



Tasmania

## Meeting of the Taxi Industry Reference Group – Minutes

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Thursday 12 January 2006, 1:00 pm to 4:00 pm

Level 9 Board Room, 10 Murray Street, Hobart

### Attendees

#### DIER

Nick Wright (Chair)  
Barb Dunford (Project Manager)  
Jeremy Gleeson  
David Hope

#### Taxi Industry

Clive Abbott  
Guy Anderson  
Steve Cheetham  
Denis Elmer  
Graeme Fish  
Toby Green  
Eddie Ng  
Robert Postma

### Minutes

#### 1. Welcome, apologies and introductions

Apologies were received from John Bessell. Roger Burdon and Jim Deane were not in attendance.

The Chair welcomed members to the meeting and expressed DIER's appreciation for members making the time available to participate in the work of the Reference Group.

The Group agreed to DIER's proposal for future meetings to be held on Thursdays, with lunch to be available from 12:30 pm, meetings to start at exactly 1:00 pm and to conclude at or before 4:00 pm. It was noted that because of the large volume of material to be covered in the meetings it was important that the meetings start on time.

#### 2. Confirmation of Terms of Reference & Meeting Protocols

The Chair outlined the purpose, process and time frames for the Group's activities. Concern was raised that there might be occasions where the industry may propose a position that is subsequently rejected by the Government. The Group requested that where this occurs, DIER should acknowledge the industry's position and provide reasons for not accepting it.

The Chair indicated that DIER was prepared to do this, and noted that one of DIER's objectives for the Reference Group was to seek, as far as possible, consensus between the Government and the industry. Where there were differences in views, it would be beneficial for the industry to put forward a well-reasoned case for its position. The Chair encouraged members with strong or detailed views in relation to a particular topic to submit papers for the Review team's consideration.

The Group discussed the need to amend the Terms of Reference to acknowledge a role for the Reference Group in developing an overall vision for the taxi industry that could form the basis on which the formal objectives of new taxi industry legislation could be developed. It was agreed that the major themes of the discussion papers would be highlighted in order to assist in this process and that this would be a standing agenda item for future meetings.

The Terms of Reference were confirmed, subject to these modifications.

### **3. Consideration of Discussion Paper #1 – clarification of issues**

The Chair confirmed that while the Reference Group will examine the provisions of the existing legislation, the Government remains committed to assisting the taxi industry in its transition towards more market-based arrangements, including the issue of additional taxi licences pursuant to the Government's commitments under National Competition Policy. Consequently, this issue is not within the scope of this Review.

The Group agreed that the sentence in Section 3.2.2 of the paper, which proposed that radio rooms would manage capacity in order that the supply of taxis matches demand, was inaccurate, and that this would normally be the responsibility of an operator rather than a radio room.

The Group agreed that care needed to be taken in comparing the Tasmanian taxi market to interstate taxi markets and that successful models in larger interstate centres would not necessarily work in Tasmania, due to the much smaller size of the market.

The Group discussed concerns about the effect of existing legislative provisions that encourage investor ownership of taxi licences. It was noted that lease rates make a significant contribution to the operating costs of taxis and that this results in money flowing out of the industry to investors rather than being returned to operators and drivers. The Group requested that this issue, including the potential for imposing restrictions on the lease rates able to be charged, be considered during the review of the legislation.

### **4. Consideration of Discussion Paper #2**

#### ***Differentiation and competition on price and service***

The Group observed that product differentiation is already happening to some extent, with customers often dealing directly with their preferred driver. It was noted that if cheaper fares were widely implemented, this would have a significant effect on the response times of taxis, with customers seeking out cheaper fares tying up the resources of radio rooms. The greatest potential for competition within the industry is therefore on service rather than on price.

The Group agreed that the scope for charging lower fares was limited, but that there was scope to introduce higher fares for some segments of the market.

#### ***Regulation of fares***

The Group agreed that fares should continue to be regulated, and that the Government should decide which body is responsible for setting fares.

#### ***Model for reviewing fares***

It was agreed that an automatic annual fare increase based on the consumer price index would be the most appropriate mechanism for changing fares, but that there needed to be a means by which fares could be increased outside this process in response to unexpected circumstances, such as the recent petrol price rises.

The Chair outlined the current process for changing fares through amendments to the Regulations and noted that this was a very time-consuming process that was not capable of

responding quickly to changing circumstances. The Act could be amended to enable fares to be set by the Transport Commissioner and formalised through gazettal rather than set in the Regulations. This would provide a more responsive system, and there was some support for this position.

There was support for retaining the taxi cost model as a basis from which 'extraordinary' increases could be calculated. There was some support for including licence lease rates in the model, due to the significant contribution of this towards operating costs. The Group discussed the potential for regulating lease rates, although it was acknowledged that it would be difficult to do so.

*Action: DIER to provide members with a copy of the most recent cost model.*

### **Tariffs and surcharges**

The Group agreed that the current two-tariff system was appropriate, but that the hours of Tariff 2 should be reviewed. It was noted that the cost of operating a taxi did not change outside of normal working hours, but that the additional tariff was an attempt to provide an incentive for drivers to work during these hours. There was no support for the Victorian model to be introduced, where the driver retains the entire additional payment for late night work rather than returning 50 per cent to the operator, as this would be difficult to implement.

The Group discussed the issue of short fares in detail and there was some disagreement over whether drivers often refused such trips. Some members of the Group supported the concept of introducing a minimum fare for short trips, whereas others considered it was not necessary.

The Group agreed that the Government should not regulate a minimum fare, but that it should not prevent operators from introducing such a fare if they wished to do so. Likewise, the group agreed that the Government should not prevent operators from charging a surcharge (e.g. for short trips) or radio rooms from charging a booking fee. It was noted that Government regulation either for or against particular charges would please some operators and displease others, whereas enabling operators to make their own choice would enable them to make a commercial decision, the outcomes of which they would be responsible for.

It was also suggested that surcharges were difficult to implement and that this could get confusing for passengers, whereas the use of different tariffs for different situations (e.g. 'off-peak') would be easier for drivers and passengers.

### **Fare zones**

It was suggested that fares in very small rural areas might not need to be regulated and that single operators were better positioned to determine appropriate fares for their market than the Government. This issue will be considered in a future discussion paper.

### **Accreditation and discount fares**

The Group noted that the industry did not fully understand the provisions of the Act pertaining to accredited taxi groups and that the business benefits of obtaining accreditation should be more widely promoted. It was also noted that accreditation of a taxi group under the Taxi Industry Act could be confused with operator accreditation under the Passenger Transport Act.

### **Superannuation for drivers**

While the Group agreed that superannuation for drivers was desirable, there were mixed views on how this might be achieved. It was noted that as self-employed contactors, drivers were responsible for their own superannuation. It was also noted that implementing an operator-funded superannuation scheme might require a change to operators' business systems.

Some members agreed that the Government did not have a role in regulating this issue.

***Agreements between drivers and operators***

The Group agreed that the Government should not regulate agreements between drivers and operators and that it was the responsibility of drivers to negotiate 'better' arrangements if they saw fit to do so.

***Other issues pertaining to driver pay and conditions***

These issues were deferred until a future meeting.

**5. Arrangements for future meetings**

The next meeting will be held on Thursday 16 March 2006 in Hobart (venue to be confirmed). Lunch will be available from 12:30 pm, with the meeting to commence at 1:00 pm. This meeting will consider taxis in rural areas and wheelchair accessible taxis.

The third meeting is tentatively scheduled for Thursday 20 April 2006 in Hobart (venue to be confirmed). This meeting will consider issues associated with operator accreditation.

The fourth meeting will be held in or close to Launceston.



Tasmania

## Meeting of the Taxi Industry Reference Group – Minutes

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Thursday 16 March 2006, 1:00 pm to 4:00 pm

Marina Room, Hobart Function Centre, Elizabeth Street Pier, Hobart

### Attendees

#### DIER

Nick Wright (Chair)  
Barb Dunford (Project Manager)  
John Bessell  
Jeremy Gleeson  
David Hope

#### Taxi Industry

Guy Anderson  
Roger Burdon  
Steve Cheetham  
Jim Deane  
Denis Elmer  
Graeme Fish  
Toby Green  
Eddie Ng  
Robert Postma  
Shane Stuart

#### Guests

Mary Guy (from 2:30 pm)  
Leica Wagner (from 2:30 pm)

### Minutes

#### 1. Welcome, apologies and introductions

Apologies were received from Clive Abbott.

The Chair welcomed Shane Stuart to the Reference Group. Mr Stuart represents the Launceston/Northern members of the Tasmanian Taxi Association. The Chair noted that Mr Stuart and Mr Elmer had liaised with operators in the smaller taxi areas to seek their view in relation to the paper on rural taxis.

#### 2. Next meeting

The next meeting will be held on Thursday 20 April 2006 at a location close to Launceston. Lunch will be available from 12:30 pm, with the meeting to commence at 1:00 pm. This meeting will consider issues associated with operator accreditation and the issues on driver conditions held over from the first meeting.

The fourth meeting is tentatively scheduled for Thursday 25 May 2006 in Hobart (venue to be confirmed). This meeting will consider the interaction of taxis and luxury hire cars.

#### 3. Confirmation of Minutes of Meeting #1

The minutes as amended were confirmed. The Chair suggested that when the Minutes are distributed, members need only contact DIER if they wish to propose any changes. DIER will take a nil response from members as agreement. The Group accepted this suggestion.

The Chair advised due to the tight time frame, meetings of the Reference Group will generally not revisit issues covered in previous meetings unless these issues were not adequately discussed at the relevant meeting. However, DIER will accept written comments from members in relation to issues raised in any of the discussion papers up to the conclusion of the consultation process in September 2006. This will be important to ensure that new issues and contradictory views are not raised at the end of the process when it might be more difficult to consolidate them into the final report.

The Chair requested that members advise DIER of any technical matters relating to the administration of the Act (such as the placement of stickers), that might cause problems in the day-to-day management of a taxi business but which might not be obvious to DIER as being of concern.

#### **4. Business Arising from Meeting #1**

##### *Confirmation of Terms of Reference*

The Terms of Reference, as amended, were confirmed.

##### *Taxi Cost Model 2005*

DIER tabled a summary of the model used to calculate the 2005 fare increase. If members wish to raise any issues these can be notified to DIER prior to the next meeting and discussed at that meeting.

#### **5. Standing Item: Objects of the Act**

The Chair stated that the objects of the Act will be one of the most important parts of the new Act, as they will outline the purpose of regulating the industry. The paper on the objects was intended to show how the objectives have changed over time and to promote discussion about what the objects of the 2007 Act should be.

The Group was asked to consider this issue during the course of the project, with further discussions to be held at future meetings.

#### **6. Discussion Paper #3 – Rural Taxis**

Members noted that many of them were not well informed about the rural taxi industry and that it would be difficult for them to comment on some of these issues. It would be important to consult with rural taxi operators on these issues. Mr Deane provided substantial comments on many of the issues relating to rural taxis.

##### ***Licences***

Members expressed concern about the valuation process for licences in areas where there had been no recent trades on which a market value could be determined. Some members suggested that easy access to the market through low priced licences in areas of low demand would not be productive and would result in lower levels of service being provided to users.

It was noted that in the areas adjacent to Launceston, operators were able to buy country taxi licences at lower prices than they would have to pay for a Launceston licence, but were still able to work within the lucrative markets of the airport and the casino. This means that the service provided to the country towns in the area is reduced. The lower price of the country licences was intended to reflect the lower earning potential of these licences, but with access to parts of Launceston, this was enabling operators in the country areas to have cheap access to an area of higher demand.

## **Costs**

It was suggested that costs in rural areas were not significantly different to those in metropolitan areas, and that higher costs for fuel would be offset by lower costs in other areas.

It was noted that dead running affects taxis in all areas, and that taxis in rural areas should not be treated differently than metropolitan taxis in relation to this issue.

## **Fares**

The Group agreed that there is no need for fares in country areas to be higher than in the metropolitan areas. It was noted that the late night surcharge was adequate to compensate operators for being available all night. It was also noted that if fares were increased in country areas, people would be less likely to use taxis. Further, for areas adjacent to airports, users would be more likely to call a metropolitan operators for a trip to the airport rather than use the local operator, which would disadvantage the country operator.

Many members believed that the fares should be the same for rural and metropolitan areas, given the very slight difference between the two structures. It was suggested that the leeway allowed in calibrating taximeters was greater than the 1.24 per cent difference in fares between the two areas, and that the difference is therefore irrelevant.

## ***Burnie/Devonport***

It was suggested that the Burnie and Devonport areas, while defined as metropolitan, might have significantly different issues to the larger metropolitan areas of Hobart and Launceston as they are much smaller and have fewer taxis than either of those areas. However, it was noted that Burnie and Devonport are both substantial sized communities and both operate 24 hours a day seven days a week radio rooms.

It was suggested that there is not a big distinction between the metropolitan and non-metropolitan areas, other than in relation to security cameras.

## **Security cameras**

The Group agreed that if security cameras were to be made mandatory in rural areas, careful consideration would need to be given as to how the cost of cameras would be met. A higher fare increase might be required to offset the cost over a relatively short period, noting the effect that this might have on customers.

## **Community transport**

There was a discussion about the cross over of community transport into taxi style work. Members noted that this was of considerable concern, especially in relation to the impact of community transport on their businesses. It was suggested that some community transport providers service people who are not 'officially' eligible for the program and that this also has an impact on the use of taxis.

## **Hours of operation/obligations of licence holders**

It was noted that in most areas, taxis are available 24 hours a day, seven days a week for phone bookings, but that they might not necessarily be available for rank/hail work late at night in the smaller areas. No conclusion was reached in relation to whether 24/7 availability should be regulated. Some members argued that the right to hold a taxi licence should place obligations on operators to provide a service on demand.

It was noted that there was a difference between holding licences and not operating taxis at all, and holding licences and having some cars off the road in periods of low demand.

This issue will be considered further in a later discussion paper.

### **Vehicle standards**

Some members considered that it would be appropriate for taxis to be subject to a maximum age limit or a maximum kilometre limit, whichever occurs sooner, rather than the current maximum age limit. It was noted that vehicles that have travelled greater distances, regardless of their age, are subject to more fatigue than lesser-travelled vehicles, and that this poses considerable safety risks that cannot be detected by vehicle inspections.

A maximum kilometre limit for vehicles entering as taxis was also proposed.

DIER noted that the purpose of regulating vehicle standards was to ensure that vehicles are safe. Issues not related to safety and roadworthiness (e.g. cosmetic issues) should be the responsibility of the industry to enforce. It was noted that vehicles that look unattractive would reflect poorly on the industry and that operators and/or radio rooms, rather than transport inspectors, should be responsible for managing these aspects of vehicle maintenance.

## **7. Introduction of Guests**

The Chair introduced Ms Mary Guy, Chair of the Health Minister's Advisory Council on Disabilities and Ms Leica Wagner, Assistant Director in the Department of Premier and Cabinet.

Ms Guy spoke to the Group about her experiences as a WAT user and outlined some of the problems she had encountered both in the past, before accessible taxis were available, and at present. She expressed her thanks at being invited to attend the meeting and to talk with members of the taxi industry.

## **8. Discussion Paper #4 – Wheelchair Accessible Taxis**

### ***Disability Discrimination Act 1992***

The Chair pointed out the requirement of Section 17.7 of the *Disability Standards for Accessible Public Transport 2002* (the Standards) for all taxis to have raised registration numbers placed on the exterior of passenger doors by 31 December 2007. The Group noted that the industry had concerns about this requirement in terms of safety, and that to date no taxis are compliant.

It was noted that the purpose of the standard was to enable a person with a visual impairment to identify a taxi if the driver refused to transport that person, or their seeing eye dog.

The Standards place responsibility for the requirement for WAT response times to be equivalent to response times for standard taxis on taxi cooperatives and radio networks. The Chair noted that DIER was concerned about the implications of this for metropolitan networks that did not intend to provide WAT services. In drafting the new Act, it will be important to ensure that there are no provisions that would prevent the industry from complying with the Standards.

The Chair advised that the Australian Government Department of Transport and Regional Services (DoTARS) would be undertaking a review of the Standards, but that this would not be complete before the target date of 31 December 2007. The onus will therefore be on the industry to comply with the Standards by the target date. The Australian Taxi Industry Association intends to make a submission to this review in relation to these requirements.

### ***Centralised booking numbers***

Some members supported the introduction of a centralised booking number for WATs combined with a global positioning system so that WAT bookings could be coordinated. It was suggested that this would ensure that the radio operators knew where each vehicle was



at all times and could dispatch the nearest available vehicle to each job. Ms Guy noted that such a system was operating in some other states and that it was not effective.

### ***Response times***

The Group discussed the issue of what a reasonable response time would be, and it was agreed that this would vary according to the time of day and the location of the caller in relation to the location of the available vehicles. It was noted that the Standards required an equivalent response time for WATs, so that longer response times for WATs in periods of peak demand could be expected, in the same way that they were expected by users of standard taxis.

### ***Fares/meters***

There was considerable discussion on the issue of when drivers should be allowed to turn the meter on and off and whether the existing fares and flagfall were sufficient to cover the extra time taken to undertake a wheelchair journey. A number of factors influence the time taken, including whether the vehicle needs to be reconfigured to accommodate a wheelchair, whether a suitable parking space can be found at the pickup point, the proximity of the passenger to the pickup point (i.e. the driver may need to go into a building to locate the passenger), the experience of the driver, the size of the wheelchair and the abilities of the passenger.

