



Tasmanian Council of Social Service Inc.

Taxi and Hire Vehicle Industries Regulatory Review November 2018



**INTEGRITY
COMPASSION
INFLUENCE**

About TasCOSS

TasCOSS is the peak body for the community services sector in Tasmania. Our membership includes individuals and organisations active in the provision of community services to low-income Tasmanians living in vulnerable and disadvantaged circumstances. TasCOSS represents the interests of its members and their clients to government, regulators, the media and the public. Through our advocacy and policy development, we draw attention to the causes of poverty and disadvantage, and promote the adoption of effective solutions to address these issues.

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Thank you for the opportunity to make a submission in relation to the proposals advanced by the Taxi and Hire Vehicle Industry Regulatory Review.

TasCOSS advocates on behalf of low-income Tasmanians who often live in vulnerable and disadvantaged circumstances. Our submissions and advocacy are strongly informed by the expertise of our members and the lived experiences of the Tasmanians we represent. To inform this submission, TasCOSS has drawn on earlier consultations with Neighbourhood Houses and transport operators across the state as well as speaking with member organisations. We have also appreciated the opportunity to participate in a forum organised by the Department of State Growth for taxi operators.

TasCOSS consultations with our membership and with individual Tasmanians consistently show transport as one of the key issues facing low-income residents of the state. For transport-disadvantaged Tasmanians—people who struggle to own or operate a private vehicle due to a variety of factors, and who can't afford or lack access to public transport that can take them where they need to go—the journey to education, training, work and family can be financially draining and personally exhausting, if the destination can be reached at all. For Tasmania's growth to be genuinely inclusive, it is necessary that everyone in the state can reach the drivers of growth—employment, education and training—as well as the things that make a good life possible: health facilities, support services for tough times, cultural and recreational opportunities, and friends and family.

Vision

All Tasmanians, regardless of factors such as age, ability, or financial status, can get to where they need and want to go by affordable means.

Principles

TasCOSS' approach to transport policy is equity-based and grounded on the following principles:

- Transport underpins most aspects of social policy and care. Access to affordable transport should be factored into most areas of policy-making, particularly health, education, economic development, and all levels of land use planning.
- Transport policy should be genuinely holistic. It should integrate all forms of transport—private cars, public and private bus services, not-for-profit transport, taxis, ride-sharing services, carpooling, car sharing, and active transport (cycling, walking, mobility scooters).
- Affordable public and active transport should be treated as social and environmental as well as economic investments. They should be costed against a triple bottom line model that includes health benefits and reduction of congestion and carbon emissions.
- Access to affordable public transport should be equitable across all parts of the state, from urban to rural. Affordable public transport should be available within as well as between communities.

Background

TasCOSS research and consultations on community experiences of private, for-profit and not-for-profit transport suggest that there are several barriers to wider take-up of on-demand transport, but that there are also emerging opportunities.

Barriers

- 1) *A substantial number of Tasmanians potentially depend on taxis as well as public and not-for-profit transport for their transport needs.* According to the 2016 Census:
 - Over 41,000 Tasmanians (8.2% of the state's population) are aged 75+, an age group in which many people prefer to drive less or not at all.
 - Nearly 13,700 Tasmanian households (6.9% overall) do not have a car. Suburbs and towns with particularly high rates of carless households include some inner and outer suburbs (Rokeby (11.6%); Chigwell (13.1%); Bridgewater (14.9%); Ravenswood (15.2%); Rocherlea (16.6%); Shorewell Park (16.9%); Gagebrook (18.4%); Clarendon Vale (18.6%)) but also some regional towns (George Town (10.7%); New Norfolk (11.4%)).¹
 - One-person households, which often have the lowest incomes, are also the most likely not to have a car. Statewide, 16.3% of one-person households do not own a car, a rate that rises to 21% in George Town, 24% in Clarendon Vale, 26% in Chigwell, 27% in Bridgewater, New Norfolk, Ravenswood and Rocherlea, 30% in Shorewell Park; and 32% in Gagebrook.²
 - Many families are also dependent on one vehicle; if that car is being used by one member of the family for employment, the rest of the family can be left stranded. In Gagebrook, for example, while 12% of multiperson households have no vehicle, an additional 30.8% have only one car.³
- 2) *Taxis, the main alternative to buses and not-for-profit services, are currently unaffordable for most low-income Tasmanians.* Across Tasmania, buses routes are limited in their range and hours of operation, and many people are not eligible for not-for-profit transport options, leaving taxis as the main alternative source of transport for people without cars. However, almost all Neighbourhood House representatives said that few of their clients use taxis for anything other than emergency needs due to cost, even with help from the Transport Access Scheme (TAS). A few noted that their clients' predicament is particularly acute between 8 pm and 6 am and on weekends and public holidays, when public transport is rarely available and taxi fares go up to the higher Tariff 2. Tasmanians on limited wages often also are ineligible for transport concessions and/or the Transport Access Scheme.
- 3) *Taxis, particularly wheelchair-accessible taxis (WATS) simply are not available in many parts of the state.* There is no taxi at all in Rosebery, for instance, or indeed in the whole of the Central Highlands, Kentish or Glamorgan/Spring Bay North taxi regions. Only four of the state's 24 taxi regions (Hobart, Launceston, Devonport and Huon Valley) have WATS.

