australian Capital Territory: *Road Transport (Public Passenger Services) (Minimum Service Standards – Taxi Network) Approval 2006 (No 2)* Disallowable Instrument DI2006-27.

¹⁰² Victorian Taxi Directorate: *Guidelines for Authorisation of a Taxi Depot, Metropolitan and Urban Centre and Multi Operator Country Towns*.

¹⁰³ Van Putten: op. cit., page 17.

¹⁰⁴ *ibid.*

¹⁰⁵ *Disability Standards for Accessible Public Transport 2002*, Schedule 1, Part 1.2.

in 2005 to assess the adequacy of WAT services in Tasmania found that response times were generally good for pre-booked work, but that waiting times for non pre-booked (i.e. 'as soon as possible') work, were still higher than for standard taxis. This does not achieve compliance with the Standards. The requirement of the Standards is generally interpreted to mean that a person requiring an accessible taxi should be able to obtain such a taxi within the same time as a person calling a standard taxi. Therefore, a waiting time of 45 minutes would not be acceptable if, at the same time, the person could have obtained a standard taxi within 15 minutes. However, if it was a peak time and a standard taxi would not have arrived for 45 minutes, a similar waiting time would be acceptable for a WAT.

There is no national assessment of radio rooms' performance against this requirement. It is anticipated that compliance will largely be determined by actions taken against radio rooms (and potentially the State and Territory Governments) in the Human Rights and Equal Opportunities Commission (HREOC). In order to minimise the risk of such action, it is in the interests of the industry and the Government to have a mechanism in place by which response times can be monitored and, where response times for WATs are not up to standard, an agreed process implemented to improve industry performance in this respect.

Other reporting

Other forms of reporting might be helpful in enabling DIER to assess whether radio rooms are meeting any standards set for them. For example, if there was a requirement that all jobs be accepted, reports on jobs not covered and the reasons for not covering them might be appropriate. Reports could also be required on complaints received and how these complaints were managed, which would assist DIER in determining whether customers' concerns were being adequately addressed.

The reporting requirements would need to be considered in the light of the operational requirements and accreditation conditions placed on radio rooms, so that there was consistency and to ensure that reporting was used to monitor radio rooms' performance against the conditions of their accreditation.

3.3.6. Monitoring and auditing of radio rooms

Under operator accreditation, operators are audited by external auditors approved by DIER, who will issue the operator with an Audit Certificate. DIER requires this certificate to have been issued before accreditation can be granted or renewed. After the initial audit, unless problems are identified, operators are required to undergo a compliance audit every three years.

A similar system could be introduced for radio rooms, whereby external auditors are engaged to audit the radio rooms' compliance with the conditions of their accreditation. The use of an independent auditor could be advantageous in avoiding potential conflicts of interest within the

Government (although the risks of such a conflict occurring are likely to be small) or reducing the likelihood of a direct dispute between a radio room and the Government over compliance. Alternatively, given the small number of radio rooms, it might be possible and more practical for DIER to conduct the audits.

Audits could be conducted on a regular basis (for example, every two to three years), and/or could be conducted when a complaint is received about a radio room. The frequency of audits varies between jurisdictions. In NSW and SA, radio rooms are generally audited when a complaint is received. In these states auditing is carried out by the Transport Department. Additionally in SA, an official audit is held every four years. Queensland Transport monitors the performance of Queensland taxi booking companies. Audits are undertaken and a mid-term review is conducted by regional officers during the term of the contract¹⁰⁶.

Sanctions for non-compliance would need to be carefully considered. It is likely that cancellation of a radio room's accreditation (and therefore its ability to operate) could only be applied to the most serious breaches of the conditions, such as where the continued operation of the radio room posed a serious risk to public safety, given the potential for widespread disruption to services if a radio room's accreditation was cancelled at short notice. A system of warnings, fines and possibly performance improvement plans could be developed to ensure that radio rooms are able to continue to operate and provide services to the public and to the industry, while ensuring that any problems are addressed in a timely manner.

¹⁰⁶ Van Putten: *op. cit.*, pages 17–18.