It was suggested that the 7.5 minutes waiting time provided by the flagfall was inadequate and that 15 minutes at both ends of the journey would be a more accurate reflection of the time needed. However, it was noted that the time taken will vary between bookings. Some members believed that 30 minutes was excessive and that some standard taxi jobs can also take longer than others, with no corresponding extra payment to the driver.

It was noted that there was confusion about when the meter could be turned on and that DIER's interpretation of the Regulations might be different from the interpretation provided to drivers when they attend the training course. It was suggested that it would be unfair to the passenger for the driver to turn on the meter before the passenger had entered the vehicle and could see the meter, and that a higher flagfall would be more appropriate than turning on the meter early.

It was noted that if fares or flagfalls were increased substantially, people would not use WATs unless greater subsidies were provided. In resolving this issue it will be important to consider the needs of both users and operators.

### ***Access to vehicles***

Ms Guy noted that ramp access was suitable for vehicles that travelled lower to the ground, such as the Voyager, as the ramps are not long and pushing a wheelchair up these ramps is not difficult. However, for the larger vehicles such as the Fiat, ramp access can be dangerous for both the driver and the user, particularly if the user is in a very large wheelchair. On the other hand a lifting ramp is safer and enables quicker, more dignified access to the vehicle.

It was noted that drivers required additional training in the use of lifting ramps.

### ***Length of licence/age of vehicles***

The Group agreed that the current WAT vehicles would not last for ten years and that there was a need to resolve the issue of how to better align the vehicle life with the span of the licence. It was suggested that before purchasing a replacement vehicle an operator could be given an extension of their licence, so that the licence continued to be aligned with the expected life of the new vehicle.

It was noted that some operators are likely leave the industry either before the expiry of their licence or after ten years. There is a need to decide what would happen to the licence at that point if the operator does not transfer it to another operator.

## **9. Other issues**

The following issues were not addressed at the meeting and will be considered in further detail at future meetings.

- Response times for WATs, reporting arrangements and responsibilities of radio rooms. ASAP bookings vs pre-bookings.
- Mechanisms for encouraging priority service to wheelchair-reliant passengers.
- WAT vehicle standards and specifications, including age and capacity.
- Provisions for substitute WATs.
- Licensing issues, including transfer and renewal of licences.
- Driver attitudes and training.
- WATs in rural areas.



Tasmania

## Meeting of the Taxi Industry Reference Group – Minutes

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Thursday 20 April 2006, 11:00 am to 3:00 pm

Launceston Tram Shed Function Centre, Inveresk Rail Yards, 4 Invermay Road, Launceston.

### Attendees

#### DIER

Nick Wright (Chair)  
Barb Dunford (Project Manager)  
Jeremy Gleeson  
David Hope

#### Taxi Industry

Clive Abbott  
Guy Anderson  
Roger Burdon  
Steve Cheetham  
Jim Deane  
Denis Elmer  
Graeme Fish  
Toby Green  
Robert Postma  
Shane Stuart

### Minutes

#### 1. Welcome and apologies

Apologies were received from John Bessell and Eddie Ng.

Nick Wright advised the Reference Group that this would be his final meeting as Chair of the Group, as he had been appointed to a new position. Until a new Director of Passenger Transport is appointed, David Hope will chair the meetings of the Reference Group. In all other respects the review project will continue as normal. Mr Wright thanked the members of the Group for their participation in the review to date.

#### 2. Next meeting

Toby Green requested that future meetings begin at 11:00 am. It was noted that a morning start would not suit members of the Reference Group that worked night shifts and that the 1:00 pm start time had been agreed as the time that best suited the majority of members. It was agreed that DIER would liaise with members to determine whether there should be any change to the start time.

The next meeting will be held on 25 May in Hobart. This meeting will consider the interaction of taxis and luxury hire cars. The fifth meeting is tentatively scheduled for 6 July, as the proposed date of 29 June was unsuitable due to its proximity to the end of the financial year.

The outstanding WAT issues, which were to be covered at this meeting, were not considered because of the detailed discussion about the accreditation paper. It was agreed that DIER would contact members of the group out of session to determine whether these issues would

best be covered by extending the next meeting or by holding a separate supplementary meeting.

### **3. Confirmation of Minutes of Meeting #2**

The Minutes of the meeting of 16 March were accepted.

### **4. Business Arising from Meeting #2**

The Chair noted that the last meeting had been rushed due to there having been two papers to cover in the meeting, and that it would not be sustainable for future meetings to cover two papers. As a result there were some issues relating to wheelchair accessible taxis that had not been adequately covered at the previous meeting. It had been intended to cover these issues at this meeting, but there was insufficient time. DIER will consider how best to incorporate these issues into a future meeting.

The Chair passed on Ms Mary Guy's thanks to the Reference Group for the opportunity to address the group, as a representative section of the taxi industry at the previous meeting. He noted that it had been the first time Ms Guy had been able to speak to such a group and that she had appreciated the opportunity to present her views to the industry and to hear the perspectives of members of the industry.

### **5. Standing Item: Objects of the Act**

The Chair referred to the paper distributed for the previous meeting on the Objects of the Act and noted that this would be an important component of the review. The Objects will outline the purpose of the Act, and anything included in the Act should be able to be related back to the Objects. It will therefore be important to ensure that the Objects clause contains only items that can and should be regulated.

It was suggested that the major purpose of the Act might be threefold:

- to provide a service;
- to ensure safety of drivers and passengers; and
- to ensure the viability of industry participants.

It was suggested that without any one of these items, the others would not be deliverable.

The Chair observed that in drafting the Act there would need to be a balance between the need for taxis to provide supplementary public transport services and the ability of the industry to operate according to the market.

No further feedback was provided on the Objects paper.

The Chair noted that following the conclusion of the discussion paper process, DIER would prepare a paper that summarised the issues and made recommendations for future regulation of the industry. It was emphasised that where issues have not been raised by the industry or where there is no need to change the existing provisions, it is unlikely that any changes will be proposed. Where there are issues with more than one viewpoint, the different options, including DIER's preferred options, will be presented to the industry for further consideration and comment. It is therefore important at this stage for members to identify issues that should be addressed in this process so that DIER is aware of them and that they can be included in the review.

The Group discussed the issue of National Competition Policy (NCP) and licensing arrangements. The Chair re-stated the point made in the first meeting that it would be unlikely that the Government would change its position in relation to increasing the supply of

perpetual licences in accordance with NCP. However, in accordance with the commitment made in 2003 with the introduction of the current Act, the process by which this is carried out will be considered in this review. This will be included in Paper 9, which will also include a summary of the National Competition Council's (NCC) position on competition in the taxi industry. In this regard, it was noted that the NCC had suggested that consumers were paying higher fares as a result of the scarcity value of the licences and that this was not a good outcome for consumers.

It was noted that perpetual licence values and lease rates had increased in Hobart, and to a lesser extent in Launceston, since the introduction of the Act, and that this was in contrast to what had been predicted. One view was that there was still scarcity value in perpetual licences, which continued to drive prices up and it was noted that some operators' lease rates had been increased immediately after the announcement that there would be no new perpetual licences released in Hobart this year. It was also noted that the lease rates in country areas were significantly lower than in Hobart and that factors that applied to Hobart would not necessarily apply to the smaller areas

## **6. Discussion Paper #4 – Accreditation**

In introducing the paper, the Chair stated that accreditation is intended to change the relationship between the industry and the Government, from a situation where the Government sets the rules and enforces compliance through identifying and sanctioning breaches, to a situation where the industry is required to demonstrate to the Government that it is meeting the requirements. As such, accreditation is a significant tool in implementing the Regulations. It is also intended to ensure that operators who are complying with the Regulations are not disadvantaged by those who are avoiding the rules and obtaining a commercial or other advantage by doing so. DIER noted that most operators had not applied for accreditation at this stage, but that some were well underway in implementing the requirements.

The Group discussed the issue of Limited Passenger Services, which are regulated under the *Passenger Transport Act 1997*. There were some concerns that these services were operating as 'pseudo taxis' without having to comply with the same regulations. DIER noted that accreditation applies equally to operators of these services (and had been in place for over three years) and that the vehicles are subject to regular inspections.

*Action: DIER to distribute further information on the operation of limited passenger services.*

### **Technical Requirements of Accreditation**

The Group discussed a number of technical aspects of accreditation that are included in the guidelines, but not necessarily included in the Act. The main features of this discussion were:

*Requirement to display accreditation certificate in vehicle* – It was noted that this requirement applied more to buses than taxis and that it was impractical for taxis to display the certificate, as well as being superfluous due to the fact that taxis have identifying licence plates. As noted in the discussion paper DIER intends to amend the Passenger Transport Regulations in relation to this issue.

*Requirement to obtain a referee's report for a new driver* – It was noted that this was unlikely to assist an operator in assessing whether to engage a new driver and suggested that this should not be a compulsory requirement.

*Requirement to check a driver's driving record* – DIER noted that this provided protection to the operator, as if a taxi driver was found by police to not be licensed, the operator could also face charges under Section 8 of the Vehicle and Traffic Act 1999. DIER is aware of the difficulties associated with undertaking these checks and is investigating how this could be made easier for operators.

*Vehicle safety checks* – Concern was expressed about the qualifications of people authorised to undertake safety inspections. DIER advised that authorised inspectors need to be qualified mechanics or equivalent (i.e. or approved by TAFE vehicle examiners) to undertake the safety inspections of taxis.

*Display of drivers' identification* – The group agreed that there should be a standard form of identification for all drivers.

*Ability of a police officer to require a meter to be tested* – Members of the group consider that police officers do not have the knowledge or ability to undertake such a task. DIER noted that the inclusion of police officers in the list of officers able to undertake this task is consistent with a range of regulations where 'authorised officers' are able to request that certain actions be taken, although it is unlikely to ever be used.

### ***Tasmanian Taxi Operator Accreditation Board***

It was noted that there was no representative of the taxi industry on this board and that most people in the industry were not aware of its existence. DIER advised that the TTOAB covers accreditation for all transport operators, including road transport and passenger transport, and that there were no specific representatives from any of these industries on the board. The taxi and bus industries were represented by the Tasmanian Transport Council.

Mr Green informed the group that the Tasmanian Taxi Association had written to the TTOAB requesting that a taxi industry representative be included and that this would be considered at its next meeting.

### ***Security***

DIER noted that there was likely to be a security component introduced into accreditation due to Federal Government requirements for public transport operators in response to terrorist threats. DIER would work to ensure that this was not overly onerous on the taxi industry.

### ***Quality standards***

It was generally agreed that the Government does not have a role in regulating quality standards in the same way that it regulates safety standards. DIER noted that there are insufficient resources to devote to inspecting quality standards of taxis and that the major focus is on roadworthiness and vehicle safety.

It was suggested that a self-regulation regime may be more appropriate, although some members considered that this would not work and that some degree of enforcement was required. It was suggested that radio rooms could be responsible for ensuring quality standards. However, some members of the group suggested that competition between radio rooms means that an operator refused entry to a radio room on the basis that their vehicle was not up to standard would probably be admitted to another radio room that did not have such high standards.

Conversely, it was noted that drivers are less likely to want to drive poor quality vehicles, and that customers are beginning to be more selective about the taxis they choose from ranks. This suggests that there is some degree of self-regulation occurring.

The issue of safety from a workplace safety and passenger safety perspective was raised. It was noted that items such as seats, seatbelts etc are inspected at the regular inspections and must be in good condition. It was also noted that drivers would normally identify problems that might impact on their own safety with the operator, who should manage these issues through the processes that are in place as a result of accreditation.

### ***Licence plates***

It was suggested that instead of taxi licence plates, all taxis should be issued with special taxi registration plates, as occurs in other states. There was some support for this view, although it was noted that in the past DIER had informed the industry that this would incur an annual cost equivalent to that of a personalised registration plate.

There was concern that such plates would prevent owners from using their vehicle for private purposes when it was not used as a taxi. However, it was noted that substitute taxis are always licensed as taxis and should therefore always be identified as such.

The group agreed that if a plate is cancelled, this needs to be more widely and more promptly advised to the industry than is currently the case.

### ***Security cameras***

The issue of malfunctioning cameras and problems with having cameras repaired in a timely manner was raised. The Chair stated that it was not DIER's responsibility to ensure that cameras were operating or that repairs were made in a timely manner and that the onus to ensure this occurred is on the operators. Ultimately operators must make a commercial decision on which camera system to install, based on the manufacturers' claims about the performance on their cameras and their certification that their cameras meet the standards. If subsequently a camera does not perform according to the manufacturer's claims, the operator is responsible for raising this with the manufacturer or through the consumer affairs processes. DIER indicated that it would be prepared to approach Consumer Affairs on behalf of the industry if a coordinated request was made.

DIER noted that it was unreasonable for operators to hold off on having their cameras repaired until close to the inspection date, at which time the manufacturer would be unable to manage the number of repairs commissioned, as has occurred in the past.

It was also noted that, while it would be unreasonable for individual operators to carry spare cameras, radio rooms should be able to purchase spare cameras that could be used by operators affiliated with that radio room while their own camera is being repaired. This occurs in some radio rooms.

### ***Operator training***

The group agreed that information to be provided to potential operators in relation to the responsibilities and the financial implications of operating a taxi would be helpful. It was noted that even with this information, some people were likely to ignore it and to proceed when it was not in their best interests and that, while this was not in the best interests of the industry, it could not be prevented.

### ***Responsible operators***

DIER explained the reasons for requiring that there is an identifiable responsible operator for every licence at all times. It was noted that there were some problems associated with arrangements whereby the responsible operator changed during the week. Permanent arrangements (e.g. whereby one operator operates the licence on weekends and the other operator operates the licence during the week) are acceptable provided that appropriate notice is provided to DIER, but ad hoc arrangements cannot be accommodated as it can be difficult to determine who is the responsible operator at any given time.

It was noted that where the licence owner resides interstate it can be difficult to obtain their signature on notifications to DIER in relation to leasing arrangements. It was proposed that the owner be able to authorise an agent to act on their behalf in all matters relating to the administration of the licence. DIER agreed that this would assist in monitoring leasing arrangements.

DIER emphasised the need for leases to be in writing so that both parties were protected in the event of a dispute. It was agreed that the Government did not have a role in mediating any such disputes between two parties over a lease.

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

The group agreed that such a code could be developed but that it should not be expected to significantly improve driver behaviour in cases where a driver is not likely to improve.

### ***Complaints management***

It was noted that sole operators would find it difficult to implement the accreditation requirement to provide a complaints management process, and that it would be difficult for customers to complain directly to an operator if they had a problem with the service. It might also be difficult to make a complaint if the taxi is not clearly identifiable -- e.g. if it does not have a network decal or sign.

Some members of the group supported the concept of a complaints hotline, so that there would be only one number for customers to call with complaints, and that these could then be directed to the appropriate authority, taxi company or operator for action.

Some members suggested that there might be a role for radio rooms in the complaints management process, but that for this to be a useful solution, compulsory membership and accreditation of radio rooms would be necessary. This issue will be discussed further in the discussion paper on radio rooms (paper 7).

### ***Educating the public***

The group made a number of suggestions about how passenger's rights and responsibilities could be better promoted to the public, including signs on taxi ranks, media advertising and brochures at hotels and other venues where there are large numbers of potential passengers. The Group agreed that the use of the taxi industry fund for this purpose should be considered. It was noted that the major problems occur on Saturday nights with drunk passengers, who are not capable of comprehending information on what is acceptable behaviour. This is unlikely to change, although it may be possible to target these people during the week.

A late night voucher scheme was suggested, whereby the venue issues the customer with a voucher for a taxi, which the driver can refer back to the venue if the passenger causes trouble. The passenger can then be barred from calling taxis from that venue.

DIER suggested that there needed to be a cooperative effort between the industry, the Government and other parties such as hotels and the police to better educate the public, and that this was an area in which a formal representative body for the industry would have a significant role to play.

### ***Fare evasion***

It was suggested that if a person is found guilty of fare evasion, they should be required to cover the cost of downloading images from the taxi security cameras. DIER noted that there might already be an opportunity for the prosecutor to seek recovery of costs from the guilty party in the *Justices Act 1959*.

*Action: DIER to investigate the opportunity for costs to be recovered from the guilty party under the Justices Act.*

Some members noted that the police were not keen to investigate cases of fare evasion, as people would usually pay the outstanding fare if they were caught, on the condition that the driver dropped the charges. When this occurs regularly, police tend to see fare evasion as not worth following up and there is thus no incentive for passengers to cease this practice. It



was suggested that drivers should be encouraged to press charges in an attempt to discourage passengers from not paying fares.

### ***Accredited taxi groups***

DIER noted that these provisions were intended to encourage innovation within the industry, but to date had been used only to solve problems that could not be otherwise addressed through the Act.

There were no suggestions as to how to better promote the provisions.

### ***General***

It was suggested that, where there is overlap between the accreditation requirements and the Regulations, as much regulation as possible be removed and the requirements formalised through accreditation. DIER noted that each provision would have to be considered carefully, as if the provision is removed from regulation, the ability to enforce it through penalties is lost. It is therefore important to determine whether the appropriate sanction would be suspending, cancelling or placing conditions on an operator's accreditation on the one hand, or imposing a monetary penalty on the other.