¹ ABS 2016 Census Quickstats.

² Statewide, 32% of two-person households, 26% of three-person households, 18% of four-person households, 15% of five-person households, 16% of six-person households, 17% of seven-person households, and 17% of eight+ person households own one or fewer cars. ABS Census 2016.

³ ABS Census 2016.

Opportunities

- 1) *There may be pent-up potential supply of on-demand transport in the community, as well as an expanding potential client group.* Most Neighbourhood House representatives said that there would be people in their communities who would potentially be interested in supplementing their income by driving for a service like Uber or even by setting up their own small transport business. Not-for-profit operators have long been exploring opportunities to diversify their offerings--for example, feeder services for bus companies--in order to boost their sustainability and to support their core mission of supporting vulnerable people. Bus companies similarly have been looking for ways to boost their sustainability/profitability and grow their businesses. The court ruling requiring the NDIS to fully fund necessary supports and services, including transport, has the potential to bring more clients to the transport sector, in turn opening up opportunities for the creation of new types of services that might be stymied by current regulations.⁴

Put together, these facts lay a strong case for reformulation of regulation/de-regulation around on-demand transport, both to set clear accreditation and safety requirements for ride-sourcing services and to allow both taxi companies and new transport concerns to deliver more flexible types of services at more reasonable prices. These changes have the potential not only to increase the range and affordability of services in areas where taxi and ride-sourcing services already operate, but to remove barriers/create incentives for the establishment of services in the many areas of the state currently unserved by taxis or ride-sourcing services.

Objectives of the Review

TasCOSS broadly supports the Government's proposed Policy Objectives for the regulation of the taxi and hire vehicle industries, particularly those of:

- Protecting the safety of passengers, drivers and the public
- Promoting greater consumer choice/customer protection and information
- Providing for the adequate delivery of accessible services, particularly for Tasmanians with certain needs arising from disability or age.

We believe that changes proposed by the review should also be assessed against how effectively they deliver on three key transport outcomes of particular relevance to transport-disadvantaged Tasmanians, particularly those on low incomes:

1. More reasonably priced door-to-door services
2. Better geographic availability of (reasonably priced) door-to-door services
3. Better access to General Access bus services through the availability of feeder services.

Proposed framework for the on-demand passenger transport industry

The new framework under discussion lays out proposals for change in a number of areas.

⁴ <https://www.theguardian.com/australia-news/2017/mar/28/federal-court-rules-ndis-must-fully-fund-necessary-supports-and-services>

Regulation of licenses and service types: TasCOSS believes that people living on low incomes in areas poorly serviced by public transport should have access to affordable services, including door-to-door transport if other options are not available. We recognise that deregulating on-demand passenger transport has implications for existing providers. While the licensing issues involved are not within TasCOSS's remit, we support in principle the exploration of options to help existing operators transition out of the industry if required, for instance models adopted in other Australian jurisdictions.

Regulation of fares: In the interest of more reasonably priced door-to-door services, TasCOSS supports:

- The proposed deregulation of booked fares. At the moment, taxis are only legally permitted to operate on the basis of metered fares with the meter running for the whole trip, and cannot be pre-booked for a set fee or on a multi-hire basis without highly complicated changes to meters. We believe that the ability of operators to offer fares lower than the current regulated fares, particularly over longer distances, has the potential to make it easier for Tasmanians on low incomes to use taxis, particularly in rural areas. The ability to be pre-booked for set fees also opens the possibility for taxis to be contracted as feeder services for bus routes. A shift to deregulated booked fares is in line with some other jurisdictions in Australia, for instance Victoria and New South Wales.⁵
- The proposed change to the WAT unbooked fare structure to make it consistent with standard fares. Again, we believe that lower costs have the potential to make it easier for wheelchair-dependent Tasmanians to use taxis.