3.3.7. Questions

8. For what reasons could radio rooms be regulated? Should they be regulated?
9. What standards should an applicant seeking to establish and operate a radio room be required to meet? Should there be standards above and beyond ensuring that the applicant is 'fit and proper' to operate a radio room, to ensure that the radio room can provide the services it should provide?
10. Which, if any, of the responsibilities of operators under operator accreditation could effectively be managed by radio rooms? How could this be achieved while ensuring that the operator retains responsibility for their own operation?
11. What services do radio rooms currently provide to affiliated operators?
12. Should radio rooms be required under legislation to provide particular services to drivers and operators? If so, what services should be mandatory and which should be left to the discretion of the individual radio rooms?
13. Should radio rooms be obliged to accept all phone bookings? Why or why not? If so, how could radio rooms be given the authority to require drivers to undertake jobs allocated to them?
14. Is it reasonable for radio rooms to take no responsibility for the service provided by their members?
15. If so, how can the operator of a taxi be made identifiable to the public to ensure that any problems are directed to the person responsible?
16. What issues should radio rooms be required to report to the Government on and why?
17. How should radio rooms be audited for compliance with the conditions of their accreditation? Who should conduct the audits?
18. How often should the audits be carried out? Should this be on a regular basis or only in response to complaints?
19. What sanctions should apply to radio rooms that fail to meet the conditions of their accreditation?

3.4. Wheelchair accessible taxis

The relationships between WATs and radio rooms are managed differently across the various jurisdictions, with some jurisdictions having a centralised booking service (which may also dispatch standard taxis), and others allowing WATs to work out of more than one radio room. In general, it is a condition that WATs are available 24 hours a day, seven days a week and that WATs in the fleet must give priority to wheelchair-reliant users. In WA a separate telephone line is required for WAT bookings.

3.4.1. Centralised booking services

The centralised booking service for WATs means that customers can call one number for a WAT, rather than having to contact one of the radio rooms. This is considered to have a number of advantages, primarily that the WAT fleet can be centrally co-ordinated and the nearest available WAT in the area can be dispatched to a job, rather than the nearest available WAT operating out of the radio room that the customer calls, which might not in fact be the nearest WAT to them. It could be expected that such an arrangement could result in improved response times in comparison to a situation where the WATs operate out of a number of radio rooms.

There has been some support from members of the taxi industry, especially the standard taxi industry, for a centralised booking service to be introduced for WATs in Tasmania, while WAT operators appear to be less supportive of the value of such a service. At present WAT operators are not required to be affiliated with a radio room, although many are. A small number of WAT operators are owner-operators with only one vehicle.

It has been observed that many regular WAT users tend to build up a relationship with their preferred operator or radio room, which means that the person who answers the phone will have a good understanding of the user's needs, including, where relevant, the type of vehicle that is required and/or the person's preferred driver. It has also been noted that WAT users rely on their driver a great deal more than do most users of standard taxis, and that many WAT users have built up a high degree of trust with their regular drivers. It has been suggested that these relationships could be adversely affected by the introduction of a centralised booking service, with users less able to contact people they know in a larger operation. For example, with a larger number of jobs available, it might be less likely that the user's regular driver would be available unless they had booked in advance and specifically requested that driver from the radio room.

In response, it has been suggested that a centralised radio room would not prevent users from requesting the driver or vehicle that they preferred, but that this would have to be on the understanding that if they wanted a particular driver, as opposed to a taxi, they might have to

wait for longer if that driver was not available at the time, just as a standard taxi user might have to wait longer if they requested a particular driver.

A centralised booking service could result in all WATs working out of one radio room, rather than being spread across radio rooms. An entirely separate WAT radio room would be unlikely to be sustainable, given the small number of WATs currently in operation (currently 20 in Hobart and nine in Launceston). The WATs would thus have to work out of an existing radio room. This might be achieved by DIER entering into a contract with a radio room to provide WAT services. Under such a contract a range of conditions could be imposed on the radio room, including issues such as availability, response times and priority given to wheelchair-reliant customers, and the radio room would have to report to DIER on a regular basis in relation to response times, journeys undertaken and so on.