### ***Issues to be raised in future papers***

The following issues were identified by the group as being of concern and these will be raised in future papers:

- The requirement for operators to take out worker's compensation insurance for drivers. It was noted that in Queensland drivers have to take out their own worker's compensation and accident insurance. This could result in lower premiums for better drivers and higher premiums for worse drivers, to the extent that the lower-standard drivers could be forced out of the industry, thus raising the standard of drivers in the industry as a whole. (To be addressed in Paper 10).
- The need for a standard 'strip' to ensure accurate meter testing. At present there is no way for a meter tester outside Hobart to ensure that the strip they use is accurate. (To be addressed in Paper 10.)
- Whether licence ownership should be restricted to 'fit and proper' persons. Some members of the group felt that licences should not be issued to persons deemed 'unfit', although it was noted that if this requirement was introduced, it could not be applied to licences already on issue. Other members believed that the owner of the plate should not be required to be assessed, and that it was more important that drivers and operators be deemed suitable; this is already assessed through operator accreditation and the issue of an Ancillary Certificate for drivers. It was also suggested that licences be sold at the assessed market value through a ballot process, rather than tendering for the highest price. (To be addressed in Paper 9.)
- Whether licences should be required to be operated. Some members of the group considered that there should be an obligation on a licence owner to either provide a service, or to ensure that their licence is operated. (To be addressed in Paper 9.)
- Drivers discounting fares and undertaking hirings that aren't metered. It was noted that this is effectively theft from the operator. However, DIER is not in a position to monitor or prevent this practice.
- The use of substitute vehicles and correct application of licence plates. (To be addressed in Paper 10.)



Tasmania

## **Review of the *Taxi and Luxury Hire Car Industries Act 1995***

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### **Meeting of Wheelchair Accessible Taxi Operators & Drivers**

**Wednesday 26 April 2006, 6:30 pm to 9:00 pm**

**Boardroom, Hadley's Hotel, 34 Murray Street, Hobart**

#### **Attendees**

##### **DIER**

David Hope (Chair)

Barb Dunford (Project Manager)

##### **Taxi Industry**

Michael Brodribb

Lena Hughes

Brian Nicholson

Jim O'Rourke

Narelle O'Rourke

Ollie Postma

Jurgen Riske

David Roberts

Michael White

#### **Notes**

##### ***Fares/meters***

- The trip subsidy should be paid for the extra time taken to undertake a wheelchair hiring rather than the cost of the vehicle. Some operators share this with the driver, others don't. Acts as an incentive for drivers. \$10 for driver and \$10 for operator would be reasonable.
- To ensure that they arrive on time, drivers take other jobs in between booked jobs. Often the client will be delayed (e.g. late running doctor's appointment), so the driver has to wait for them.
- TAS subsidy for WATs needs to be higher (say 65%) to encourage wheelchair clients to use WATs. At present the WAT fare with the higher discount is the same as for a standard taxi. There is no incentive to use a standard taxi. Use of standard taxi has problems for safety of the actual wheelchair and some users don't know that it is being damaged when stowed in the boot on the car.
- Standard taxi drivers encourage (non-wheelchair) users not to use WATs as they 'cost more'. This is not true. There is a need for the promotion of taxis, WATs in particular, so that customers know what they can and can't do (e.g. able-bodied people are entitled to use a WAT).
- It is unreasonable to continue to increase fares to cover the time taken to assist disabled passengers as this will result in lost patronage. Many people with disabilities do not have the capacity to pay higher fares, e.g. because they aren't working. Drivers wages need to be funded elsewhere – some operators pay award wages

rather than commission. Commission payment is outdated, however, the cost of paying drivers under the public vehicle award could place unreasonable financial pressure on the operator.

- A participant raised the question of why should drivers work for below the minimum wage? He suggested that it should be the responsibility of government to support operators to pay drivers a decent income if operators cannot afford to do so.
- Operators cannot attract new drivers because the earning potential is too low. Therefore more incentives are needed. Standard taxi drivers earn more than WAT drivers.
- It was suggested that an extra subsidy or compensation, such as a second trip fee, is needed for carriage of two wheelchairs due to the time taken to load an extra chair.

### ***Vehicle standards***

- It is believed the life of a WAT vehicle could be six to eight years if lucky.
- It was viewed that requiring a new vehicle is discriminatory, as standard taxi vehicles do not have to be new. Second hand WAT vehicles could reduce operating costs whilst still being a reasonable quality of vehicle. Operators can't turn over brand new vehicles every two to three years, but can do so with second hand vehicles that are still in good condition. It is argued that is more cost effective as the difference between the purchase price and resale price will be made up in the operator's share of the trip fee. This would put the WAT operators on par with standard taxis in terms of being able to write the vehicle off for taxation purposes. At present WATs cost too much and don't earn enough to allow this to happen.
- Industry asked why a relatively new vehicle that had been used as a WAT in another state could not be used in Tasmania as a WAT instead of a brand new vehicle.
- DIER explained the problems with allowing substitute WATs, in particular the requirement for a new vehicle, and noted that it would be unreasonable to expect a single operator to have two brand new vehicles in case one broke down.
- The very act of altering the vehicle to make it accessible significantly weakens the vehicle's structure and it will not last as long as an unmodified vehicle (suggested that it reduces the life of the vehicle by 30 to 40 per cent). Toyota is apparently in the process of producing an accessible vehicle that would not need to be modified. If this is successful this will have a significant effect on the WAT scheme.
- Some ramps unsafe, either because they are too high or they are unable to accommodate heavier wheelchairs (it was suggested that some ramps can only accommodate a weight of 200 kg). Most customers prefer lifting ramps.
- Range of vehicles used is good. People have their own preferences as to which one they will use and request that vehicle.

### ***Substitute WATs***

- Generally, it is not practical to have a 'spare' new WAT. It was suggested that the government could purchase these vehicles and lease them to operators if the need arose.
- Currently there are a number of vehicles without drivers. These may be able to be leased from the operator.
- This is a major problem for operators who only have one vehicle.

### ***Driver training***

- The current course is not helpful. Could taxi companies train people in-house (e.g. through train-the-trainer)? People need hands-on experience; sitting in a training room does not prepare a driver adequately.
- Training isn't enough. The driver needs to be the 'right kind of person' – i.e. someone who cares about the clients and is responsive to their needs. Many standard taxi drivers don't care about the customers and aren't interested in helping them.

### ***Centralised booking service***

- There was no support for this. Clients know their preferred company and driver and are known to the switchboard. This would be lost if all bookings were centralised. Clients might refuse to travel with the driver dispatched to them because they know and trust 'their' driver.

### ***Customer service***

- Wheelchair clients are given priority. If they will have to wait, they are given a time.
- One radio room tries to keep a car free at most times for ASAP work.
- If there are no drivers, it doesn't matter how many vehicles there are, the jobs can't be done.
- The market is well covered at the moment. When more licences are issued, operators will be fighting over jobs. Better response times can only be the result of fewer jobs per taxi – i.e. more licences, which means that drivers will earn even less.
- The general view is that response times are not a problem, but that the clients are becoming less tolerant of delays.

### ***Licences & vehicles***

- The suggestions were that WAT licences should be perpetual assets like standard licences. Originally 'cab' licences were free, just as WATs now are. They now have a tradeable value. This might well repeat itself down the track with policy changes by successive future governments.
- By having different licences and requirements for WATs, this is branding the vehicle, which is the very thing that people with disabilities want to avoid. All taxis should be the same – a taxi is a taxi.
- Operators should be rewarded for running a WAT for ten years. Licences should be renewable or else perpetual. It would be more administratively efficient to make them perpetual.
- There should be no restrictions on any sort of licences, and accreditation should be used to ensure orderly conduct etc.



**Review of the *Taxi and Luxury Hire Car Industries Act 1995***

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**Forums with non-metropolitan taxi operators**

**Monday 8 May 2006 (10 Murray Street Hobart), Wednesday 10 May 2006 (Ulverstone Civic Centre), Thursday 11 May 2006 Dorset Council Chambers, Scottsdale)**

**Attendees**

**DIER**

David Hope (Chair)  
Barb Dunford (Project Manager)

**Taxi Industry**

Denis Sutcliffe (Huonville)  
Nick Abbott-Young (Strahan)  
Wendy Bell (Burnie)  
Tomasz Gadzinski (Burnie)  
Peter Burles (Beaconsfield)  
Tony Cordwell (Perth)  
Chris Holloway (Glamorgan/Spring Bay North)  
John Lyons (Scottsdale)

A number of issues were canvassed with industry representatives during these meeting. These notes have been grouped together to reflect each issue across different taxi areas, rather than representing the actual course of each meeting in the order in which issues were raised.

**Burnie/Devonport**

Burnie feels like a rural area (large area, more than one major population centre etc), but still operates a 24 hour radio room as in metropolitan areas

Burnie doesn't have the same support that there is in the radio rooms in Hobart and Launceston (e.g. office staff)

Burnie has a unique situation where a co-op of individual owners, who mostly drive their own cars, and a radio room that runs differently to other radio rooms (e.g. roster system etc)

It is Important to consider a range of implications if they were considered rural rather than metropolitan

**Operating costs**

Area	Operating Costs
<b>Huonville</b>	<p>No significant differences in costs (running costs etc)</p> <p>City cars do more mileage than rural cars, yet rural cars have to pay the same registration and insurance – this should be less. This prevents operators from having substitute vehicles, as they are required to pay large premiums for vehicles that aren't operated very often.</p> <p>City radio rooms are not a necessary expense as operators do not have to join a radio room</p>

<b>Area</b>	<b>Operating Costs</b>
<b>Strahan</b>	Higher costs are involved in getting parts to rural areas if a vehicle breaks down; if the vehicle can't be fixed on the spot it is off the road until it is fixed (no substitute vehicles)
<b>North East</b>	The Government could subsidise operators to change over to LPG, but not all operators have access to LPG

### Features of the market

<b>Area</b>	<b>Features of the Market</b>
<b>Huonville</b>	80% of work is from regular customers and most work is around the town. Customers are mainly people who don't drive (e.g. older people), people whose car has broken down or who have lost their licence and on Friday–Saturday nights younger people going to and from the pub.
<b>Burnie</b>	Most work is within Burnie and Wynyard, with work also coming from Wynyard airport. They also have some contract work with West Coast mines and the hospital. They have a lot of TAS work (about \$200 per month per operator), and overflow from buses, which finish running at 6 pm. There have been complaints that many people can't get access to TAS because doctors are very strict on eligibility. Shopping and pension days are very busy.
<b>Strahan</b>	About half the customers (accounting for about 2/3 of the trips) are locals and most work is within the town. The remainder are tourists (35%), visitors (4%) and the shuttle bus service (7%). Most people have a car or access to a car. Trips are mainly between houses, to and from restaurants and pubs and work-related. There are no TAS members, but if access to TAS was opened up more people would use taxis instead of community transport. Estimated return in about \$1.00 per km.
<b>Scottsdale</b>	70% of income comes from long runs to Launceston. The operator reported a return of 82 c per km. The annual average kilometres driven is about 40 000 km in Scottsdale compared to 120 000 km in Launceston.
<b>Beaconsfield</b>	Breakdown is 50/50 between long trips and local trips. The main users are 'drunks' rather than the elderly, who tend to use community cars and buses. The operator reported a return of 75–80 c per km.
<b>East Coast</b>	The operator reported that work is highly seasonal, with 85% of turnover coming between November and April. He also uses his vehicle to do runs to Launceston airport.

### Hours of operation

<b>Area</b>	<b>Hours of Operation</b>
<b>Huonville</b>	Operator will normally sit at home and wait for calls rather than being on the street, except for Friday and Saturday nights, when he will wait outside the pub.  Little demand for taxis after 6 pm, but he is happy to take bookings for work outside these hours. It is not possible for the operator to be 'open' 24 hours a day, as he is generally the only driver. The operator will do most work unless it is completely unviable (e.g. a 40 km round trip to undertake a 1 km job).

<b>Area</b>	<b>Hours of Operation</b>
<b>Burnie</b>	<p>Operates 24 hours on a roster system to ensure that there are always enough taxis on the road, including cars rostered in Wynyard.</p> <p>Limited demand for taxis after midnight on most days. Will do all pre-booked work. There have been some problems with calls from Wynyard for jobs within Wynyard that have been no-shows. Generally the cars will stay in Wynyard until the pubs close but won't be available after that time unless they know the booking is genuine.</p> <p>Hours will differ between areas. Operators know their own areas and know when they need to be available.</p>
<b>Strahan</b>	The operator is available from 6 am to midnight, or until the pub closes, as once the pub has closed there is unlikely to be any business.
<b>North East</b>	In general most operators will do work that is booked in advance or if it is an emergency.

### **Dead running**

The general view was that this was part of the job and is not a big problem in terms of long one-way journeys (e.g. to or from a destination some distance away), but is a problem when the driver has to drive a long distance to cover a short fare.

<b>Area</b>	<b>Dead Running</b>
<b>Huonville</b>	Formerly there was a long distance surcharge for fares above \$30, where the driver could charge 50% extra for the return trip. This has been removed and the operator doesn't see a need for it, as he has already been paid to go to the destination. The real problem is travelling a significant distance to undertake a short job.
<b>Burnie</b>	A significant issue for jobs in Wynyard (and in other areas –e.g. a 30–40 km trip for a \$10 fare). This is generally handled by rostering cars in Wynyard to do the work, but can be a problem if another car has to be dispatched to Wynyard to do a job if none of the Wynyard cars are in the area (e.g. if they are picking up from the airport).
<b>Strahan</b>	Customers wouldn't take a taxi if they knew that they'd have to pay an extra surcharge for long distances, and this is not a major issue for one-way trips (e.g. from Strahan to Queenstown).
<b>North East</b>	There are some problems with pre-bookings if the person is not ready and asks the taxis to come back an hour later – there is a need to 'train' the customers. There are also problems with hoax calls and no-shows, especially if this involved a long journey.

### **Fares**

<b>Area</b>	<b>Fares</b>
Huonville	The operators don't charge the late night surcharge for regular customers. It was suggested that the government could pay such a charge in a similar way to the trip subsidy paid to WAT operators
North East	The operators don't charge the late night surcharge for regular customers. It was suggested that the government could pay such a charge in a similar way to the trip subsidy paid to WAT operators

	<p>One view was that fares should be higher in rural areas as costs (especially fuel) are higher. It was also suggested that it is more economical to run longer trips, which balances out the higher fuel costs. Others argued that a different fare structure would not be workable due to the high level of overlap between areas (people would call an out of area taxi with lower fares if they were travelling out of the area). Therefore fares should be the same in all areas.</p> <p>Fares need to be fair and reasonable to customers. Until recently fares were keeping pace with cost increases. There is no way of quickly adjusting fares to account for quick increases in costs, such as fuel.</p> <p>It was noted that patronage had dropped off in recent years but income had remained the same (due to fare increases).</p>
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## Licenses

Area	Licenses
<b>Huonville</b>	<p>Licences should not be valued at all, rather, issued for a nominal fee when there is a need for a new licence. The operator noted that DIER had cancelled one of his licences that was not being used several years ago and he had applied to have it returned.</p> <p>If licences aren't being used they should be returned or cancelled, or the owner should have to lease or sell it to someone that will operate it. Reasonable hours of operation should be 5-7 days per week, and in metropolitan areas licences should be operated 24/7. Some metropolitan operators won't work late nights and peak periods because they don't want their good cars to get damaged, others will use a 'bad' car at those times.</p>
<b>Strahan</b>	<p>The operator owns two licences but only operates one vehicle (a bus). He intends to put on another vehicle when business picks up.</p>
<b>Burnie</b>	<p>Operators were not happy when the value of licenses were reduced at the last valuation. This occurred because the market dropped off and people sold their licences cheaply to get out of the market. Other factors should be considered; such as the length of time a person has held their licence before selling it.</p> <p>The co-op would not admit new licence holders</p>
<b>North East</b>	<p>In general, people should be able to hold onto their licences for when business picks up, but there is potential for people to 'sit' on plates. There needs to be a process for preventing people from buying plates and sitting them on the shelf to stop others from getting the licence. (Maybe price should not be the basis on which licences are sold.) It was suggested that in most areas, if a new operator came in, either they or the existing operator would go broke.</p> <p>The valuation process needs to look at more than trading prices. For example it could also look at turnover of the businesses in the area. But this would require information from the ATO, which is unlikely to be available.</p>



## Vehicle ages

Area	Vehicle Ages
<b>Huonville</b>	The age limit is not always appropriate, due to the lower kilometres travelled by rural taxis. For example, the operator has a 'good' car which has done 470 000 km, but because of its age will have to be off the road in two years. If the operator looks after the car and it passes inspection and is kept neat and clean, why does age or mileage matter?
<b>Strahan</b>	Mileage rather than age should be considered in rural areas. The operator's vehicle is eight years old and has done only 270 000 km; most city taxis would do this in two or three years and still be able to operate as taxis for several more years. Could it be changed to 10 years or 400 000 km, whichever comes later
<b>North East</b>	It is not viable to purchase a new vehicle and run it for ten years, but they can buy a vehicle ex-Launceston and run it for another two to three years. It was noted that by the time they have done about 500 000 km, the motors are likely to have been rebuilt.  If cars that are too old are used there is less availability of spare parts etc. Resale value won't change between ten and 12 years.

