

SECOND READING SPEECH

TAXI AND LUXURY HIRE CAR INDUSTRIES AMENDMENT BILL 2009

MR SPEAKER/PRESIDENT

I present to the House the *Taxi and Luxury Hire Car Industries Amendment Bill 2009*.

Mr Speaker/Mr President, this Bill addresses some minor technical deficiencies identified with the *Taxi and Luxury Hire Car Industries Act 2008* since it was enacted on 24 September last year.

The new Taxi Act has seen the introduction of two major reforms to the Tasmanian taxi industry.

Mr Speaker/Mr President. New owner-operator taxi licences were introduced into the taxi industry in 2008. These licences can only be held by the person who operates the taxi service.

The Government has introduced these licences in response to concerns about the high value of perpetual taxi licences.

High licence values present a two-fold problem. Firstly, high prices have resulted in perpetual taxi licences becoming an attractive vehicle for speculative investment, due to the potential for high returns and increases in the value of the licence. The result is that perpetual taxi licences are unaffordable for many people who would otherwise seek to purchase a licence to operate their own taxi business.

The high lease rates that result from high licence prices mean that a large proportion of a taxi operator's income is returned to the owner of the licence, rather than to the operator who actually provides the service.

To address this issue and make licences available to operators at a more affordable price, the Government introduced owner-operator taxi licences. These licences cannot be leased or assigned to another person to operate. The Transport Commission has power to cancel these licences in the event of a significant breach of legislation or licence conditions.

The reserve price for these licences has been set at a level that the Government considers to be sufficiently high to ensure that only individuals with a genuine interest in,

and commitment to, providing a taxi service would be willing to purchase these licences. This will mean that a taxi licence will be exactly that – the right to provide a taxi service, rather than an instrument for investment.

The new licences have been well received by the taxi industry. All 11 licences made available in Hobart in 2008, the first year of issue, were taken up. While the 2009 licence tender process is yet to be finalised, I am advised that interest in the new licences has again been strong.

The strong response to these licences shows clearly that there is still a high demand for licences in Hobart, and that operators are welcoming the opportunity to become licence holders.

The second major reform has been a range of changes to the wheelchair-accessible taxi (WAT) scheme. In particular, WAT licences are now available to eligible operators in all taxi areas on application.

This has had an immediate impact, with four new WATs coming on the road since September 2008 (including the first non-metropolitan WAT, in the Huon Valley). Other

operators have expressed interest in applying for new licences.

The amendments contained in this Bill support the reforms brought about through *Taxi and Luxury Hire Car Industries Act 2008* and will ensure the integrity of the Act is maintained.

The amendment to Schedule 5 provides explicit power for the Governor to make regulations that provide for a review of certain decisions made by the Transport Commission under the Act.

The Department of Infrastructure, Energy and Resources has already undertaken the work on identifying decisions that should be reviewable, and determining the process by which those decisions should be reviewed. However, the Government has been advised, subsequent to the making of the Act, that the regulation making powers, as drafted, may not support the introduction of the review process envisaged. This amendment will remove all doubt and ensures that an appropriate review process can be implemented.

Once the power is provided in the Act, it will then be a matter of having the regulations drafted and formalised.

The amendment to section 24(2)(c) clarifies that an applicant for an owner-operator taxi licence must be the registered operator of a vehicle that is suitable for use as a taxi, before he or she can be issued with a licence.

This criterion, along with the other criteria for the issue of a licence, is intended to ensure that operators who are issued with an owner-operator licence will in fact be the genuine operator of the taxi service to be provided under the authority of the licence. The reason for this approach is to minimise, as far as possible, any scope for misuse of these licences.

The requirements for a suitable vehicle will be prescribed in the *Taxi Industry Regulations 2008*. This will include a requirement for the vehicle to comply with the vehicle standards and age limits for taxis, as well as to have the correct taxi equipment installed, and to be correctly registered.

The final amendment is to the sections pertaining to the imposition of conditions on owner-operator taxi licences, WAT licences and luxury hire car licences.

This amendment confirms that the Commission is able to impose a condition on one of these licences at the time it is advertised, without being required to consult with the applicant. The applicant would then have the opportunity to either apply for the licence or not, on the basis of their evaluation of the proposed condition.

If the Commission wishes to impose a condition on an existing licence, the Commission must provide the licence holder with an opportunity to make representations in respect of the proposed condition, in accordance with the section relevant to the type of licence. This provision will not change.

Mr Speaker/Mr President, these amendments will ensure the continued effective administration of the Act. I commend this Bill to the House.