It is not clear whether a centralised booking service would strictly comply with the requirements of the DDA, as it would result in a number of radio rooms not having WATs available. It might be argued that just as a standard taxi user can choose from at least two radio rooms in Hobart and Launceston, a WAT user should be able to choose the company they wish to obtain their taxi from. A centralised service would, at least to some extent, prevent them from doing so. Likewise, as the Standards place the obligation for equivalent response times on radio networks and taxi cooperatives, it could be argued that radio rooms without WATs did not comply with the Standards, and leave them open to complaints from WAT users.

While this has not been tested, centralised booking services are common in other states and it is unlikely that such arrangements would have been implemented had it been considered that they were in breach of the DDA.

However, at this time, no such arrangements exist in Tasmania and there is a small number of radio rooms that do not have WATs in their fleets. The introduction of a centralised booking service that was deemed compliant with the DDA could be advantageous for radio rooms that did not wish to operate WATs, as this would effectively take away any responsibility that they would have otherwise had to provide accessible taxi services. DIER has expressed concern in the past that these radio rooms may be in breach of the DDA and be open to action from WAT users for not meeting the equivalent response time standard.

3.4.2. Independent operators

As noted above, some WAT operators do not work out of radio rooms. Rather, they operate independently in the same way as some owner-operators of standard taxi licences. DIER understands that in some cases this is a choice of the operator concerned and in other cases, this is because the operator has not been admitted to a radio room.

These operators have their own client base and, unlike WATs operating out of radio rooms would be expected to be, may or may not be available on call 24 hours a day (although DIER understands that in some circumstances, radio rooms may not be able to locate a WAT driver available to undertake a hiring at an especially unusual time). DIER is not aware if this is a significant problem in terms of the availability of these WATs at times such as late at night or early mornings. There is also little information about the demand for WAT services at these times.

It is possible the WAT fleet could be more effectively managed if all WATs were required to operate out of a radio room, and that some standards in terms of availability were introduced.

3.4.3. Questions

20. Would better response times be achieved by centralising WAT booking services?
21. Would a centralised booking service result in lower standards of customer service for WAT users (e.g. through a reduction in choice of operator)?
22. If there was no centralised booking service introduced, should all WAT operators be required to affiliate with a radio room to assist the industry meet its DDA obligations?

3.5. Promotion of competition for taxi services within areas

The Review Group recommended that the role of radio rooms be reviewed to consider whether they adequately promote competition for taxi services within areas¹⁰⁷. This is likely to apply only to taxi areas where there is more than one radio room and where there is actually competition for taxi services, which is more probable in the larger metropolitan areas. As noted in Section 3.7, there is only one radio room in each of Burnie and Devonport, so there is little scope for competition in these areas at this time.

The 2003 amendments to the Act were intended to promote competition within the industry by gradually reducing barriers to entry to the industry for new operators. The primary mechanism through which this was to be achieved was the introduction of a requirement for the Transport Commission to make new perpetual taxi licences available every year¹⁰⁸. It was intended that by making a small number of new licences available every year, this would enable a gradual entry of new operators into the market in a controlled manner. This was seen as preferable to a complete deregulation of licence numbers, which could have serious consequences for the quality and viability of the industry and hence, to services for the public.

¹⁰⁷ Taxi Industry Review Group: op. cit., page 12.

¹⁰⁸ Taxi and Luxury Hire Car Industries Act, Section 19.

To date, no new perpetual licences have been made available in the four metropolitan areas, as the Act also provides for WAT licences to be made available in lieu of perpetual licences for a period of up to three years, concluding in 2006. WATs are able to compete with standard taxis for standard taxi work, as well as undertaking wheelchair work. This was seen as essential in ensuring the viability of the WATs, as well as in enabling the industry to meet its DDA obligations to provide an 'equivalent' taxi service to wheelchair-reliant users¹⁰⁹.

WATs are generally seen by members of the standard taxi industry as 'taking work away' from standard taxis and there is a view that they should only undertake wheelchair work. However, as noted above, restricting these vehicles to wheelchair work would contravene the requirements of the DDA for an equivalent taxi service. Further, it would conflict with Tasmania's obligations under National Competition Policy, which allowed for WAT licences to be introduced in place of perpetual licences on the grounds that WATs would be able to compete with standard taxis¹¹⁰.

The introduction of WAT licences is one way in which competition in the industry has been increased, although it is unlikely that radio rooms have played a major role in this, as much WAT work is pre-booked or booked through the operator.