## Security cameras

Area	Security Cameras
<b>Huonville</b>	A good idea but cost is an issue. The operator also has concerns about whether downloads would actually be used.
<b>Strahan</b>	Don't need them and they shouldn't be mandatory.
<b>Burnie</b>	Has always been opposed to cameras, but if they are in some areas they should be in all areas. This is especially relevant for inter-area work – e.g. Penguin taxis can pick up in Ulverstone and Burnie but don't need cameras and can charge cheaper fares.  It was argued that a fare difference as small as 1.24% would deter some customers (some would even have difficulty with a five cent increase).  One operator saw security cameras as inevitable. Others said they are not needed in country areas. It was suggested that if they are introduced, fares be increased in advance to cover the cost. Another option would be to get second hand cameras from city operators and radio rooms when they upgrade their systems.  There was concern from some operators that cameras aren't being well used – e.g. when operators go to the trouble of getting images downloaded and refer them to the police, they never hear back from the police on the outcome (which is usually nil).

## Wheelchair accessible taxis (WATs)

Area	WATs
<b>Huonville</b>	<p>The cost of a new vehicle is prohibitive for rural areas. The entire Huon taxi fleet cost less than one WAT. The cost outweighs the need for WATs. There should be a separate service for people with disabilities.</p> <p>Interest free loans like those provided in NSW might assist operators in purchasing WATs, as getting finance is difficult.</p> <p>There is no incentive for standard taxi operators to operate accessible (non-WAT) vehicles as they don't get the trip subsidy and their clients don't get the 60% TAS rebate. If there were more incentives, standard taxi operators might put on accessible vehicles, so the need for WATs would be reduced – this would reduce the need to put extra vehicles on the road.</p> <p>The operator currently operates an accessible vehicle on a standard taxi licence, but this doesn't get enough wheelchair work to pay for the vehicle – only maxi taxi work gets it over the line. He has had six wheelchair customers in 18 months, some use it regularly, others less regularly. This type of vehicle is not accessible for some older people who are not in wheelchairs, because of the height of the vehicle – they need to travel in a sedan.</p>
<b>Strahan</b>	<p>The operator currently operates an accessible vehicle on a standard taxi licence, but this doesn't get enough wheelchair work to pay for the vehicle – only maxi taxi work gets it over the line. He has had six wheelchair customers in 18 months, some use it regularly, others less regularly. This type of vehicle is not accessible for some older people who are not in wheelchairs, because of the height of the vehicle – they need to travel in a sedan.</p> <p>The operator has only done three wheelchair jobs out of a total of 4000. It is not worth spending \$85 000 on a WAT to do this. Tourists come in their own cars so don't need a taxi</p>
<b>Burnie</b>	<p>Some nursing homes and other centres have their own vehicles, so they don't use taxis. Burnie doesn't think there is enough WAT work to justify purchase of a WAT by an individual operator, although they had considered getting one vehicle and splitting the work between drivers. The situation is similar in Devonport, where most wheelchair-reliant people are using vehicles other than the WAT. The people in wheelchairs that use taxis in Burnie can get out of the chair and travel in a standard sedan.</p> <p>Concerned that the WAT is doing 'bus' work, which doesn't encroach on Burnie co-op work, but means that the WAT is then not free to do wheelchair work.</p> <p>Possible need to relax the vehicle age standards for WATs in rural areas.</p>
<b>Perth</b>	<p>There should be a trip fee for each wheelchair carried; this would increase viability of rural WATs. WAT vehicles need to be more 'multi purpose' to increase their viability (e.g. having regular pick up runs or contracts with schools). WATs should be able to work across taxi areas.</p> <p>More people with disabilities are choosing to live outside metropolitan areas and are demanding equivalent access to services</p>
<b>North East</b>	<p>There is only a very small number of people requiring WATs in the rural areas and they are often picked up by Launceston WATs. WATs shouldn't be able to do standard taxis work (if they were permitted to operate across taxi areas).</p>

## Community Transport

Area	Community Transport
Huonville	HACC is good for long trips but should not be used for trips within the towns. Taxis should be doing this work – HACC should only be used in cases where a taxi fare is unaffordable. Some people call HACC just because they think a \$4 taxi fare is too expensive; if they can't get a HACC vehicle they will grudgingly call a taxi.
North East	HACC clients then expect taxis to be at their beck and call, which is not always possible if the taxi is booked to do other work.  The HACC criteria are not clear and anyone who needs transport seems to be able to access HACC. Drivers should have to be properly licensed, tested like taxi drivers are and vehicles should have the same insurance requirements as taxis.  The 'Wheel Deal' pilot could be modified for HACC clients so that taxis can access some of that work.
Strahan	The community bus does a lot of work between Strahan and Queenstown.
East Coast	Community cars charge a \$10 fare for people to go shopping in Launceston.
Perth	Different HACC vehicles operate under different guidelines, which leads to inefficiencies (e.g. two people in two vehicles going to the same place).

## Taxi areas

Area	Taxi Areas
Huonville	The operator was concerned that Hobart taxis were working in Huonville. Also that some metropolitan taxis focus exclusively on city and airport work, resulting in less availability in other areas. Maybe the system of restricted plates for outer areas would improve this situation.
Burnie	No support for merging areas. This would be too big to manage. They already have enough trouble managing Wynyard.
North East	Concern that out of area taxis are doing DVA work – i.e. they are taking the person from one area to their own taxi area then starting a new journey on the meter within their area to another area, thus getting around the 'to, from or within' rules. Responsibility should be on the radio rooms to police this sort of thing (and operators/taxi companies should also know they cannot legally do this work and should refuse it or refer to the local operator). Radio rooms should know when they process the vouchers that the job is effectively out of area.

## Other comments

An operator in Huonville expressed concern at not being able to do long journeys under TAS due to the cap on the subsidy. He is not able to split the journey half way because this will mean he is then operating out of area.

An operator in Burnie expressed concern at the Des scheme (designated drivers) as some people are using this scheme to pick up 'customers' from pubs and night clubs – i.e. operating as a pseudo taxi service. This is not safe or regulated. What can be done about this?

Operators also directed a number of questions to DIER:

1. Accreditation requirements are onerous for small, single operators who do most of what is required but don't necessarily commit it to paper. The information (driving record etc) is more readily available to DIER than to operators.
2. Why do all taxis have to be inspected at Mornington when buses don't? Could there be some arrangement for taxis to be inspected closer to their areas so that they can all be inspected at once rather than the operator having to bring a number of vehicles to Hobart separately, which results in considerable fuel expenses and time off the road?
3. Does a new licence have to be put onto a new vehicle? This used to be the case, and if it is no longer the case could enable new entrants to come into the market more cheaply and compete with the existing established operator.
4. Queried the placement of security camera stickers on paintwork and DIER was supposed to look into this, but the requirement is still there. This can damage the paintwork when the stickers are removed (i.e. underlying paintwork will be a different shade to the rest of the vehicle as it won't have faded at the same rate).
5. How can operators be expected to know if a driver loses their licence e.g. a day after the operator has done the licence check for accreditation? In the case of a married couple who jointly own a taxi, but can't get the information on each other's driver record check and they think they should be able to – what can they do?
6. There have been some problems in accessing a local accreditation auditor.



Tasmania

## Meeting of the Taxi Industry Reference Group – Minutes

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Thursday 25 May 2006, 1:00 pm to 4:20 pm

Training Room, Level 11, 10 Murray Street, Hobart.

### Attendees

#### DIER

David Hope (Chair)  
Barb Dunford (Project Manager)  
John Bessell  
Jeremy Gleeson

#### Taxi Industry

Guy Anderson  
Roger Burdon  
Jim Deane  
Denis Elmer  
Graeme Fish  
Toby Green  
Eddie Ng  
Robert Postma  
Shane Stuart

### Minutes

#### 1. Welcome and apologies

Clive Abbott and Steve Cheetham were not in attendance.

#### 2. Next meeting

The next meeting will be held on 6 July in Hobart. This meeting will consider radio rooms.

The following meeting, which will consider taxi areas, is tentatively scheduled for 10 August and is likely to be held in Launceston.

#### 3. Confirmation of Minutes of previous meetings

In relation to the discussion on the need for training of all taxi drivers in the transport of passengers with disabilities, it was confirmed that the issue of there being risks associated with not providing such training had been raised at the meeting of 5 May.

The Minutes of the meeting of 20 April and the supplementary meeting held on 5 May were accepted.

#### 4. Business Arising from Meeting #3

Mr Fish asked whether the extension to the Taxi Industry Regulations had been granted. DIER advised that this was in progress.

### ***Limited Passenger Services***

Concerns were raised at the operations of limited passenger services. In particular it was noted that some limited passenger services appear to be undertaking 'taxi-style' work in the same manner as some luxury hire cars were doing in Launceston, but with older vehicles.

DIER noted that under the *Passenger Transport Act 1997*, vehicles with a seating capacity of fewer than ten were not able to be hired out for irregular tours or general hire, and that these activities undertaken with a smaller vehicle were not operating within the requirements of the Act. However, it was also noted that enforcement of these activities was not a high priority for the Department given current resourcing levels.

DIER suggested that this issue be discussed further at the meeting on administration and enforcement. Mr Bessell recommended that the industry should give consideration to the level of enforcement that the industry would like to see and to be prepared to justify this at the meeting.

### **5. Standing Item: Objects of the Act**

No further feedback was provided on the Objects paper.

### **6. Discussion Paper #5 – Luxury Hire Cars**

#### ***Luxury hire car market***

It was suggested that, contrary to the assertion in the discussion paper, the majority of taxi work was undertaken in direct competition with the luxury hire car market and that only a small proportion of taxi work was not available to hire cars. In general most work comes from radio rooms and informal phone networks in both industries. As a result, this reduces the total pool of work available to the taxi industry.

It was suggested that all public vehicles should be regulated under the same legislation. One suggestion was for all vehicles to be classified as taxis so the problems of differentiation would not arise. Another suggestion was that all licensed public vehicles should have meters installed and the tariff set by Government depending on the type of work the vehicle was doing.

The group agreed that there was a distinct luxury hire car market and that there would always be customers seeking, and prepared to pay for, a premium service (e.g. Comcar, high profile clients etc). However, the markets needed to be clearly differentiated and that an essential part of this would be for the legislation to clearly define a luxury hire car.

#### ***Licensing***

It was suggested that luxury hire car licences should be more expensive and that it might be appropriate to introduce an annual licence fee rather than the one-off cost (plus small annual renewal fee) that is presently charged. It was also noted that if vehicle standards for luxury hire cars were increased, this would create higher barriers to entering the industry, and that significantly increased licence fees might not be necessary.

It was noted that if luxury hire car licence numbers were restricted, the licence value would increase, and it was suggested that licences not be able to be traded so that they could not increase in value. Alternatively, licences could be leased from the Government on an annual basis rather than purchased. However, it was not seen as necessary to restrict the number of licences, as market forces would be likely to determine the number of licences able to be supported, provided that the cost of entry was set at an appropriately high level. It was noted that if this were the case, luxury hire cars would not be able to profitably engage in 'taxi style' work.

### **Vehicle standards**

The Group agreed that the current maximum ages for luxury hire cars were too high and many members supported the introduction of a maximum age on entry.

There was support for retaining the current system of grouping vehicles into three classes, but it was noted that listing vehicles is not an effective way of defining what can be used as a luxury hire, as new models are brought out regularly and other models become outdated quickly. DIER suggested that in determining the relevant ages for each group, a model could be developed to ensure that the cost of entry to the market was about the same for each group – e.g. the cost of a new vehicle in Group 1 might be the same as the cost of a three year old Group 2 vehicle and a six year old Group 3 vehicle.

It was noted that some vehicles currently used as luxury hire cars (e.g. Statesman and Fairlane) are used as 'premium taxis' and that there is potential for confusion between these vehicles and luxury hire cars. The Group agreed that there was no reason for preventing taxis from operating at a higher standard than required, but that it was important that luxury hire cars not be able to operate at a lower than 'luxury' standard.

There was support for removing the 'base level' vehicles (Statesman and Fairlane) from the classes of vehicles eligible to be used as luxury hire cars. Members felt that these vehicles could not be considered to be genuine luxury vehicles, given their widespread usage in the community and the much higher standards seen in the more premium models (e.g. Caprice and LTD).

### **Fares**

There was support for a minimum fare to be introduced for luxury hire cars and support for the total fare to be agreed in advance rather than 'the hiring charge'. A number of references were made to one current luxury hire car operator that applies a minimum hire fee of \$60. The Group appeared to endorse this practice as being more consistent with the true purpose of luxury hire cars than the practice of some other operators who allegedly charge fares that are less than those metered by taxis.

### **Pre-booking**

The Group recognised that it would be difficult to implement and enforce any requirement for a luxury hire car booking to be made in advance, where a period of time was determined to be a cut off point for 'in advance'. The Group agreed with the position in the discussion paper that better record keeping requirements for bookings, including a driver log book, would assist in enforcing the requirement for hirings to be booked in advance.

Prohibiting luxury hire cars from parking on public streets unless they are waiting for a booking or are clearly 'not for hire', as outlined in the discussion paper, was supported.

### **Use of meters, dispatchers, radio rooms, mobile phones**

The Group agreed that meters and dispatchers should not be permitted in luxury hire cars. In particular, if the fare has to be agreed in advance, there should be no need for a meter. It was noted that a passenger paying a high fare should not have to be exposed to dispatchers or drivers talking on their mobile phones. It was agreed that mobile phones should not be prohibited, but that there should be some restrictions on their use while the vehicle was undertaking a hiring.

There were mixed views on the operation of luxury hire cars out of radio rooms that also dispatch standard taxis. It was suggested that this should not be a problem, provided that other standards in relation to the operation of luxury hire cars were adequate to distinguish these vehicles from taxis.

### **Security cameras**

It was agreed that if all of the other standards are correctly set, there should be no need for security cameras in luxury hire cars, as security can be addressed through better record keeping procedures and adherence to the 'booked in advance' requirement.

The Group agreed that there should be no restriction on operators who wish to install cameras, but that if they do, they should have to comply with the same requirements that apply to taxis in relation to the use of cameras, downloading and so on.

### **Distinction from taxis**

There was mixed support for introducing a standard colour for all taxis to assist in distinguishing them from luxury hire cars. It was noted that while this might be effective, it impacted on an individual owner's management of his or her business and would also restrict the use of a taxi as a private vehicle. It was suggested that as most taxis are purchased second hand, it would be costly to have them repainted. It was also suggested that the introduction of standard colours in other jurisdictions had resulted in a decline in taxi standards.

However, it was also noted that the vehicle is a tool used in the taxi trade and therefore must be used as a business tool, and that the ability to readily identify the vehicle is an important part of the taxi business.

An alternative might be to introduce uniform signage (e.g. door signs and top lights) rather than a uniform colour. A further alternative would be for each radio room to have its own distinctive livery. It was noted that as radio room membership is not compulsory, this would enable individual operators to retain their individuality.

If one of these approaches was to be adopted, the Group agreed that luxury hire cars should not be permitted to have the same colour paintwork as taxis, nor should they be permitted to have door signs.

There was some support for distinctive registration plates for taxis and luxury hire cars in place of the existing licence plates. This would have the advantage of enabling these vehicles to be identified from behind as well as from the front. DIER suggested that this could be taken further by issuing different coloured plates each year on payment of the annual licence fee, so that it would be possible to readily identify whether the operator had kept their licence up to date.

It was noted that there had been discussions with DIER on this issue in the past and it was suggested that this had previously been rejected by the industry because of an anticipated annual cost of what would be, in effect, personalised registration plates.

*Action: DIER to locate information on previous discussions with the taxi industry on distinctive registration plates.*

### **Penalties**

It was suggested that the existing penalties were inadequate. DIER noted that the penalties in the legislation were maximum penalties and that many of the offences attracted a traffic infringement notice (TIN), with the penalty only imposed if the offender chose to contest the TIN in court and failed. DIER will review all fines and penalties for taxis and luxury hire cars as part of the Review.

### **Other issues**

It was suggested that the existing provisions for country luxury hire cars were not practical, as these vehicles were effectively only doing taxi style work in their local areas due to the restrictions on where they could operate.



The question of training of luxury hire car drivers was raised. It was noted that, unlike taxi drivers, luxury hire car drivers are not required to undertake training, but that they must meet all other requirements for being issued with an ancillary certificate. It was generally agreed that training was not required, as luxury hire car drivers do not use standard taxi equipment, and that if the operator were genuinely providing a luxury hire car service, they would only use drivers who would deliver the standard of service expected.

It was noted that taxi ranks should be better marked, especially temporary taxi ranks, as private cars often park in these areas and they are not enforced by police.

## **7. Other business**

Mr Bessell reported on recent activities undertaken by transport inspectors intended to identify taxis that were operating outside defect orders and security cameras that were not operating. A number of non-compliant vehicles were identified in both Hobart and Launceston. It was noted that there had been allegations that radio rooms had alerted drivers to the presence of transport inspectors and that this had resulted in a number of drivers avoiding inspection. From DIER's perspective, this is not acceptable, given the continual requests from the industry for more enforcement activity. Further, this is inconsistent with an industry that is genuinely interested in raising standards of service and ensuring compliance with the regulations.

