

# Taxi and Luxury Hire Car Industries Act 2008 – Review of Taxi Licence Release Arrangements (and Associated Issues).

## Terms of Reference – October 2012

### Review Tasks

The Consultant will be required to undertake consultation with industry and taxi users and perform a critical analysis of the current arrangements for the release of new taxi licences in Tasmania to evaluate the impact of these arrangements on:

- Availability, reliability and quality of taxi services;
- Taxi driver and operator viability; and
- Competition within the taxi industry and between taxis and other forms of passenger transport;

Where it deems it to be relevant, the Consultant will undertake analysis that distinguishes between each of Tasmania's taxi areas, or between different groupings of taxi areas.

In particular, the situation in the Hobart taxi area will be examined in respect to evidence of market failure arising from the increase in taxi numbers in recent years.

In addition, the Consultant will examine the relative success of the licensing arrangements introduced by the *Taxi and Luxury Hire Car Industries Act 2008* in achieving the policy aims of that legislation in respect to:

#### 1. Owner-operator/standard taxi licences:

- greater opportunities for taxi operators and drivers (existing and new) to become established in the taxi industry as taxi licence holders, rather than investors with no interest in actually operating a taxi business;
- improving returns to the licence holder, thereby providing the opportunity for them to reinvest more resources in the enhancement of their taxi service, including the potential for improved driver remuneration to taxi drivers;
- providing a predictable, regular opportunity to access a new taxi licence, whether to enter the industry or expand an existing operation.

#### 2. Wheelchair accessible taxi (WAT) licences:

- facilitating a means by which new WAT licences could be released, to ensure that the proportion of these taxis in the overall taxi fleet is, at least, maintained;
- ensuring adequate means for networks' compliance with Disability Discrimination Act 1992 obligations;
- expanding the WAT fleet to regional areas of Tasmania, through (i) the relaxation of initial vehicle standards in those taxi areas deemed to be 'remote'; and (ii) the introduction of provisions enabling operators of standard taxis to use wheelchair accessible vehicles in areas where no WAT service is operating; and
- introducing arrangements by which WAT vehicles could be replaced with substitute vehicles to address temporary operational problems.

Following this evaluation process, if warranted the Consultant is to identify alternative licence release arrangements that are likely to improve policy outcomes and make recommendations as to any reforms that should be considered by DIER.

In developing its recommendations, the Consultant will examine relevant regulatory systems in other jurisdictions (including outside Australia) and assess the suitability of these to Tasmania.

If appropriate, the Consultant should make recommendations that are specific to individual taxi areas, or groupings of taxi areas.

With specific reference to the consequences for taxi driver income of the present legislative arrangements, the Consultant is to recommend any appropriate strategies in the case of both: (i) a recommendation to make significant changes to the current licence release system; and (ii) a recommendation to leave the current licence release system largely intact.

This task will include an examination of the causal link between taxi driver income and taxi licence numbers, together with the influence of external factors on incomes (in particular since 2007).

In devising recommendations, the Consultant should assess:

(1) the degree to which alternatives will align with the overall policy objectives of the existing legislation; and

(2) the implications of alternatives in terms of Government resources, for example in respect to ongoing administrative processes,

and provide detailed comments on these issues in respect to the options that are examined.

## **Additional issues to be examined**

- Performance measures for standard taxis and WATs – what, if any, measures should be established and periodically collected that are capable of being audited;
- Changes to regulatory arrangements which would:
  - improve WAT performance in respect to WAT operators and radio networks according appropriate priority to wheelchair-reliant customers; and
  - assist radio networks in meeting the response time performance standards in place under the Disability Standards for Accessible Public Transport 2002 (Cth).

This would include an assessment of whether limitations on demand for this type of taxi service, or other institutional factors, are creating a legitimate barrier to some WAT operators undertaking a significant amount of such work.

- The case for existing PTLs to be converted to OOTLs/WATs over time, plus (if justified) examination of possible methods for doing so
- Any practical and/or operational implications of the increase in taxis operating, including such matters as the distribution and capacity of taxi ranks and traffic congestion and/or other negative outcomes at specific locations (e.g. airports).