The Act provides other ways in which competition might be increased in the taxi industry. First, the provision for drivers, operators or accredited taxi groups to apply to the Transport Commission for registration of a discount fare for their taxi or group of taxis¹¹¹. Introducing a discount fare could enable operators to compete for business on the basis of price.

In addition to discount fares, the Act provides taxi operators with the ability to establish an accredited group¹¹² and for these accredited groups to set fares that they deem appropriate¹¹³, which could be above or below the regulated fares. The Transport Commission can enter into an agreement with an accredited taxi group requiring it to present annual business plans and to maintain records and establish rules as to its membership, customer response times, vehicle standards and discipline¹¹⁴. As noted in DIER's discussion paper on operator accreditation:

The provisions for accreditation of taxi groups under the [. . .] Act provide opportunities for operators wishing to provide non-standard services. For instance, an accredited group could decide to specialise in providing taxi services to a particular segment of the market. It

¹⁰⁹ Prior to the introduction of WATs, accessible taxi style services were provided by special purpose cabs, which were not permitted to undertake standard taxi work. As a result, they had limited commercial viability and were not readily available to transport wheelchair-reliant users.

¹¹⁰ The 1999 Review considered the taxi industry legislation in the context of National Competition Policy agreements signed by the State Government. This was addressed in the first discussion paper of the 2005-2006 review (Department of Infrastructure, Energy and Resources, *Review of the Taxi and Luxury Hire Car Industries Act 1995, Paper 1 – Introduction to the Project*, Discussion Paper, December 2005) and will be considered in a future discussion paper.

¹¹¹ Taxi Industry Regulations, Regulation 24A.

¹¹² Taxi and Luxury Hire Car Industries Act, Section 24.

¹¹³ *ibid.*, Section 25(2).

¹¹⁴ *ibid.*, Section 25(1).

might therefore seek to use vehicles that might not otherwise be approved for use as a taxi, to charge different fares for the 'target' market and to operate at the off-peak tariff for longer or shorter hours. For example, a group might want to provide specialised taxi services to business clients. Its agreement with the Commission might include the requirement for it to operate only very high standard vehicles and for drivers to be dressed according to the group's dress code, and might allow the drivers in the group to charge Tariff 2 after 5:00 pm instead of 8:00 pm and to charge a surcharge when more than two business passengers with luggage are carried¹¹⁵.

The Act therefore provides operators or groups of operators, which could include groups of operators working from the same radio room, with opportunities to compete on the basis of both service and price. Neither of these provisions have been used in this way to date.

Radio rooms have other opportunities to promote competition in the industry through product differentiation, either for all taxis in their fleet or for a group of like-minded operators. For instance, a radio room could require operators to use a higher standard of vehicle and to ensure that their vehicles were immaculately maintained in order to provide a premium service. In conjunction with this, the participating operators could become an accredited taxi group and apply to the Commission for approval to charge a 'premium' surcharge on fares where a premium taxi service was requested (although in considering such an application the Commission would need to take into account any implications for luxury hire cars in the area). They might also seek agreement to impose a 'guaranteed on-time' surcharge for customers who request this service, as occurs in the ACT. A radio room might develop standard vehicle livery and distinctive driver uniforms so that its taxis are easily recognisable, or it might decide to specialise in particular types of work and provide a sub-fleet of suitable vehicles to service a particular segment of the market.

At its first meeting in January 2006, the Taxi Industry Reference Group noted that product differentiation was already happening to some extent, with customers often dealing directly with their preferred driver. The group noted that if cheaper fares were widely implemented, this would have a significant effect on the response times of taxis. For instance, customers seeking out cheaper fares would tie up the resources of radio rooms. The Reference Group's view was that the greatest potential for competition within the industry was therefore on service rather than on price.

There are other ways in which radio rooms might be able to differentiate themselves within the market aside from through different fares or service levels. For instance, there may be scope to enter into promotional arrangements with local businesses. This might take the form of a free drink or half price meal voucher for the customer from a restaurant or bar if they call a taxi to take them to that restaurant. Or the radio room could offer incentives to customers to use its taxis, such as by introducing a 'frequent user' type scheme where the customer is given a discount voucher for their next journey if they use that radio room's taxis a certain number of

¹¹⁵ Department of Infrastructure, Energy and Resources: *Operator Accreditation*, page 55.

times within a certain time period, although the implementation of this type of scheme might be difficult due to revenue splitting arrangements between operators and drivers. Another alternative might be a 'preferred customer' service, where users could pay a small annual fee to be guaranteed priority service at all times.