Some members of the Group indicated that, having been working that day, they were not aware that the radio rooms had notified drivers of DIER's activities.



Tasmania

## **Review of the *Taxi and Luxury Hire Car Industries Act 1995***

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### **Meetings with luxury hire car operators**

**Thursday 15 June 2006, Public Buildings, 53 St John Street, Launceston.**

**Wednesday 21 June, Level 9, 10 Murray Street, Hobart.**

### **Attendees**

#### **DIER**

David Hope (Chair)  
Barb Dunford (Project Manager)  
John Bessell  
Jeremy Gleeson

#### **LHC Industry**

Michael Bassett (Launceston)  
John Casimaty  
Noel Kennedy (Launceston)  
Michael Newton  
Geoff Richardson (Launceston)  
Rod Richardson (Launceston)  
Garry Roberts  
Stephen Roomes (Hobart)

### **Notes**

#### **Preliminary comments**

It was noted that there are people who operate successfully in both the taxi and luxury hire car industries.

Concern was expressed that issues that were agreed on in these meetings would be overlooked or changed in the writing of the legislation. It was claimed by the industry that this had happened in a previous review and stated that the industry did not wish to see this situation repeated.

In response, DIER stated that the current process would be different to the previous review, and that the meetings were being convened to consult with the industry on a range of matters. All views will be documented and considered and the industry will be given an opportunity to comment on proposed changes to the legislation. However, DIER cannot give the industry a commitment that its position on every issue being reviewed will be reflected in the legislation.

The industry suggested that users should also be consulted. DIER advised that this was recognised and that the Passenger Transport Reference Group was one means by which users would be consulted.

#### **Market for luxury hire cars**

It was agreed that there is a separate market for luxury hire cars. Potential customers include people who value privacy and a low-key approach to transport – e.g. people who don't want to be seen in a taxi; people who prefer a higher quality of vehicle to go out for the evening; parents concerned about the safety of their children; corporate clients; tours etc. It was suggested that people use luxury hire cars as they consider them to be safer than taxis and

can be assured about the identity of the driver, the vehicle etc. For some people the cost is not an issue; they prefer the anonymity of an unmarked luxury vehicle.

Issues that distinguish luxury hire cars from taxis include: the dress of the driver, the price of the hiring and the immaculate standard of the vehicles.

Some luxury hire car operators in Hobart reported that they had arrangements with several 'premium' taxi services to accommodate overflow work and hire car work that was not viable for a hire car to undertake. It was suggested that if a taxi driver did this in Launceston they would be suspended from the radio network. It was noted that the preferred taxi operators in Hobart were independent operators, so this was not a problem in Hobart.

It was argued that the true size of the luxury hire car market in Tasmania was unclear, because taxis are able to operate as de facto hire cars by removing their top lights, which intrudes on the luxury hire car customer base. However, it was proposed that the luxury hire car market in Tasmania is far smaller than in mainland cities, due primarily to the relative lack of a corporate business sector. Further, some operators asserted that the market in Launceston is smaller than in Hobart, with fewer opportunities to secure lucrative contracts.

### **Regulation of luxury hire cars**

There was some disagreement about the level of regulation required. One operator suggested that no regulation is necessary and that the market should be left to itself. Most other attendees agreed that there needed to be regulation for issues such as safety, vehicle standards etc. It was suggested that regulation was required to keep the 'twits' out of the industry.

It was generally agreed that there needed to be regulation for issues such as safety, ensuring premium quality and making a distinction between taxis and luxury hire cars.

Some operators expressed concerns about insurance, and it was noted that luxury hire cars are grouped with taxis for the purpose of calculating insurance premiums. Operators suggested that the risks are not the same for the two groups, and noted that it was possible to obtain insurance from companies that calculated luxury hire car premiums separately from those of taxis.

### **Distinction from taxis**

It was suggested that 'premium' (or 'luxury') taxis contribute significantly to the blurring of the distinction between taxis and hire cars. It was suggested that, prior to the 1999-2000 amendments to the legislation, there had been a clear distinction between the two industries, but that this was no longer the case, due to the introduction of competition between luxury hire cars and taxis for the pre-booked market.

### **Revenue and costs**

It was suggested that only about 10 to 15 luxury hire cars operate full time on a commercial basis in Tasmania and that others are operated only part time. It was suggested that operators could expect a turnover of about half that of taxis at best, with it being in reality closer to one-quarter to one-third of a taxi's turnover.

It was also noted that commercial luxury hire car businesses incur significant costs in relation to marketing (e.g. though membership of tourism bodies), which are not incurred by taxis. Such marketing was seen as essential for operators to be able to attract international and interstate clients. It was also suggested that the Tasmanian luxury hire car industry does not have a high profile and that there are restrictions in Tasmania that do not apply in other states, which mean that potential clients from interstate are not aware that there is a luxury hire car service available. One issue of concern was that as luxury hire cars are not permitted to advertise themselves as 'taxi services', they cannot be advertised in the taxi section of the Yellow Pages, so potential clients are not aware that they exist, as they may not think to look

in other sections of the directory. Other operators said that this was not a major issue, and that they targeted their advertising to the market they were servicing, albeit at a significant cost.

Further, some contract work places additional restrictions on vehicles that may contribute to an increased cost base, such as a Federal Government requirement for cars to be aged no more than four years in capital cities. Commercial operators will have a fleet of different vehicles that they use for different types of work. For example, older vehicles might be used for undertaking tours to meet demand in peak periods, but might be used infrequently in the off-season.

Operators also noted that they were required to have a \$20 million public liability policy in order to be allocated a parking space at the airport and that this was not required of 'premium' taxis, which can use airport ranks. Corporate clients also required such policies to be taken out.

It was noted that a new luxury hire car operator faces significant set-up costs, including the vehicle and the licence, and does not have a ready-made customer base, whereas a new taxi operator can enter the industry cheaply by leasing, rather than purchasing a licence, buying a cheap vehicle and joining a radio room, giving them access to a wide range of customers.

### **Licences**

It was suggested that licences had little if no value, and that operators were selling them at less than the \$5 000 issue price to get out of the industry. Operators believe that the industry is becoming less viable and it was noted that 'premium' taxis have taken a lot of luxury hire car work.

A restriction on the number of licences was not seen as beneficial.

One operator argued that there was no reason for luxury hire cars to have the same licence fees as taxis, as the two were not the same, and that a higher licence fee would increase the unviability of the industry. In response to DIER's suggestion that licence fees be increased to cover increased enforcement activity, it was argued that it is taxis that are in need of tighter enforcement, not luxury hire cars, so there was no reason to increase hire car licence fees for this purpose. It was suggested that the hire car industry is more self-regulated – i.e. a person would not use a particular operator again if the car they were presented with was not in a good condition and the service was not good. Others argued that, in principle, they had no objection to increasing licence fees (one operator indicated that he would be prepared to pay \$25 000 for a licence), but that this should be reasonable, and that operators should be able to see that the fees were being used for enforcement purposes. For example, there could be a dedicated officer in DIER for dealing with luxury hire car issues, or the licence fees could be used to provide chauffeur training, as is the case in Queensland.

However, it was also suggested that increased licence fees and/or licence prices, while not being a significant impost on existing operators, might prevent new entrants from setting up in the industry. It was suggested that if new entrants were encouraged, this would assist existing operators manage their overflow bookings, which, in turn, would assist the new operators in establishing their own client base. An increased annual fee might also be a more significant impost for an operator who only operates their vehicle on an irregular basis.

It was agreed that the penalty for breaching licence conditions was adequate, but that there was little point in having a penalty if the provision could not be enforced. It was suggested that if an operator was repeatedly doing the wrong thing, they should have to leave the industry. For operating a vehicle as a hire car that was not licensed as such, some operators felt that the penalty should be much greater (\$5 000 was suggested as a minimum), due to significant safety concerns about the operation of unregulated vehicles. It was agreed that the penalty should be commensurate with the crime. One operator did not want to see penalties increased.

In response to allegations of luxury hire cars picking up passengers from taxi ranks, operators noted that most people do not know what a hire car is and would be reluctant to get into an unmarked vehicle on a taxi rank. It is more likely that people have booked a hire car in the vicinity of a rank and that the easiest spot to pick them up from is very close to the rank; taxi drivers will see this and assume that the hire car is picking up a non pre-booked job from a rank.

It was agreed that the fare agreed in advance condition should be regulated.

## **Vehicles**

Some operators felt that the simplest way to resolve many of the problems associated with the distinction between taxis and luxury hire cars would be to make taxis more distinctive and for hire cars to be unmarked. This would ensure that there was less scope for hire cars to be seen as taxis. It was argued that taxis should be restricted to a base level to maintain the distinction from luxury hire cars. There was support for requiring all taxis to be a uniform colour, with a further suggestion that the taxi licence number be painted on the side of the vehicle, as occurs in some other states. It was noted that in other jurisdictions, where there is a 'premium' taxi service, the vehicles providing this service are still identifiable as taxis, and thus cannot be mistaken for hire cars.

DIER noted that at present vehicles acceptable as luxury hire cars are listed in the Act, which causes problems when new models are released, and that, in preference to this, there needs to be a clear definition of the attributes of a luxury vehicle. It was suggested that the DIER officer funded by increased licence fess could be responsible for managing and monitoring the issue of vehicle standards.

There were no clear suggestions from the group about what could be used to define a luxury vehicle. It was suggested that a minimum wheelbase of 2800 millimetres would be a useful tool in defining a luxury vehicle, but that on its own this would be inadequate. There was some support for the use of the luxury vehicle tax to clarify standards. However, it was also noted that the luxury tax threshold would rule out the use of the Statesman as a luxury hire car and that the only significant difference between a Statesman and a Caprice was about \$2 500 in price and the imposition of the luxury tax.

One operator suggested that other vehicles, such as people movers and four wheel drives, should be able to be used as luxury hire cars to cater for the needs of different customer groups (e.g. larger groups and people in areas with extreme weather conditions). It was argued that the clients' needs should determine what types of vehicle should be used, and that this should be left to the market to determine, rather than placing restrictions on the types of vehicles used.

Operators agreed to develop a list of criteria that might be used in defining a 'luxury hire car' and to forward this to DIER for consideration.

Some operators were in favour of requiring luxury hire cars to be unmarked, whereas others believed that this could have public safety implications – for example, at busy events, customers might not know which vehicles they should be using.

## **Age limits**

There was a discussion about the origin of the current legislation and it was suggested that originally, hire cars were intended to be able to operate to ten years. However, by agreement with the then Minister, this was subsequently reduced to seven years and eleven months, with the trade off that taxis would not be allowed to do limited passenger type work other than weddings and funerals. This had not been reflected in the current legislation.

It was noted that the age limit was supposed to reflect the time required to cover the costs of the vehicle and that, as luxury hire cars undertake less work than taxis (due to the small market), operators require a longer time to recoup their initial outlay. It was also noted that

the condition of the vehicle largely reflects the amount of work it has done and that a kilometre limit (e.g. 300 000 to 400 000 km) might be more appropriate than an age limit.

There was no support for the introduction of a maximum age on entry for luxury hire cars. It was suggested that requiring a new vehicle on entry would be cost-prohibitive to new entrants to the market. New operators would look to enter the market with an older vehicle and establish their business before investing in a new vehicle. However, one operator suggested that the maximum age on entry should be only two years. It was noted that once the vehicles had reached the maximum age for use as a luxury hire car, operators could continue to use them to provide limited passenger services for tours and so on.

It was also suggested that operators would risk losing their clients if they retained vehicles that were too old or no longer of a luxury standard.

### **Vehicle standards**

Operators agreed that independent audits of vehicle standards would be too costly and that monitoring of standards be would more effectively undertaken through the safety inspections or accreditation audits. DIER noted that it was not feasible for transport inspectors to inspect quality standards, given resourcing constraints. This was the same for both taxis and luxury hire cars.

Operators indicated that the current inspection system should include a requirement for vehicles to carry fire extinguishers and first aid kits, and that some things that were supposed to be inspected were not inspected in practice (e.g. the presence of accreditation documentation in the vehicles). One operator suggested that transport inspectors should actually drive some of the taxis that they inspected to get a better idea of whether they should be able to be used as a taxi.

Many operators noted that commercial pressures played a large role in ensuring that vehicles were maintained at a high standard and that if the vehicles were not appropriately maintained and kept in an immaculate condition, customers would not use them. There was some support for a 'star' rating system of vehicles through an independent auditor, as proposed by DIER. It was also suggested that quality standards in taxis should be of more concern than luxury hire car standards, as taxi users often will not have the same choice in the vehicle that they use, whereas luxury hire car clients will not use vehicles that are not up to standard. For example, it was noted that taxis are often the first contact a visitor will have with the Tasmanian tourism industry when they arrive at the airport. If the taxi is in poor condition and/or the driver is badly presented or behaved, this will reflect badly on Tasmania as a whole. It was noted that many taxi drivers, who do not own or operate the vehicle, have no incentive to provide a quality service, but that this should work to the advantage of the luxury hire car industry.

One operator argued that if luxury hire cars were to be subject to quality inspections and ratings, the same should apply to taxis.

### **Fares**

It was noted that luxury hire cars do compete with taxis on the basis of fares in some situations, and that this had been the intention of the legislation in relation to the pre-booked market.

Operators generally agreed that the introduction of a minimum fare would not be viable and this would exclude some customers from using luxury hire cars. There was also no support for a minimum booking time.

One operator argued that luxury hire cars should be able to work from taxi ranks as the cost of the vehicle and smaller turnover makes up for the difference between a taxi licence and a luxury hire car licence, and that the hire cars should be able to do the same work as taxis.

One operator indicated that his operation would not survive if he charged taxi fares. For instance, he engages drivers on an hourly rate for a minimum of four hours, rather than under a bailment agreement, and operators also pay superannuation for their drivers. With the fares needed to sustain this type of operation, including a minimum charge, customers who wanted transport to do their shopping or other typical taxi jobs would not be able to afford a hire car. Likewise, it would be unviable for the operator to undertake such a job.

It was also noted that with the minimum charge, an operator might also provide other services besides simply transporting the customer. For example, one operator has contracts with cruise ships to take ill passengers to the hospital. The driver provides additional assistance to the passenger as part of this contract, including dealing with check-in procedures, making the necessary arrangements for payment of the medical bills, and arranging alternative accommodation and transport if the passenger is unable to rejoin the cruise.

One operator did not support the view that the total fare should be agreed in advance, as this cannot always be known and operators may prefer to quote a per kilometre rate and give an indication of the likely distance and fare, which can be confirmed at the end of the journey.

### **Bookings**

It was agreed that it was difficult to define a booking in advance, and that any proposal to mandate a timeframe that could be considered 'in advance' would be unreasonable. Some operators said that requests for an immediate pickup, outside those booked at the airport desk, were very rare. It was suggested if the fare had been agreed in advance, this was sufficient to demonstrate that the booking had been made in advance.

Operators did not see the need to prohibit luxury hire cars from parking in public streets if they weren't waiting to pick up a pre-booked customer. It was noted that if the vehicle was unmarked, it would be unlikely that the driver could be seen as touting and that people would not know that the vehicle was not a private vehicle. It was also suggested that it would be unreasonable to prohibit parking in a public place if the driver was in between jobs and a long way from his or her base. However, operators agreed that there would be no problems with using a 'not for hire' sign in these circumstances.

One operator reported that he was considering leasing parking spaces from the local council to enable his vehicles to be readily accessible to clients who had pre-booked a car, rather than having them return to base. He felt that even if he did this, it would be unlikely he would get any 'walk up' work.

There was mixed support for the introduction of an improved record keeping system. Some operators said that they already keep the types of records proposed in Discussion Paper #6. However, it was noted that smaller operations (e.g. one car operations) might not have very sophisticated record-keeping procedures in place. Others argued that it is not reasonable for drivers to have to keep these records, especially if they are using a dispatch system or being dispatched work via phone from the office, and that the records would all be kept in the booking office. In particular, it was suggested that it would not be possible to keep records of bookings on Saturday nights, as the vehicles are constantly moving between jobs. Operators suggested that it was unreasonable to require the driver to take the time to record a booking once it had been received via phone.

### **Use of technology**

Operators considered mobile phones to be essential tools for business, especially for independent operators, although it was agreed that their use is generally restricted while clients are in the vehicle, as a courtesy to the client. There was no support for prohibiting drivers from taking bookings directly by mobile phone.

A number of operators work from radio rooms and indicated that this does not cause any problems. They reported that customers tend to like the luxury hire cars when they are dispatched in lieu of taxis, and subsequently request a hire car instead of a taxi when they are

making a booking. There were no reports of customers refusing to travel in a luxury hire car when they had called for a taxi. It was suggested that if the distinction between the two vehicle types were sufficiently clear, it would not be economical for a luxury hire car to operate out of a radio room in this way. However, it was also noted that by admitting luxury hire cars into the radio rooms, the taxi industry must accept responsibility for any problems that have arisen as a result.

There was no clear agreement on whether meters should be permitted. It was noted that they are a means to calculate a fare, in the same way that a trip meter and calculator could be used. Those operators who use meters reported that their meters were sealed like taxis and set to the same fares as taxis. They argued that this ensured consistency in fares and that customers would not be overcharged.