At the same time, in the interest of protecting customers on low incomes using rank and hail services, we support the retention of the regulated maximum taxi fares for the rank and hail markets, where customers are particularly vulnerable.

However, we disagree with the proposal to limit Taxi Subsidy Program (TSP) payments to taxis, on the grounds that:

- It prevents TSP customers from exercising choice among services, creating 'captive users.'⁶
- It locks TSP customers into higher-priced services.⁷
- It reduces the incentives for the creation of new services, including ride-sharing options aimed specifically at people with extra needs such as uberASSIST. This issue is of particular concern given that, as described above, many areas of Tasmania currently are not served by taxis, and the bulk of taxi regions in the state have no wheelchair-accessible taxis.

We believe that making TSP payments available to ride-sharing new services will create the incentive for the ride-sharing sector to adopt the new technologies necessary to support TSP customer smart cards. We also disagree with the proposal that WAT booked fares remain regulated. We believe that WAT customers should have the same right and ability to negotiate booked fares as customers of non-WAT services, particularly over longer distances.

⁵ <https://www.ipart.nsw.gov.au/Home/Industries/Transport/Reviews/Taxi/Taxi-fares-and-licences-from-July-2018>. Some jurisdictions indeed have deregulated unbooked fares in certain circumstances; for instance, unbooked services in regional and country Victoria can set their own fares. <http://web2.economicdevelopment.vic.gov.au/taxi/drivers/taxi-fares/country-and-regional-fares>

⁶ <https://vcoss.org.au/news/ridesharing/>

⁷ <https://vcoss.org.au/wp-content/uploads/2018/06/VCOSS-Good-Life-Platform.pdf>

Regulation of operators: In the interest of the safety of drivers, passengers and the public, TasCOSS supports the proposal to require operator accreditation of booking service providers such as ride-sourcing platforms and taxi dispatch services, which will mean that they can be held to account for the delivery of the service.

Regulation of drivers and vehicles: After affordability, safety has been the primary concern of all Tasmanians we consulted. In this regard, we support the proposed approach to driver character checks, which will continue to combine a Working With Vulnerable Persons check with a National Police Check until such time as the Working With Vulnerable Persons registration process includes checks around integrity, fraud and dishonesty (currently projected at mid-2019). From our consultations, we also believe that customers will feel comfortable with the proposed approach to vehicle safety requirements, which combines 5-star ANCAP safety ratings with vehicle age limits, and with the requirement for annual inspections for vehicles under 10 years old and six-monthly inspections for vehicles older than 10 years.

When it comes to assessments and training for prospective drivers, however, we have heard clearly that community members do not want to see driver standards relaxed, in relation either to medical fitness or in relation to skills and knowledge. Consequently, we believe that all drivers, including rideshare drivers, should obtain a medical assessment from a doctor, as is the case in Victoria, rather than simply submitting a medical self-assessment.⁸ We also disagree with the proposal to relax driver training requirements to only those that relate to safety: all drivers of both booked and rank-and-hail services also should be required to pass a knowledge test around requirements under disability/anti-discrimination legislation.⁹

In the interest of better access to bus services through the availability of feeder services, TasCOSS also supports the proposed removal of prescriptive vehicle requirements for luxury hire cars and restricted hire vehicles. At the moment, general restricted hire vehicles are limited to particular classic/customised vehicle types, making them unsuitable to use as feeder services for bus operators looking for high safety standards. At the same time, the list of approved uses for specific restricted hire vehicles (which are not limited to particular vehicle types) does not include transport feeder services. Removal of prescriptive vehicle requirements has the potential to open the way for small transport operators, particularly in rural areas, to act as contracted feeder services for bus routes.

Compliance and enforcement. TasCOSS agrees that the safety of drivers, passengers and other road users should be the primary duty of care for all people involved in the on-demand transport sector. We support the concept of sharing responsibility for compliance among all parties involved – accredited operators, registered vehicle operators, and drivers – to underline that safety is everyone’s business.

⁸ <https://cpv.vic.gov.au/drivers/hire-car-drivers/commercial-passenger-vehicle-and-bus-driver-accreditation>

⁹ See, for instance, <https://www.theage.com.au/national/victoria/disability-activist-complains-to-human-rights-commission-after-uber-drivers-refuse-to-take-guide-dog-20160412-go4d2q.html>