It is ultimately a decision for the radio rooms as to whether they would seek to differentiate themselves either on price and service or in other ways. DIER's role is to ensure that the legislation enables them to do so if they so choose. The accredited taxi group provisions are one way in which this could be done, but it has been noted that these provisions are not widely understood by the industry.

It has also been suggested that there is a proportion of the industry that is not interested in product differentiation or competition, with a preference for taxis to all be the same as far as this is possible. Whether this is in the best interests of consumers is not clear. Some customers might prefer some differentiation in order to better meet their needs, but others might not care what kind of taxi they are in, provided that it gets them to their destination on time and at a reasonable price.

3.5.1. Questions

23. In what ways could radio rooms promote competition in the taxi industry?
24. Is there a need for differentiation of standard taxi services on the basis of price and/or service?
25. How can the legislation ensure that radio rooms are able to differentiate themselves if they so choose, without necessarily forcing them to do so?

3.6. Uptake of new technology

The Review Group also recommended that the role of radio rooms be reviewed to consider whether they can improve their capacity to respond to and adopt innovative practices and technologies¹¹⁶.

According to DIER's 2005 research, there was no evidence from other jurisdictions to support the view that regulation of radio rooms in combination with compulsory affiliation results in faster uptake of new technology and innovation. However, the report suggested that there was scope

¹¹⁶ Taxi Industry Review Group: op. cit., page 12.

to investigate ways in which radio rooms might place themselves to better respond to new technologies and implement more innovative practices¹¹⁷.

Technology to be considered might include GPS to enable radio rooms to more efficiently allocate work to taxis and providing a greater degree of driver safety, for example by linking security cameras or alarms to the GPS. GPS technology is mandatory in some jurisdictions. Other devices to be considered include more sophisticated taximeters, and computer systems that enable Internet and/or SMS bookings. For instance, Swan Taxis in WA has introduced an internet booking system where the user is able to bypass the telephone system by registering as an Internet user and booking a taxi online. They receive a response that gives them their booking number and the number of their taxi, once the job has been dispatched¹¹⁸. Some Tasmanian radio rooms also provide an online booking service.

In relation to the use of mobile phones to make bookings, it has been observed that this has caused problems for radio rooms when trying to pinpoint the location of customers for pickups. Where previously technology such as calling number display could be used to identify the location of callers using landlines, customers using mobile phones are more difficult to locate. DIER understands that this is a significant problem for radio rooms in other states and that some work is being undertaken to manage this problem.

One example of the use of new technology is Swan Taxis' EASYCAB service. This service enables customers to book a taxi without going through the call centre by having an identification number programmed into their phone, which enables the system to identify the user and dispatch a taxi to their location. The system enables extra instructions and directions or special designated pick-up points from large buildings or complexes to be added to a customer's details, to assist the driver to easily find the customer, preventing any confusion and unnecessary delays. This service is attractive to customers who may not wish to speak to an operator or who have special needs that prevent them from calling a taxi through the normal means. It is also useful for businesses that need to obtain taxis for clients, such as doctors' surgeries¹¹⁹.

An important point to note is that, given the relatively small size of Tasmania's taxi industry, smaller radio rooms might not have the financial capacity to implement expensive new technology.

¹¹⁷ Van Putten: op. cit., page 5.

¹¹⁸ Swan Taxis website www.swantaxis.com.au/ (accessed 16 May 2006).

¹¹⁹ Swan Taxis website www.swantaxis.com.au/

3.6.1. Questions

26. What types of technologies are currently used in radio rooms (e.g. in relation to dispatching, communication etc)?
27. What is the scope for new and innovative systems and services to be introduced in the Tasmanian taxi industry to improve taxi services to customers and safety?