One operator, who does not use meters, said that there was no need for them as the fares were agreed in advance. For non-contract work, he would quote the customer a ball park figure for the fare, as well as the per kilometre rate, and after the conclusion of the journey would charge the lesser of the quoted fare or the fare calculated from the actual distance travelled. Operators have a schedule of distances between locations so that they can calculate an approximate fare at the time of booking. It was also suggested that meters could detract from the luxury appearance of the vehicle.

There was mixed support for the introduction of mandatory security cameras for luxury hire cars. Some operators argued that there is no need for them if work is pre-booked from a known client base, and noted that many bookings are paid by a company rather than the traveller, so fare evasion is less likely to be a problem. Others suggested that cameras should be introduced, but that they should also be required in all taxis. In particular, it was noted that there was a discrepancy between some taxi areas, where taxis from one area (e.g. Perth) that did not require cameras could operate in another area (Launceston) that did. It was also noted that cameras might detract from the 'luxury' appearance of the vehicles, and that if they were fitted into luxury hire cars, these vehicles should have a means of advising the client other than by using door stickers (as is required of taxis).

The use of a mechanism by which all of the vehicles doors are automatically locked when the vehicle is put into gear was suggested as a further safety measure.

There was some support for a distinctive registration and licence plate for luxury hire cars, although it was noted that this would conflict with the personalised plates used by some companies, and that often these plates were used to assist customers in identifying the vehicle.

## **Drivers**

The group agreed there was no need for further regulation of drivers' responsibilities and that only the basic requirements should be prescribed. It was noted that operators undertake their own training and that contracts vary regarding the conditions imposed on drivers. Some contracts require drivers to be accredited to carry out those contracts, which requires further training. It was suggested that driver conduct was self-regulated to a large extent.

It was also suggested that all public vehicle drivers should be required to display photo identification on the dashboard of their vehicle, together with a phone number for enquiries or complaints. This would contribute to customers' safety.





Tasmania

## Meeting of the Taxi Industry Reference Group

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Thursday 6 July 2006, 1:00 pm to 4:20 pm

Training Room, Level 11, 10 Murray Street, Hobart.

### Attendees

#### DIER

David Hope (Chair)  
Barb Dunford (Project Manager)  
Jeremy Gleeson

#### Taxi Industry

Guy Anderson  
Roger Burdon  
Steve Cheetham  
Graeme Fish  
Toby Green  
Robert Postma  
Shane Stuart

### Minutes

#### 1. Welcome and apologies

Apologies were received from John Bessell, Clive Abbott, Jim Deane, Denis Elmer and Eddie Ng.

#### 2. Next meeting

The next meeting will be held on 10 August in Hobart. This meeting will consider taxi areas.

The following meeting, which will consider licensing and the National Competition Policy reforms, is tentatively scheduled for 14 September and is likely to be held in Launceston.

#### 3. Confirmation of Minutes of previous meetings

The Minutes of the meeting of 25 May were accepted.

#### 4. Business Arising from Meeting #4

##### ***Luxury Hire Cars***

The Chair reported that since the previous meeting on luxury hire car operators, DIER had met with groups of luxury hire car operators in Launceston and Hobart. A major theme that had emerged from these meetings was that the luxury hire car market was not large enough to sustain on a fully commercial basis the number of luxury hire cars currently operating. Also it was apparent that the luxury hire car market is quite segregated in the degree to which different luxury hire car operators undertake work that is (in some respects) analogous to taxi work. There was support from hire car operators for taxis to be standardised in some way, in part to reduce the capacity for taxis to behave (illegally) as luxury hire cars.

## **5. Standing Item: Objects of the Act**

Members suggested a range of issues that should be regulated and, in general, it was agreed that there needed to be regulation of standards, safety and service levels. In relation to the latter, it was noted that there could be a conflict between the view that the taxi industry should provide a supplementary public transport system to people who have no other access to transport and the need for the industry to operate in a viable manner.

The Group suggested that the major difference between the Government's view of the industry and the industry's view was that the Government appears to want taxis to be available to everyone, whereas there is some work that the industry would not do because it is not commercially viable. However, it is in the interests of both the Government and the industry to have a safe, viable industry.

In relation to regulating for availability and affordability, it was suggested that taxis might not be the most appropriate means by which transport services are provided to people who cannot access other forms of transport, given the costs involved, and that it might be more appropriate for a program such as HACC to move into providing these less cost-effective services. In this respect, it was suggested that there was a need to review the entire passenger transport system, rather than considering taxis in isolation.

It was noted that there needed to be a sensible level of regulation, and that market forces should determine to some degree the more detailed aspects of standards and service levels.

There was a short discussion on driver training, with concerns that the current course did not provide adequate instruction on the responsibilities of a taxi driver. However, it was acknowledged that the operator, not the Government, had a responsibility to ensure that a driver was adequately trained on-the-job and that, realistically, the formal course could not provide the detailed level of tuition that occurs through on-the-job training.

## **6. Discussion Paper #7 – Radio Rooms**

### ***The nature of radio rooms***

The group agreed that the term 'radio room' was not appropriate and that the definition in the Act needed to be refined.

It was suggested that there were three levels of 'radio rooms' operating in Tasmania, and that some drivers/operators were members of more than one radio room:

1. Major call centres operating from a fixed location (in this regard it was noted that there is no physical radio room in Launceston and that all calls for the taxi companies in that city are managed through call centres located in Hobart).
2. Informal networks between groups of operators, where work is dispatched through two-way radios in the vehicles, but with no physical call centre.
3. Drivers' mobile phones, where drivers receive calls directly from customers and may pass on jobs to other drivers in their 'network' if they are unable to accept them personally.

It would be important to define what was meant by a 'radio room' before making a decision on accreditation. It was suggested that the definitions used by other states might provide some assistance in this regard.

*Action: DIER to distribute definitions of radio room equivalents in other states. (Refer to Attachment A.)*

Reasons for joining a radio room included:

- instant access to customers;
- minimisation of unpaid kilometres through coordinated allocation of work; and
- access to other services provided by the radio room, including administrative support and assistance with some of the requirements of operator accreditation.

Reasons for not joining a radio room included:

- some operators have their own clientele, which is sufficient for them and they don't need additional work from a radio room;
- disapproval of policies and politics of the radio room (which, in some cases, had prompted drivers to leave a radio room);
- perceived lack of value for money;
- ability of the operator/driver to choose their own work, rather than take the work that is allocated (e.g. avoiding the 'less desirable' work).

With regards to the services customers should expect from radio rooms, it was suggested that the radio room should be able to give a customer an accurate estimate of when the taxi would arrive, deal with complaints, handle and retrieve lost property and keep relevant records to enable this to occur.

### ***Compulsory membership/affiliation***

Some members supported compulsory membership of radio rooms, others did not.

Driver safety was given as a major reason for supporting compulsory membership as, especially with the introduction of GPS technology, the network can monitor drivers' locations at all times and assistance can be quickly provided to drivers in trouble.

It was also noted that compulsory membership would assist in the management of complaints, as it is generally easier for members of the public to make a complaint to a radio room than to an individual operator, especially if the operator was also the driver in question. However, it was also noted that under accreditation, the operator is responsible for ensuring that a complaints management process is in place and that complaints are adequately dealt with. The radio room's role would thus be to forward complaints to the operator for action. It was noted that one radio room in Tasmania managed complaints on behalf of operators as a service to operators, but that operators did not have to accept this service if they chose to manage complaints themselves.

There was concern expressed that radio rooms would be forced to accept operators that they did not want, for example, due to an operator's methods conflicting with the radio room's requirements. It was noted that this would be a particular problem if there were only one radio room. Some other states regulate to prevent radio rooms from excluding operators without good reason.

### ***Accreditation of radio rooms***

It was suggested that radio rooms could be required to provide a range of services to operators related to accreditation, including complaints management, management of lost property, driver management (e.g. ensuring drivers were correctly licensed). Operators are responsible for managing these issues under operator accreditation, but DIER observed that an operator is able to nominate an officer from a radio room as 'responsible operator' in relation to these issues. It was also suggested that many operators are not familiar with the requirements of accreditation and that radio rooms could have a role to play in assisting them to comply with their obligations.

DIER noted that if radio rooms were to take on some of the accreditation responsibilities, this would have to be done to an approved standard and the radio rooms would have to be accountable for their activities, as the operator would ultimately be responsible for any failure to comply.

Other suggestions for radio rooms included meter sealing, camera installation and downloading, and arranging vehicle inspections. If the radio room did not provide these services directly, it was suggested that they should be able to direct an operator to where they could obtain these services.

The Group did not agree on whether radio rooms should be obliged to accept all phone bookings, but there was a view that radio rooms would normally accept most jobs. However, there would be circumstances where jobs would not be accepted. For example, it was noted that there needs to be a duty of care toward the driver and that in circumstances where there had been past incidents of violence or where the driver felt unsafe, this would be justification for not picking up from a particular address. It was noted that some radio rooms require the less attractive jobs (e.g. jobs involving a number of dead kilometres) to be taken, but when a driver had done such a job, they would then be rewarded with a better paying job.

In relation to reporting, it was suggested that reporting on issues such as response times and jobs covered would not give a true picture of the state of the market, due to the low proportion of jobs that are actually dispatched through radio rooms. It was suggested that this was as low as 20 per cent, with the balance made up of rank and hail work and bookings made directly to drivers. It was also noted that increased reporting requirements would cost money and that as a result, radio room fees might be expected to increase. The Group agreed that the imposition of reporting requirements on radio rooms would need to be thoroughly justified.

#### ***Wheelchair accessible taxis***

It was suggested that there could be a centralised booking number for WATs in addition to individual operators and radio rooms. Under such a system a user would have a choice of whether they called their preferred driver or company, in which case they might need to wait until that driver was available, or called the central booking number to be dispatched the next available WAT. However, it was noted that the WAT fleet was too small to justify a new centralised booking service and that a more practical option would be to tender the service out to one of the existing radio rooms.

Concern was expressed about the impact of the *Disability Discrimination Act 1992* (DDA) on radio rooms. It was suggested that if a radio room did not have WATs it would not have to meet the requirement for WATs to have equivalent response times to standard taxi response times. This is not the case. The DDA does not exempt providers that do not provide an equivalent service from the requirement of the Standards on the grounds that they do not provide an accessible service.

It was noted that a radio room in Melbourne had been taken to the Federal Court in relation to poor response times.

*Action: DIER to distribute relevant sections of the Disability Standards for Accessible Public Transport (Refer to Attachment B).*

#### ***Promotion of competition***

This issue was deferred until the next meeting.

#### ***Uptake of new technology***

This issue was deferred until the next meeting.

***Non-metropolitan areas***

This issue was deferred until the next meeting.

# Taxi Industry Reference Group – Attachment A to Minutes

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## Definitions of taxi booking services/taxi networks in other jurisdictions

### Australian Capital Territory

*Road Transport (Public Passenger Services) Act 2001 (ACT)*

- Section 28 Meaning of *taxi network*

A *taxi network* is an entity that provides taxi related services to affiliated accredited taxi service operators, including providing (directly or through another entity) a taxi booking service for the network.

- Section 29 Meaning of *taxi booking service*

A **taxi booking service** is a service provided by or for an accredited taxi network provider that—

(a) accepts bookings for taxis from people; and

(b) sends messages about bookings to taxi drivers by electromagnetic energy to equipment in taxis that can receive such messages.

### New South Wales

*Passenger Transport Act 1990 (NSW), Section 29A*

**taxi-cab booking service** means the service of:

(a) accepting bookings for taxi-cabs from members of the public, and

(b) transmitting messages to taxi-cab drivers by telecommunication to appropriate receivers with which the taxi-cabs are fitted,

in order to facilitate the provision of taxi-cab services.

**taxi-cab network** means a facility provided for the delivery of taxi-cab services involving affiliated accredited taxi-cab operators, including a taxi-cab booking service.

### Northern Territory

There is no definition of a dispatch network. However, Section 71 of the *Commercial Passenger (Road) Transport Act (NT)*, Section 71 states:

(1) A person must not use or permit the use of –

(a) a communications network for communicating with, controlling or co-ordinating commercial passenger vehicles used to carry passengers for hire or reward; or

(b) a dispatch network for accepting bookings for the use of commercial passenger vehicles for hire or reward or allocating commercial passenger vehicles for hire or reward on pre-booked journeys,

except in accordance with the written approval of the Director.

## Queensland

No definition could be found in the legislation. However, the *Transport Operations (Passenger Transport) Act 1994* refers to 'taxi booking services' and 'taxi administration services'. Queensland taxi licence conditions refer to '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 basis'.

## South Australia

*Passenger Transport Act 1994* (SA), Section 29—Accreditation of centralised booking services

(1) For the purposes of this section, a person operates a centralised booking service if the person operates a service where—

(a) bookings for taxi services, or any other passenger service of a prescribed class, are accepted from members of the public; and

(b) the bookings are assigned to drivers; and

(c) the number of passenger transport vehicles participating in the service is not less than the prescribed number.

## Victoria

There is no definition of a dispatch network or booking service in the legislation. However, Section 162 of the *Transport Act 1983* (Vic), refers to:

(n) the licensing of booking offices and depots which accept hirings on behalf of the owner of any vehicle licensed to operate as a taxicab or private hire car;

(na) the accreditation of taxi depots and communications networks that receive and dispatch bookings on behalf of taxi-cabs

## Western Australia

*Taxi Act 1994* (WA), Section 4

“**taxi dispatch service**” means a service that provides —

(a) radio base, computer or telephone services for taxis or makes arrangements for taxis to be provided with such services; and

(b) controlling, co-ordinating, administrative and other services to the taxi industry, for the purpose of arranging for a person who requests a taxi to be provided with one;

## Taxi Industry Reference Group – Attachment B to Minutes

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Extract from Disability Standards for Accessible Public Transport 2002  
(made under subsection 31(1) of the *Disability Discrimination Act 1992*)

### Schedule 1 Target dates for compliance

#### Part 1 Target date – 31 December 2007

#### 1.2 Responsibility

- Radio networks
- Co-operatives

#### Requirement

Response times for accessible vehicles are to be the same as for other taxis.

#### Application

##### Conveyances

- Taxis
- Dial-a-ride services

##### Premises

N/A

##### Infrastructure

N/A

Other requirements for taxis, including accessible taxis, are outlined in various parts of the Disability Standards. All of the requirements that the Standards deem applicable to taxis are included at Appendix 2 of the Discussion Paper on WATs (Paper #3). There is no specific standard that applies to WATs and no definition of a 'WAT'. WATs must comply with all standards that are deemed to be relevant to that class of vehicle, including standards for minimum headroom, boarding devices and so on.

### Summary of Federal Court Hearing:

#### Ball v SilverTop Taxi Service Ltd [2004] FMCA 967 (15 December 2004)

DISCRIMINATION LAW -- HUMAN RIGHTS - Disability discrimination -- applicant confined to motorised, electric wheelchair -- respondent is largest taxi depot in Victoria -- respondent provides centralised booking and dispatch service for taxi operators affiliated with depot -- wheelchair accessible taxis ("WATs") -- wheelchair accessible taxi operators obliged to give priority to wheelchair bookings -- alleged failure of wheelchair accessible taxi operators to give such priority -- whether direct or indirect discrimination -- discrimination in the provision of goods, services or facilities -- services relating to transport or travel -- whether applicant treated less favourably than, in similar circumstances, respondent would have treated a person without the applicant's disability -- no causal relationship (causal nexus) established between applicant's disability and the less favourable treatment that she may have received -- comparison of services provided by the respondent to wheelchair-bound hirers with services provided to non-wheelchair-bound hirers -- identification of requirement or condition imposed by the respondent in relation to the provision of its services -- whether the applicant was able to comply with the respondent's requirement or condition -- whether the respondent's requirement or condition imposed was not reasonable having regard to the circumstances of the case -- effect of respondent's failure or refusal to impose appropriate, internal sanctions on wheelchair accessible taxi operators who breach the terms of their Victorian Taxi and Tow



Truck Directorate licences by ignoring the requirements of those licences to give priority to wheelchair bookings -- applicant fails to demonstrate discrimination within the terms of the Disability Discrimination Act 1992 (Cth) -- recommendation that respondent take steps to introduce and enforce a disciplinary policy which appropriately penalises wheelchair accessible taxi operators who fail or refuse to comply with the terms of their licences (by failing or refusing to give priority to wheelchair-bound hirers).



Tasmania

## Meeting of the Taxi Industry Reference Group

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Thursday 10 August 2006, 1:00 pm to 4:30 pm

Mawson Room, Hobart Function Centre, Elizabeth Street Pier.

### Attendees

#### DIER

David Hope (Chair)  
Barb Dunford (Project Manager)  
John Bessell  
Jeremy Gleeson

#### Taxi Industry

Guy Anderson  
Roger Burdon  
Steve Cheetham  
Denis Elmer  
Toby Green  
Eddie Ng  
Robert Postma  
Shane Stuart

### Minutes

#### 1. Welcome and apologies

Apologies were received from Clive Abbott and Jim Deane. Graeme Fish was not in attendance.

#### 2. Next meeting

The next meeting will be held on 14 September 2006 in Launceston. This meeting will consider licensing and National Competition Policy reforms.

The following meeting, which will consider administration and enforcement issues, is tentatively scheduled for 19 October.

