

FACT SHEET

ON-DEMAND PASSENGER TRANSPORT SERVICES INDUSTRY (MISCELLANEOUS AMENDMENTS) BILL 2020

The On-Demand Passenger Transport Services Industry (Miscellaneous Amendments) Bill 2020 implements a modernised and more equitable regulatory framework for taxis, hire vehicles and ride-sourcing services.

It has been developed to provide a level playing field for the various operators in the industry.

The Bill amends three Acts that set out the regulatory framework for the sector.

Part 2, clauses 3 – 4 amend the *Economic Regulator Act 2009*

This Part of the Bill amends the *Economic Regulator Act 2009*, which contains a power for the Minister (on the request of the Transport Commission) to direct the Regulator to conduct a taxi fare methodology inquiry. These inquiries inform the setting of taxi fares.

The amendments set out the matters to be considered in such an inquiry, which include:

- efficiency, quality, reliability and safety
- protection of consumers and social impacts
- the effect on other modes of transport
- fairness between classes of consumers and operators

Part 3, clauses 5 – 25 amend the *Passenger Transport Services Act 2011*

The *Passenger Transport Services Act 2011* is the Principal Act under which operators must be accredited. The amendments provided for in this Bill:

- move some of the regulation of the industry from licences (under the *Taxi and Hire Vehicle Industries Act 2008*) to accreditation, providing a level playing field for taxis and other operators
- creates a Booking Service Provider function which captures both taxi and ride-sourcing
- will charge annual fees against operator accreditation instead of taxi and luxury hire car licences, providing a more level playing field and sharing costs across all operators in the industry
- introduces a new 'chain of responsibility' model for safety, with licencees, booking service providers and drivers all able to be held responsible for the activity in which they have a role.

Part 4, clauses 26 – 68 amend the *Taxi and Hire Vehicle Industries Act 2008*

The Bill amends the *Taxi and Hire Vehicle Industries Act 2008* to:

- reflect that some of the regulation, such as annual fees, will now be captured under the *Passenger Transport Services Act 2011* as part of providing a level playing field for all operators
- extend the moratorium on annual tenders to release new owner-operator taxi licences for a further four years. However, the Commission would be able to issue licences where there is unmet demand.

- require the Regulator to make independent determinations on reserve prices for new taxi licences. This is the minimum price to purchase an owner-operator taxi licence from the Transport Commission. No reserve price can be reduced by more than 10 per cent per annum for five years.
- allow multiple hirers in taxis, providing consistency with the ride-sourcing industry.

What does this mean for the taxi industry?

- The annual release of new owner-operator taxi licences by tender will be suspended for five years (four more years in addition to 2020 which has already been suspended).
- Reserve prices will be set by the Tasmanian Economic Regulator, and are not to decrease by any more than 10 per cent per year for five years, commencing 2020.
- There will be lower regulatory and compliance costs for existing taxi and luxury hire car licence holders.
- The framework will recognise that fares might be shared by users, allowing for there to be multiple hirers for taxis in a single trip.
- A level playing field will be introduced to share the costs of regulation between taxi and ride-sourcing operators.
- It provides a more flexible regulatory framework, which includes improvements such as providing for:
 - operating out of area in busy periods (with a temporary licence)
 - consistency between wheelchair accessible and standard fares.

What does this mean for ride-sourcing providers?

- Ride-sourcing providers will need to be accredited.
- This will see:
 - the introduction annual fees for ride-sourcing services based on the number of vehicles
 - increased vehicle requirements and the introduction of inspections consistent with taxis.