3.7. Radio rooms in non-metropolitan areas**3.7.1. Non-metropolitan areas**

DIER's 2005 research found that in most jurisdictions the radio rooms requirements were applied on a less stringent basis in non-metropolitan or country areas. It noted that country networks often consist of a small number of taxis, which is normally fewer than the 'critical number' needed to make a radio room viable, and that country taxis are operated out of an informal office situation or mobile office. As a result, regulations that apply to metropolitan radio rooms might not necessarily be appropriate for smaller country networks, so the regulatory requirements and compulsory membership are often not strictly adhered to¹²⁰.

This is likely to apply equally to networks in the smaller Tasmanian centres, where it is unlikely that regulation and compulsory membership of radio rooms would be workable. Most rural taxis do not operate out of a radio room in the same way as the larger networks in Hobart and Launceston operate. Smaller operators and their drivers are likely to answer phone calls themselves, with calls diverted to a mobile phone in the taxi if the office (if it exists) is unattended. Where there is more than one taxi in an area, drivers might work on an 'on call' basis from home rather than having someone at the base during the night. In very small taxi areas, the 'radio room' is generally the operator-driver's mobile phone.

This means that some of the accreditation requirements that might be adopted for radio rooms in the metropolitan areas are unlikely to be relevant for 'radio rooms' in rural areas. For example, a requirement that radio rooms provide access for operators to mechanical services, including maintenance and repairs, makes no sense when the radio room is the operator's mobile phone, or even if all of the taxis working from one base are owned/operated by the same operator. Likewise, in rural areas requirements for radio rooms to have access to spare security cameras and download facilities are not applicable, as cameras are not required in these areas.

¹²⁰ Van Putten: op. cit, page 8.

DIER's discussions with rural taxi operators have indicated that there is generally low demand for taxi services outside standard hours, other than on Friday and Saturday nights, and that rural taxis are generally available for pickups whenever they are required, provided that the request is reasonable, and booked in advance if it is outside the operator's normal hours. A fully operational radio room that operates 24 hours a day is therefore regarded as unnecessary.

Accredited radio rooms that operate across taxi areas and provide services to a number of operators might be considered as an alternative to regulating one-operator businesses. There might be scope to introduce a number of centralised radio rooms that cover a number of country taxi areas in a region (e.g. North-West, North-East and South). This might deliver some economies of scale compared to having a radio room in each area (for example, in terms of reduced administrative or overhead costs) and might assist operators in meeting their obligations under the Passenger Transport Operator Accreditation Scheme by taking responsibility for some of the administration required. However, the costs associated with establishing and maintaining these bases could well outweigh any benefits. Furthermore, clients are likely to feel more comfortable dealing directly with a known operator in their local area, rather than a centralised dispatch system. It is also worth bearing in mind that the smaller radio rooms are unlikely to have the financial capacity to introduce expensive new technology, and the benefits of introducing such technology might be much less for country networks than for their metropolitan counterparts.

If some taxi areas were to be amalgamated (the subject of a future discussion paper) a single radio room might be able to be introduced into each expanded area to cover all operators in that area. It has been suggested that if rural taxi areas were amalgamated there might be a tendency for operators to move to the more profitable centres within those areas, which would leave smaller centres without a taxi service. Compulsory membership of radio rooms in this situation might be a way in which taxi services could be maintained in these smaller towns, through requirements that particular areas be serviced.

3.7.2. Burnie and Devonport

The Burnie and Devonport taxi areas differ from both the Hobart and Launceston areas in that they have a much smaller number of taxis and, especially in the case of Burnie with its large geographic area, have many issues in common with some of the non-metropolitan areas.

In one regard they are similar to the major metropolitan areas in that they operate 24 hour radio rooms. Burnie Taxis operates as a co-operative, which is effectively a monopoly in that all licence owners in the area, other than the WAT licensee, belong to the co-operative. Similarly the taxi industry in Devonport is also a monopoly, as all of the licences, both perpetual and WAT, are owned by the one licence holder and operated out of a single radio room.

In these cases, other than the WAT licensee in Burnie, the introduction of compulsory affiliation with a radio room would not change the current situation, as all other operators belong to the radio room. However, if new licences were to be taken up in these areas¹²¹, there is no reason currently why any new licence holder would have to join the existing radio room. It is also possible that, given the market power they currently enjoy, the existing radio rooms would refuse entry to a new licence holder.