#### 3. Confirmation of Minutes of previous meeting

Mr Ng questioned the comment attributed to luxury hire car operators about taxis operating illegally as hire cars. The Chair advised that this issue had been raised by luxury hire car operators and had been mentioned at the last meeting to provide balance to comments made by the taxi industry in relation to hire cars undertaking taxi work.

The Minutes of the meeting of 6 July were accepted.

#### 4. Business Arising from Meeting #5

##### **Radio Rooms**

There was some discussion on the reasons some operators choose not to belong to a radio room, in particular the preference of some operators and drivers to restrict their services to their own client base. It was suggested that not being available to all travellers at all times defeated the purpose of being in the taxi industry. Most industry members of the Reference

Group did not support this type of operation and indicated a view that membership of radio rooms should be compulsory.

It was noted that any proposal for compulsory membership would need to be clear on whether it applied to operators, drivers or both, as radio rooms offer different services to drivers than they do to operators.

The Chair advised that DIER had raised the issue of regulation of radio rooms and compulsory membership with Treasury. While DIER accepts that there may be benefits in terms of driver and customer safety for compulsory membership, Treasury has indicated that there has been insufficient evidence put forward to justify the significant restrictions on competition that would be imposed by enforcing compulsory membership.

DIER advised that if the industry supports compulsory membership and regulation of radio rooms, it will be essential for the industry to produce a strong case in writing demonstrating that the benefits of such regulation will clearly outweigh the restrictions on competition within the industry. In particular, the benefits to customers should be emphasised, together with factual information demonstrating how the existing arrangements lead to the market failing to provide suitable taxi services.

DIER suggested that one reason for not supporting the compulsory membership of radio rooms was that it might deprive customers of their ability to use the taxi/operator of their choice. In response, it was argued that customers would still have this ability through being able to contact a driver directly, with the advantage of them being able to contact the radio room for issues such as lost property or complaints.

It was also noted that smaller, informal groups of independent operators might not have wheelchair accessible taxis (WATs). The question was raised as to whether these groups should be obliged under the *Disability Discrimination Act 1992* to provide WAT services and if not, whether it was fair on the larger radio networks to have to meet these obligations.

### ***Allegations of driver misconduct in Launceston***

This matter was raised out of session. The industry has expressed concerns about the ability of taxi drivers alleged to have been involved in serious crimes to continue to drive taxis.

DIER advised that the Registrar of Motor Vehicles is responsible for ensuring that people who hold an ancillary certificate are fit and proper persons and that this determination involves a physical medical check and a 12-monthly review of a person's criminal history.

If a person is charged with a serious offence that is considered relevant to the assessment of whether they are a 'proper' person to hold an ancillary certificate, the Registrar can suspend their ancillary certificate pending the court hearing. If the person is subsequently found guilty, the Registrar can cancel their ancillary certificate if this is deemed appropriate in the interests of public safety.

If there are allegations that a person has committed a serious offence, but no charges have been laid, DIER cannot take any action. However, if there are concerns about a person's activities, these can be passed on to the Registrar, who can make enquiries with the police and log an interest in the person, so that if charges are laid, appropriate action can be taken. It is important to note that no action can be taken in relation to the licensing of a driver prior to charges being laid.

Members of the Reference Group queried the ability of the industry (i.e. radio rooms) to take action against people when it is not always possible for them to ascertain whether a person has been charged with an offence, or if they are merely the subject of allegations. DIER advised that radio rooms should contact the Registrar with any information and to work with the Registrar in such cases. It may be possible for a radio room to take action, even if the Registrar cannot. DIER suggested to the industry that it might be advantageous for radio rooms to obtain legal advice on what they can do in these circumstances, and whether they

need to make changes to their business operating procedures to better manage this issue from their perspective.

## **5. Standing Item: Objects of the Act**

No comments were provided. DIER indicated that it might be in a position to put a revised objects clause to the next meeting for comment.

## **6. Discussion Paper #7 – Radio Rooms**

### ***Promotion of competition for taxi service in taxi areas***

The Reference Group noted that there was limited scope for radio rooms themselves to compete on the basis of fares, as it is the operators who would actually incur the cost of a discount fare. It was noted that radio rooms compete for business in terms of service and supply. For instance they may offer an internal system of accreditation, where the 'Class 1' drivers and vehicles (i.e. those of a very high standard) may be allocated more of the 'better' work and less of the work that is seen as less desirable. However, industry representatives argued that this kind of competition can result in a segregated taxi market, with outlying areas receiving a lower standard of service and vehicle. It was also noted that if a driver did not want to do work in a certain area then they would not log into that area of the network, regardless of the type of vehicle they are using.

Other ways in which radio rooms might compete include establishing systems that deliver taxis more quickly to clients, such as voice recognition, and initiatives such as free taxi phones.

It was proposed that radio rooms could offer different levels of service to operators with different levels of fees, so that, for example, all taxis could be covered by the security and complaints management systems, but some operators, by choosing to pay a lower fee, would not have access to the dispatch system or other services.

### ***Uptake of new technology***

It was estimated that the cost of setting up a new genuine radio room would be in the order of \$500 000, and that there was also a significant ongoing cost associated with wages for radio room staff. It was suggested that to have a radio room manned by only one person would cost about \$120 000 per year.

The main barrier to the introduction of further innovation was the cost of the relevant technology. One member suggested that for an efficient 24/7 radio room, employing the latest technology, a minimum of 400 cars would be needed, which is significantly greater than the number of vehicles in any existing Tasmanian radio room.

### ***Radio rooms in non-metropolitan areas***

It was noted that the radio room in Burnie operates quite differently from radio rooms in Hobart and that, while appropriate for the size of the market in Burnie, would be completely unsatisfactory for Hobart.

There was general agreement that a fully-fledged radio room that covered all rural areas would not be practical, as it would not have a sufficient number of members to meet the establishment and ongoing expenses.

It was suggested that technical issues that would prevent rural operators from joining metropolitan radio rooms. Further, radio room technology requires a driver to be logged on so that work can be dispatched. In smaller areas, there will be times when the drivers aren't in their vehicles (e.g. later at night, if they are operating another business as well as their taxi business). When they are not in the vehicle they would need to receive calls by phone rather than through the dispatch system.

## **7. Discussion Paper #8 – Taxi Areas**

### ***Spill over zones***

There was no support for introducing further 'spill over' zones.

The Reference Group discussed the Perth/Launceston overlap issue in detail. It was suggested that Perth area taxis are generally not servicing Perth and other towns in the area because they focus heavily on the Launceston Airport and Casino. It was further suggested by the Launceston representatives that the Airport market is saturated by Perth taxis and that, consequently, Launceston taxis generally do not work out of the Airport.

It was suggested that people in the townships of the Perth area are used to there being no taxis and thus do not expect a taxi service or complain that there isn't a service, as they make alternative transport arrangements. However, if there were taxis more readily available (as there had been in the past), a culture of taxi use would be expected to build up over time.

If the boundaries of the Perth taxi area were adjusted to exclude the Launceston Airport, the current seven Perth licences would not be sustainable. It is likely that only about two licences would be supported by the towns in the Perth area.

Members of the Reference Group from Launceston suggested that, as Perth operators were currently working mainly in the Launceston area (in particular the Airport and the Casino), they had a significant commercial advantage over Launceston operators, as they could operate their vehicles for two additional years and on cheaper licences. They argued that changes should be made to the area boundaries, both to protect Launceston operators and to provide a better service to customers in the rural area. It was proposed that the existing Perth plates could be bought back and reissued as Perth-only plates (i.e. excluding the Airport and Casino), and that any plates that were not sold could only be operated in the rural area.

The overlap area between Launceston and West Tamar was not seen as problematic because in neither case is access to parts of Launceston having a significant effect on service levels in the West Tamar area. Likewise, there were no issues reported as a result of the Meander Valley taxi area not including the whole Meander Valley municipality (and therefore excluding access to the Casino).

### ***Amalgamation of areas***

The Reference Group agreed that the number of taxi areas was appropriate and that there was no need to amalgamate any areas or to refine any area boundaries. It was suggested that there was a danger of reducing the services in smaller towns if areas were amalgamated.

It was noted that the Taxi Areas Regulations could be amended relatively easily and quickly if there was a perceived need to change any area boundaries.

### ***Other taxi area issues***

There was no support for subdividing the larger metropolitan areas, and it was suggested that all areas are well served most of the time. Subdividing the areas would also place restrictions on operators – for instance an 'Eastern Shore' operator transporting a customer from the Eastern Shore into Hobart to a non-Eastern Shore destination would then have to return to their area, rather than being able to pick up a fare from the city.

There was no support for licensing taxis specifically to operate at the airports.

The Reference Group considered that Ulverstone was a non-metropolitan area.

There was support from the industry for including Savage River and Waratah in the Burnie taxi area.

Members of the Reference Group were not aware of any need for taxi services in the Midlands area, and noted that Launceston taxis would travel to Campbell Town and other towns within these areas to pick up customers travelling to the Airport. However, it was agreed that there is no compelling reason as to why the Midlands should not be gazetted as a taxi area.

### ***Wheelchair accessible taxis***

DIER advised that since the release of the Discussion Paper, it had received legal advice confirming that the Transport Commissioner has the power to impose conditions on WAT licences that would enable a WAT to undertake wheelchair work wholly outside the area for which it was licensed. DIER will contact WAT operators shortly to advise them of this, inviting them to nominate other areas in which they might seek to undertake WAT work. It was emphasised that this condition would enable the operator to undertake wheelchair work only and that if another operator subsequently established a WAT service in a non-metropolitan area where a metropolitan WAT was licensed to work, the metropolitan WAT would no longer be able to access that market.

### ***Security cameras***

The majority of members did not support the mandatory introduction of security cameras into non-metropolitan taxis, and it was noted that non-metropolitan operators were able to install cameras on a voluntary basis if they chose to do so. It was suggested that the 1.24 per cent fare increase paid to metropolitan operators to cover the cost of cameras in these areas would not be sufficient to cover the cost in non-metropolitan areas and that, given the low volume of work undertaken in the smaller areas, it would take a much longer period of time to recover the purchase cost. It was also noted that cameras are not mandatory in non-metropolitan areas in other jurisdictions.

One industry member of the Reference Group argued that there should be no reason for any taxi not to have a camera and that it should be considered as a part of standard taxi equipment in the same way that meters and top-lights are standard equipment.

### ***Funds***

The Reference Group noted that the issue of educating taxi users about their rights and responsibilities when travelling in a taxi had been discussed at a previous meeting and that there had been support for this. It was noted that in Spain the tourist council had run a taxi awareness campaign aimed at tourists, and it was suggested that DIER could undertake a similar campaign for taxi users in Tasmania.



Tasmania

## Meeting of the Taxi Industry Reference Group –Minutes

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Thursday 14 September 2006, 11:00 am to 2:30 pm

Launceston Tram Shed Function Centre, Inveresk Rail Yards, 4 Invermay Road,  
Launceston

### Attendees

#### DIER

David Hope (Chair)

Simon Buddle

#### Taxi Industry

Steve Cheetham

Denis Elmer

Toby Green

Robert Postma

Shane Stuart

Jim Deane

Graeme Fish

### Minutes

#### 1. Welcome and apologies

Apologies were received from Clive Abbott, Roger Burdon, Eddie Ng, Guy Anderson, John Bessell and Jeremy Gleeson.

#### 2. Next meeting

The next meeting will be held on 2 November 2006 in Hobart. This meeting will consider issues relating to administration and enforcement which will be addressed in Discussion Paper 10. Toby Green will be unable to attend this meeting and requested that Mr Richard Dale be able to be present in his place. This request was not opposed.

The following meeting is tentatively scheduled for 14 December. This meeting is of great importance as it will consider Discussion Paper 11, which will set out DIER's provisional recommendations on the full range of issues covered by the Review.

Some members of the Reference Group expressed a desire to hold this meeting one-week earlier, due to the potential conflict with the busy pre-Christmas taxi period. DIER will advise in due course as to the possibility of re-scheduling the date.

Action: DIER to advise on the practicality of holding the meeting on 7 December.

#### 3. Confirmation of Minutes of previous meeting

The Minutes of the meeting of 10 August were accepted. It was clarified that the discussion of luxury hire cars at that meeting did not alter the Reference Groups' previously stated position that there is a need for more stringent restrictions on the operations of the luxury hire car industry.

#### 4. Business Arising from Meeting #6

Mr Cheetham raised the issue of the application of the Disability Discrimination Act (DDA) and the obligations that this potentially imposes on small taxi operators, especially in relation to single-vehicle owner-operators.

Mr Cheetham's concerns centred around the possibility that the DDA may require a small or single vehicle operator to provide WAT services even though they may not own or have access to a WAT vehicle. It was agreed that the need to clearly define a network and/or radio room may be highly relevant to this matter.

Action: DIER to seek clarification on this issue and provide advice to the Reference Group.

#### 5. Standing Item: Objects of the Act

There was general discussion on the paper provided to the Reference Group outlining DIER's proposed amendments to the Objects of the Act.

**Subclause 4(1)** - DIER outlined the rationale behind the proposed removal of the phrase 'in an orderly and commercially viable manner'. Reference Group discussion revealed a range of views on this proposed change. Some members of the Reference Group asserted that the notion of viability should be retained as the maintenance of viability is essential for the existence of an adequate taxi industry. Other members expressed the view that viability need not be specified in the Act, as in practice, the existence of this Object does nothing to ensure viability and therefore its retention is not important. A major concern of the Reference Group in relation to the viability of the industry was in relation to the potential impact of new licences, especially in rural areas. It was noted that reforms of the community transport sector were vital in this regard, as community transport is seen as having a large and detrimental impact on the use of taxis in the smaller taxi areas.

There was general agreement from the Reference Group that orderly conduct should be retained as an objective of the act. The view was expressed by the Group that, despite DIER's position that the industry should manage its own orderly conduct, in reality this is unachievable due to the deeply entrenched competitive ethos of all market participants.

**Subclause 4(2)(b)** - DIER outlined its view that that the responsibility for setting and maintaining quality standards should lie with the industry and that market forces should play a role in ensuring that standards are enforced. Thus the Act would not establish minimum quality standards, but would provide a framework within which suitable standards could be developed and enforced by the industry. There was general agreement from the Reference Group that this position was acceptable.

**Subclause 4(2)(c)** – Agreement by the Reference Group that the word 'standard' should be removed.

**Subclause 4(2)(d)** – Subclause 4(2)(d) currently refers to enabling 'variation in taxi services. The Reference Group endorsed DIER's proposal to replace this term 'variation' with 'flexibility'.

There was no objection by the Reference Group to the proposed inclusion of provisions aimed at

- Encouraging the industry to move towards greater self-management and more commercial arrangements; and
- Enabling the taxi industry to respond to changes in technology and work practices'.



The Reference Group commented that both of these practices already exist to varying degrees in the taxi industry.

**Subclause 4(3)** – No comments from the Reference Group

**Subclause 4(4)** – The proposal to remove the words ‘at a premium to standard taxis’ was supported by the Reference Group, provided that it did not lead to the ‘watering down’ of the distinction between taxis and Luxury Hire Cars. It was noted that the critical provision to be retained was 4(4)(c).

## **6. Discussion Paper #9 – Review of Perpetual Licensing**

### **General Discussion**

DIER outlined the rationale (ie. due to very few of the provisions having been implemented or taken up by industry) behind the paper not focussing, as planned, on the review of the NCP-related reforms introduced in 2003.

Mr Green drew the Reference Group’s attention to Section 2.5.3 of the paper with a particular focus on the review procedure used in Queensland, which is the mechanism for determining whether additional taxi licences are made available. On a number of occasions during the meeting this arrangement was identified as the preferred basis on which new licences should be released, rather than that created by the 2003 amendments to the Act, which was described as producing an “indiscriminate” release of licences.

### **Timing of Licence Valuations**

The basis for the current triennial AMV determination was discussed. The pros and cons of moving to a range of alternatively determined AMVs (such as annual, biennial, etc) were also discussed.

There was no consensus position amongst the Reference Group as to the ideal AMV determination frequency.

### **Licence Valuation where no trades**

It was suggested that in taxi areas where no trades have occurred the AMV should be determined in consultation with the taxi operator or operators in that particular area to determine the viability of their business. It was noted that this approach would require cooperation from taxi operators, and such cooperation could not be guaranteed in all cases.

### **Remote Areas**

The Reference Group expressed no concern in relation to the general concept that licences in remote areas could be issued at a zero value.

Some discussion followed whereby it was suggested that anyone applying for a licence in such an area should be required to demonstrate that they have the capacity to operate such a licence, ie. that they possess a compliant vehicle, etc.

### **Perpetual Licences as Personal Property & Fit and Proper Requirement**

The Reference Group saw no merit in changing the current situation whereby perpetual taxi licences are the personal property of the licence holder.

The Reference Group considered that what constituted ‘fit and proper’ person status would be difficult to define and would raise issues of what role the Government should have in cases where a licence owner committed an offence affecting their ‘fit and proper’ status.

Operator accreditation was seen as providing the avenue for sanctions against those directly responsible for the operation of taxi services that breach fundamental operating requirements.

### **Suitability of the AMV**

The Reference Group acknowledged and accepted that the role of the AMV in its current form is to set a "reserve" price for the issue of new licences. The Chair stressed that the AMV was a mechanism introduced in the 2003 amendments designed to provide some comfort for existing licence holders in an environment where more licences are being released, in that it would act as a "brake" on the rate at which licence values can decline.