This is not in the interests of improved competition in these areas, as it is unlikely that an independent operator could set up a successful taxi business in either area, which are both largely well-served by established operators, unless they were able to cultivate a market currently not served by the existing taxi services. In fairness to the existing services, it is probably also unlikely that a new entrant into many of the other regional areas with long standing existing services would be able to break into the market successfully, again, without accessing a part of the market that was not adequately served by the existing operators. This is demonstrated by the low take-up of perpetual licences offered in the rural areas over the past three years.

However, if given access to the radio room in either Burnie or Devonport, a new licence holder would be more likely to be able to access work and be successful, notwithstanding the fact that both radio rooms have claimed that there is insufficient work for all licences held to be operated to their full capacity. (In both Burnie and Devonport, there are 22 licences on issue but not all of them are operated.)

On this basis, it would appear that it would be reasonable to regulate for compulsory affiliation with radio rooms in Burnie and Devonport if the same regulations were to be applied in Hobart and Launceston. Likewise, it would follow that the same, or similar accreditation requirements should apply to these radio rooms.

3.7.3. Questions

28. Is there a need for radio rooms to be established in rural areas? Why or why not?
29. If there is a need, how could these radio rooms be set up to benefit operators in rural areas?
30. Should membership of radio rooms in rural areas be compulsory in rural areas?

¹²¹ Under Section 19 of the Taxi and Luxury Hire Car Industries Act, new perpetual licences will be made available in the metropolitan areas from 2007. One new licence will be made available in each of the Burnie and Devonport areas.

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| <p>31. Should radio rooms in rural areas have to be accredited in the same way that radio rooms in Hobart and Launceston might be accredited? What differences would there be in accrediting these radio rooms?</p> <p>32. Should the radio rooms in Burnie and Devonport be treated in the same way as radio rooms in Hobart and Launceston? What differences, if any, should there be in terms of accreditation and affiliation requirements?</p> |
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4. Further information

The *Taxi and Luxury Hire Car Industries Act 1995* Review Project is being conducted by the Passenger Transport Policy Branch of the Department of Infrastructure, Energy and Resources (DIER).

The Taxi Industry Reference Group is meeting over the course of 2006 to consider a range of issues that will inform the rewriting of the *Taxi and Luxury Hire Car Industries Act 1995*, the *Taxi Industry Regulations 1996* and the *Taxi Industry (Taxi Areas) Regulations 1996*. The issues being considered are:

- Fare setting mechanisms and driver pay & conditions
- Taxis in rural areas, including links to community transport
- Wheelchair accessible taxis
- Taxi and luxury hire car accreditation under the Passenger Transport Act/ Industry code of conduct
- Interaction between taxis and luxury hire cars
- Role of radio rooms
- Taxi areas
- Review of national competition policy changes to the *Taxi and Luxury Hire Car Industries Act 1995*
- Administrative and enforcement provisions of the *Taxi and Luxury Hire Car Industries Act 1995* and the *Taxi Industry Regulations 1996*.

The discussion papers are available on DIER's website at www.transport.tas.gov.au/miscellaneous/taxi_review.html. Members of the taxi industry wishing to contribute their views to the project should contact one of the industry representatives on the Reference Group, or can provide written submissions to DIER. Members of the public who wish to contribute can email their submissions to taxi.review@dier.tas.gov.au or mail hard copies to the address below.

Further information on the project can be obtained from:

Taxi Industry Legislation Review
Passenger Transport Policy Branch
Department of Infrastructure, Energy and Resources
GPO Box 936
HOBART TAS 7001
Phone: (03) 6233 2865
Email: taxi.review@dier.tas.gov.au

Review of the
Taxi and Luxury Hire Car Industries Act 1995

Radio Rooms

Appendices

Appendix 1: Glossary of Terms

Legislation	
DDA	<i>Disability Discrimination Act 1992</i> (Commonwealth)
The Standards	<i>Disability Standards for Accessible Public Transport 2002</i>
Passenger Transport Act, PT Act	<i>Passenger Transport Act 1997</i> (Tas)
PT Regulations	<i>Passenger Transport Regulations 2000</i> (Tas)
SLA	<i>Subordinate Legislation Act 1992</i> (Tas)
The Act	<i>Taxi and Luxury Hire Car Industries Act 1995</i> (Tas)
The Amendment Act	<i>Taxi and Luxury Hire Car Industries Amendment Act 2003</i> (Tas)
The Regulations	<i>Taxi Industry Regulations 1996</i> (Tas)
Acronyms	
ACCC	Australian Competition and Consumer Commission
ACT	Australian Capital Territory
DIER	Department of Infrastructure, Energy and Resources
DPI	Department for Planning and Infrastructure (WA)
GPS	Global positioning system
HREOC	Human Rights and Equal Opportunities Commission
MPT	Multi-purpose taxi (WA)
NCP	National Competition Policy
NSW	New South Wales
RTA	Road Transport Authority (ACT)
SA	South Australia
SMS	Short message service
TDS	Taxi dispatch service
VTA	Victorian Taxi Association
VTD	Victorian Taxi Directorate
WA	Western Australia
WAT	Wheelchair accessible taxi

Appendix 2: Resources

Australian Capital Territory *Taxi Network Provider Accreditation Application Guidelines* (sourced from www.transport.act.gov.au/publictransportpolicy/taxi/industry-taxi_network_provider accessed 1 May 2006).

Australian Capital Territory *Taxi Network Provider Service Standards Guidelines* (sourced from www.transport.act.gov.au/publictransportpolicy/taxi/industry-taxi_network_provider accessed 1 May 2006).

Australian Capital Territory Road Transport (Public Passenger Services) (Minimum Service Standards – Taxi Network) Approval 2006 (No 2) Disallowable Instrument DI2006-27 (sourced from www.legislation.act.gov.au/di/2006-27/default.asp accessed 23 May 2006).

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Department of Infrastructure, Energy and Resources, *Review of the Taxi and Luxury Hire Car Industries Act 1995, Paper 5 – Operator Accreditation*, Discussion Paper, March 2006.

Department of Infrastructure, Energy and Resources: *Review of the Taxi and Luxury Hire Car Industries Act 1995 Paper 3 – Rural Taxis*, Discussion Paper, February 2006.

Government of Western Australia, Department for Planning and Infrastructure: *Taxi Dispatch Services (TDS Provider) Conditions of Registration, Taxi Act 1994, Section 29*, revised July 2004.

Martin, John (Commissioner, Australian Competition & Consumer Commission): *Taxis and Trade Practices*, Address to 2004 Victorian Taxi Association State Taxi Conference, 9 November 2004.

NSW Department of Transport: *Interim Service Standards for Authorised Taxi-Cab Radio Communication Networks for Networks in the Metropolitan, Wollongong, and Newcastle Transport Districts*, September 1993 (sourced from www.transport.nsw.gov.au/licensing/taxis/networks.html accessed 19 April 2006).

Queensland Government, *Queensland Transport Information Bulletin PT 203/11.05: Operator Accreditation for Taxis*, (sourced from www.transport.qld.gov.au/qt/PubTrans.nsf/index/OADAOperatorHandout accessed 2 May 2006).

Queensland Government, Queensland Transport: *Operator Accreditation Application* (sourced from www.transport.qld.gov.au/qt/PubTrans.nsf/index/OADAOperatorAccreditationForm accessed 9 May 2006).

Queensland Government, Queensland Transport Information Bulletin PT 211/11.05: *Operator Accreditation Training* (sourced from www.transport.qld.gov.au/qt/PubTrans.nsf/index/OADAOperatorAccreditationForm accessed 9 May 2006).

South Australia – *Code of Practice for a Centralised Booking Service*, undated.

Taxi Industry Review Group: *Taxi Industry Act 1995 and luxury hire car legislation Regulatory Impact Statement*, April 2000.

Van Putten, Ingrid: Research Report: *Regulation of Taxi Dispatch Services in Australia and Compulsory Taxi Operator Affiliation or Membership*, for the Department of Infrastructure, Energy and Resources, 31 January 2005 (unpublished).

Victorian Taxi Directorate: *Guidelines for Authorisation of a Taxi Depot: Metropolitan and Urban Centres and Multi-Operator Country Towns*, January 2001.

Victorian Taxi Directorate: *Draft Taxi Depot Accreditation Guidelines*, April 2006.