There was no consensus position amongst the Reference Group in relation to whether the AMV is a suitable mechanism for determining the reserve price for the sale of new perpetual licences.

Discussion amongst the Reference Group members ranged from those in favour of the AMV in its current form to those who were of the view that the AMV should be abolished, leaving the price at which new licences would be released entirely up to an unreserved tender process. The latter argument stemmed from the suggestion that the AMV may artificially inflate the price of new licences.

### **Suitability of the Tender Process**

The Reference Group discussed whether a tender process is the most effective way to allocate new perpetual licences.

The merits of a ballot-based allocation method were discussed.

The Reference group was unable to reach a consensus position on the most effective way to allocate new perpetual licences.

### **Involvement of Investors and Licence Leasing**

The Reference Group acknowledged that there is currently significant ownership of licences by local and interstate investors. Such a situation would be difficult to reverse, however, the Reference Group saw some merit in a 'local ownership' provision being placed on any new perpetual licences. The Reference Group did, however, concede that a local ownership provision would be difficult to administer and enforce.

Introducing a requirement that any new perpetual licences must be operated by the licence-holder (similar to the provisions now placed on WAT licences) was seen as attractive by the Reference Group. However, it was agreed that only a small percentage of existing taxi drivers would ever be interested in owning a licence and operating their own taxi business.

The Reference Group considered the issue of what controls could be placed on the leasing of licences. In terms of existing licences it was seen as too late to attempt to re-regulate the leasing of these licences.

The Reference Group considered that it would be impractical to attempt to regulate maximum lease payments for either existing or new perpetual licences.

### **Operation of Perpetual Taxi Licences**

The Reference Group considered the question of whether or not there should be a requirement that taxi licences be operated or else returned to the Transport Commission.

The Reference Group indicated that it was unaware of any significant number of cases where plates were being 'shelved'. It was seen that because of the substantial cost of most licences, it would be rare for them to be bought and then not put into service or leased.

The concept of compelling licences to be operated for a minimum number of hours (eg. 24/7) was seen as unworkable and impossible to police and, as such, it was not supported by the Reference Group. The Reference Group indicated that in regard to this issue, the taxi market is effectively self-regulating, with the number of taxis working at any given point in time being a reflection of the level of passenger demand.

It was also noted by the Reference Group that increases in operating costs (eg. petrol) have resulted in taxis being more “targeted” in the hours in which they operate. Any moves to compel the operation of licences could well be imposing a requirement on taxi operators and drivers to operate unviably and as such would be unlikely to be supported by industry.

### **Other Matters**

The Chair reported to the Reference Group on advice received from the Department of Treasury and Finance that it would be unlikely to support the imposition of additional restrictions or requirements on the operators of luxury hire cars. This is because, as yet, Treasury does not consider that persuasive evidence has been advanced as to how increased restrictions on luxury hire car operators would be in the public interest.

DIER outlined how any proposal for change would need to be supported by arguments as to how the current situation adversely affects the customer.

The Reference Group discussed a number of adverse outcomes it saw as flowing from the current situation. These included:

- The lack of a security camera in LHC vehicles performing what could be seen as ‘taxi work’;
- The use of unregulated fare meters as the basis for fare determination;
- The lack of any requirement for LHC drivers to undertake the same driver training as taxi drivers; and
- The hazards of unmarked cars (ie. luxury hire cars) being sent in the place of a taxi to pick-up vulnerable customers, in particular children.

Action: DIER to undertake further discussions with Treasury on potential reforms to the regulation of luxury hire cars.



Tasmania

## Meeting of the Taxi Industry Reference Group – Minutes

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Thursday 2 August 2007, 1:00 pm to 4:00 pm

11<sup>th</sup> Floor Training Room, 10 Murray Street, Hobart

### Attendees

#### DIER

David Hope (Chair)

John Bessell

Barb Dunford

Jeremy Gleeson

Babette Moate

John Pauley

#### Taxi Industry

Guy Anderson

Roger Burdon

Steve Cheetham

Denis Elmer

Graeme Fish

Toby Green

Robert Postma

Shane Stuart

### Minutes

#### 1. Welcome and apologies

The Chair welcomed Barb Dunford back to the group. The Chair introduced John Pauley to the Reference Group. John Pauley is the General Manager of the new Passenger Transport Division within DIER, and was involved in the development of the Taxi Act in 1995.

Apologies were received from Clive Abbott, Jim Deane and Eddie Ng.

The Chair noted that some time had passed since the last meeting. This was due to a number of factors. DIER had received a large number of submissions in response to Paper 11 and all of the issues raised were considered before final recommendations could be made to senior management and eventually made public. Some key staff members had been required to work on other urgent issues over recent months, and the restructure of the Department meant that new management had to be briefed on the issues before the review project could move forward.

#### 2. Confirmation of minutes of meeting #9

The Minutes of the meeting of 1 March 2007 were accepted.

#### 3. Confirmation of minutes of meeting #10

The Minutes of the meeting of 20 March 2007 were accepted. Toby Green stated that the minutes were very good and reflected accurately the viewpoints of the participants.

A point of clarification was made in relation to the proposal for unlimited availability of WAT licences and concerns of the industry that a new entrant could gain an eventual monopoly. It was noted that John Bessell's comment that this would require the purchase of more than 200 existing licences was made in relation to perpetual licences, but that the industry's concern was about WAT licences, which could potentially be purchased in large quantities by one player, resulting in an eventual monopoly.

Toby Green requested that DIER clarify the period over which the Transport Access Scheme has grown from 5 000 vouchers being processed per month to 30 000 vouchers per month. DIER advised that this was from around the commencement of the scheme. Steve Cheetham noted that TAS usage had increased significantly over the past 12 months. John Pauley advised that TAS was an increasing cost to government due to the ageing population and the increasing number of eligible people joining the scheme that had previously been unaware of it.

The issue of an operator operating an accessible vehicle under a standard Perth taxi plate within Launceston was raised. DIER advised that the operator is entitled to operate an accessible vehicle under a perpetual licence, and can operate the vehicle within the part of Launceston that is in the Perth taxi area, but that they are not able to claim the 60 per cent subsidy from TAS or the trip subsidy. It was noted that small passenger vehicles fitted with wheelchair lifts and accredited under the Limited Passenger Services provisions of the *Passenger Transport Act 1997* no longer have access to TAS subsidies.

#### **4. Paper 12**

The Chair summarised the changes to DIER's position that was originally presented in Paper 11. It was agreed that, as the proposals relating to the issue of additional perpetual licences had generated the vast majority of opposition among the industry, the meeting would focus on this issue.

The Chair advised that these proposals had been discussed with the Minister, and that there had been some lobbying of opposition Members of Parliament about these issues by members of the taxi industry, in particular, the price at which new standard taxi licences would be made available. The proposal outlined in Paper 11 remains DIER's preferred position; however, given the widespread concerns about this, there is a need to discuss it further with the industry.

The following issues were considered to be of most importance to the group:

##### **a. *Existing perpetual licences should be converted to owner/operator licences on transfer***

Guy Anderson asked why DIER was not considering this proposal further, given that Paper 12 stated that DIER considered it an attractive option.

Babette Moate advised that the proposal was first raised in a submission to Paper 11, and had not been raised with the industry at any time during the review. Accordingly there had not been adequate time to fully consult with the industry on this proposal to include it in the package of reforms.

The Group agreed to forego consideration of this issue at this time.

##### **b. *Interaction with community transport***

Robert Postma noted that there was no consideration given to the number of community transport vehicles when formulating proposals in relation to the release of licences, and that the industry felt it had been fobbed off on this issue.

John Pauley stated that DIER had commenced a project to review the regulation of community transport. He noted that a large proportion of community transport funding was from the Federal Government, and was usually for the purchase of capital rather than for fare subsidies. He indicated that there was a need to gain acceptance in the community transport sector that providing subsidies to enable users to travel with commercial providers would be a more efficient means of delivering these services.

**c. Population growth**

Toby Green observed that the 0.6 per cent population increase was very small, and queried the inclusion of this figure in Paper 12 when DIER's position had been not to base licence numbers on population growth. The Chair advised that the figure was only included in response to the statement that Tasmania's population had not grown. DIER's position remained that licence numbers should not be based on population.

Graeme Fish stated that the majority of people moving into Tasmania were retirees, who would not use taxis until they could no longer drive.

There was a discussion about the relationship between population and taxi numbers. John Pauley reiterated DIER's position that releasing taxi licences on the basis of the population would not result in the optimum number of taxis in the market, and that it should be for the market, not the government, to decide how many taxis were required. The government would make new licences available, but the industry would only purchase them if the market supported them.

Denis Elmer stated that if new licences continued to be released by government, by the time licence owners realised there were too many taxis in the market it would be too late and that the whole industry would be devastated.

Graeme Fish stated that the new licences were not being purchased by the industry; rather, they were being purchased by investors, who were sucking money out of the industry. Consequently service levels would be reduced, as there was too little work for too many taxis. He stated that the main focus of the industry should be on service rather than on investment.

John Pauley stated that DIER agreed with the industry that licences should not be seen as investment opportunities, and that this was the reason for introducing the owner/operator licences.

Steve Cheetham suggested that a licence holder could 'lease' their accreditation and thereby effectively lease their licence, even if they were the official operator. DIER agreed that this would be possible, but that the owner would still be responsible for the operation of that licence. The licence would be cancellable, so an offence was committed because of this unofficial leasing, the licence owner would lose their licence and their investment in that licence. It was suggested that if an owner took a 'hands off' approach, the chances of this occurring would be much greater than if they operated the licence themselves.

Roger Burdon suggested that leasing would be driven underground. John Bessell stated that the risks of entering into an illegal lease were much greater than they were prior to the legalisation of leasing. In particular the accreditation scheme placed greater accountability onto operators in relation to performance, driver conduct, vehicle standards and complaints management. He advised that DIER would be targeting operators, and that some operators had had their accreditation cancelled.

**d. Issue of perpetual licences**

The group engaged in a discussion about the issue of new perpetual licences. The industry representatives argued that drivers would suffer as a result. The earnings of the new licences would come directly out of the earnings of existing taxis, as they would lose work to the new taxis.

John Pauley stated that the Government could not return to the situation of issuing no more new licences, as the National Competition Policy required the market to remain open. He said that it would not be possible to argue that no more licences were needed, as in the recent tender in Hobart and Launceston, sale prices were well above the assessed market value (AMV), triggering another release of licences. This demonstrated that the saturation point had not been reached. On the other hand, if the licences had remained unsold for the next 12 months, it would be obvious that the market had reached equilibrium.

**e. Price of perpetual licences**

The group acknowledged that the new licences would be less likely to be purchased by investors, but argued that they needed to be made available at a reasonable rate. There was concern that people would purchase licences very cheaply but only provide a service in the hours that suited them, particularly in smaller taxi areas, and that this would be to the detriment of existing operators and customers in these areas. Roger Burdon noted that people who enter the industry cheaply often go broke because they can't sustain their business, but that they cause considerable trouble to the existing operators before leaving the industry. Denis Elmer stated that the industry needed new players that would stay in business, as it was not good for the industry to have operators continually leaving.

John Pauley stated that DIER acknowledged that the industry was concerned that if the new licences were available at too low a price then existing licences would be significantly devalued. He suggested that a capped rate be established for the new licences and that tenders would be required to be above this reserve price.

It was suggested that the new licences needed to be priced at a rate that would enable serious operators to purchase them but that would be too great a barrier for the 'fly by nighters' to consider. There was general support for this proposal. A number of suggestions were made regarding an appropriate value, including 80 per cent of the current AMV and \$50 000 for Hobart. It was suggested that a price of \$80 000 to \$100 000 for Hobart would be too high.

Toby Green stated that this was the best proposal he had heard and that the industry should consider it very seriously.

Shane Stewart suggested that the licences should be priced at the current AMV. DIER stated that this was a different type of licence and that the AMV was not appropriate.

Denis Elmer stated that the drawback of this type of licence is that it might be more difficult to sell when the owner wanted to leave the industry, as it could only be sold to an accredited operator. Graeme Fish noted that banks would be unlikely to lend significant amounts for licences that could be cancelled. John Pauley suggested that these were reasons for these licences not to have as high a value as existing perpetual licences.

John Pauley stated that there is no way of knowing what the new licences are worth. He pointed out that if the price were set too low it would not address the industry's concerns about unreliable operators being able to enter the industry, but if it were set too high the licences would not be taken up. The licences need to be priced at a rate that still represents a hurdle for a potential operator, who will enter the industry on the basis that the way to make money is to offer a good taxi service. The price, therefore, needs to address both concerns.

He suggested that a cap of about \$60 000 would be appropriate for Hobart, and \$30 000 to \$35 000 for Launceston. He noted that while these values are about 50 per cent of the current AMV, the value should not be seen as being related to the AMV. Rather it should address the concerns outlined above. Each taxi area, therefore, would be considered individually, as there might be reasons for having higher values in some areas. Denis Elmer suggested that the existing AMV would continue to be appropriate for the smaller non-metropolitan taxi areas.

Graeme Fish stated that the price of these licences should be permanently fixed at the capped value.

Toby Green stated that these licences should never be allowed to revert to standard perpetual (leasable) licences if this scheme failed. John Pauley confirmed that there was no intention to convert these licences into leasable licences.

Graeme Fish suggested that the licences should be able to be sold back to the Transport Commission at a nominal rate (50 to 75 per cent of the purchase price) if the owner wants to leave the industry and is unable to sell the licence to another operator. Other members of the group disagreed with this suggestion. Steve Cheetham argued that entering the taxi industry

has the same risks as entering into other businesses, and that there should be no 'get out of jail free' card such as this.

Denis Elmer asked if unsold licences would be reoffered. John Pauley advised that the unsold licences would remain for sale at the reserve price until the next year's licences were made available, at which time they would be removed and a new series of licences would be made available. This is identical to the current situation. However, under the new system, there would be no AMV, so there would be no trigger for releasing an additional five per cent of licences each year. DIER proposed to review the licensing arrangements after three years.

John Pauley noted that both the industry and DIER had given ground on this issue. He asked if the Reference Group endorsed this revised proposal for owner/operator taxi licences. Toby Green advised that the Tasmanian Taxi Association agreed that these licences were the way forward. Steve Cheetham indicated his support for owner/operator licences. Graeme Fish stated that these licences would be beneficial to the industry, but that he could see some shortcomings with the proposal. Shane Stewart indicated his in-principle support for the proposal, provided that the capped value was sufficiently high. There were no objections to the proposal.

**f. Luxury hire cars**

Shane Stuart stated that a maximum entry age was needed for luxury hire cars and that there was currently little distinction between the price of a taxi and that of a luxury hire car. John Pauley stated that DIER had recently met with some luxury hire car operators who held the opposite view.

Steve Cheetham asked whether removing taximeters from luxury hire cars would solve the problem. John Bessell stated that the existing regulations are difficult to enforce and that the new proposals for luxury hire cars are intended to make enforcement and differentiation easier. Therefore, there will be no need to introduce an entry age.

**g. Wheelchair accessible taxis**

The Chair stated that there had been no convincing arguments put forward to DIER to change the proposed issue of WAT licences on demand, and that, under this proposal, if there was demand for further WAT licences, they would be available.

Shane Stuart asked if second hand vehicles would be able to be used as WATs. Babette Moate advised that in designated remote areas, vehicles aged up to seven years could be used as WATs, but that they would have to comply with all other standards for WATs and could only be used up to a maximum age of ten years. Such vehicles would not have to have been previously registered as a WAT as is currently the case for second hand vehicles.

**h. Taxi ranks**

Concern was expressed that there was insufficient rank space in Hobart, especially with the introduction of new standard taxis and the increased number of WATs, which required more space on a rank than a standard taxi.

DIER suggested that the industry should approach the council about this matter, and that customers should also be encouraged to raise the issue with the council if they felt there were insufficient ranks.

**5. Ongoing Role of the Reference Group**

The Chair noted that when the Reference Group was established there was an intention that it would continue to act as a consultative body for DIER after the conclusion of the Review. There would be several issues that would require the group's input, including implementation issues arising from the Review and Disability Discrimination Act compliance of taxi ranks. The Chair suggested that the group could be reconvened as required to discuss these issues.



Members were invited to discuss their continued membership of the group with DIER outside the meeting.

In relation to the conclusion of the Review, DIER undertook to circulate a paper outlining the agreed position on standard taxi licences.

Graeme Fish asked if the group would have a role in developing the new legislation. The Chair stated that DIER had made it clear at the first meeting that it was not the role of the group to draft the legislation. Guy Anderson stated that he believed there was a role for the group in the development of the legislation in terms of quality control. Babette Moate explained that the legislation will be drafted by the Office of Parliamentary Council (OPC) on the basis of instruction provided by DIER, and that it is unlikely that members of the public would normally be given the opportunity to contribute to this process. DIER undertook to investigate this further.

Steve Cheetham asked about the timing for the new legislation, and whether it would be in place before the 2008 release of licences. John Pauley advised that DIER intended to submit the new legislation to Parliament in Autumn 2008 and that DIER hoped to ensure that the next release of licences could be held off until the new legislation was in place.

Meeting closed at 4.00 pm