



MINISTER FOR INFRASTRUCTURE, PLANNING & ENVIRONMENT

REVIEW OF THE

**COMMERCIAL
PASSENGER**

VEHICLE

INDUSTRY

DISCUSSION PAPER

MAY 2002

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1. INTRODUCTION

The Martin Labor Government believes that the commercial passenger vehicle (CPV) industry plays a key role in our community. It provides a transport service to residents that should be safe and reliable. It is also an important element of our tourism industry, offering visitors an opportunity to travel around our communities, visiting hospitality services and tourism highlights.

The Government believes that the recent changes to the industry have detrimentally affected it.

In particular, the Government is concerned with:

1. The quality of the service provided;
2. The reduction in income suffered by many in the industry, especially drivers; and
3. Ongoing disputation between sectors of the industry.

To overcome these problems the Martin Government instituted a review of the CPV industry. For the purposes of the review, commercial passenger vehicles were identified as taxis, minibuses, private hire cars and courtesy vehicles. The regulatory arrangements for other vehicles such as tourist vehicles, coaches and buses appear to be working quite well and were not included as part of this review.

Extensive consultation with the industry and consumer groups was undertaken by the Minister, his Office and the Department. Numerous submissions have been received and analysed.

This CPV Review Discussion Paper has been prepared for further comment by industry and the community. It is the intention of Government to receive submissions on the paper for one month before the final policy framework is decided by Cabinet.

2. BACKGROUND

Following a review of CPV arrangements in 1997/98 the previous Government enacted the *Commercial Passenger (Road) Transport Amendment Act*. This Act came into effect on 1 January 1999.

The new legislation abolished the concept of taxi-licence ownership and provided for the payment of compensation to the existing taxi holders. Taxis, minibuses and private hire cars were required to pay an annual licence fee and there were no maximum limits imposed for the issuing of licences in any category.

The change in CPV numbers since 1999 is summarised in Attachment A.

The movement in CPV numbers over the last three years is shown in detail in Attachment B.

The major increase in taxi numbers has increased competition for work within the whole industry with a correspondingly detrimental effect on driver earnings, particularly in the taxi industry. The taxi industry states that competition by taxi owner/operators to find drivers has led to a lowering of standards.

The Government is committed to restoring stability to the industry. As of 26 November 2001, the Government placed a temporary cap on taxi, minibus and private hire car numbers to provide interim stability while a review was carried out.

Terms of Reference for the review were established (Attachment C) and a review of the industry was undertaken.

3. CONSULTATION

Advertisements seeking comment for the review were placed in all Northern Territory newspapers.

In addition, the Minister met with a diverse range of industry representative groups and individuals to ensure that he was personally aware of the issues which concerned the industry.

Some thirty four written submissions (Attachment D) were received.

3.1 Minibus industry

Representations from the minibus industry raised issues including:

- high licence and vehicle operating costs;
- the need to shift onus of responsibility for regulatory compliance to drivers rather than operators; and
- inadequate ranking facilities.

Two submissions from the minibus sector were opposed to control of vehicle numbers, one of these supported by endorsement from an Aboriginal organisation.

A submission from the NT Minibus Association Inc concluded with the comment: "There is one important point to keep in mind: if minibuses can earn money why can't the taxis. Taxis have all the advantages, eg. the ability to pick up a fare anywhere, world wide recognition, huge numbers of cars, free call number and a great deal more technology than the minibus industry has."

3.2 Private Hire Car industry

Submissions from private hire car operators raised issues including:

- restrictions on ranking at Casinos and Airports;
- the requirement to operate from authorised bases and sub-bases;
- the current need to return to an authorised base after every booking; and
- the requirement in current legislation for operators to pay an initial \$10,000 entitlement fee.

One submission suggested there needs to be a clear division between those vehicles which genuinely operate as pre-booked private hire vehicles and those that are in fact 'pseudo taxis' and this should be reflected in annual fees. In contrast one submission suggested that the inability to rank at casinos and airports was to the 'detriment of the travelling public and particularly the tourist industry'.

3.3 Taxi industry

The focus of the taxi industry submissions included:

- the need to control numbers of Commercial Vehicle Licences (CVL) and relate these to population numbers;
- the need to work towards a level playing field for all CPVs in regard to regulations and fees;
- driver safety and standards;
- the need to reduce the overall level of regulation and to move towards industry self regulation; and
- a proposal to divert a percentage of licence fees towards industry promotion and regulatory compliance.

Driver safety and standards were also significant issues of concern to the industry.

The Executive Summary to the submission from the NT Taxi Council (2001) stated: "There is an urgent need to improve returns to the industry not only in Darwin but throughout the Northern Territory from a low base of approximately \$5/hr."

3.4 Accommodation and Tourism industries

Submissions received from the tourism, restaurant and accommodation industries were specifically in support of the minibus sector and opposed to any curtailment of their activities or requirements for installation of taximeters.

3.5 Wheelchair Accessible Taxis

Both written and verbal submissions were received from wheelchair accessible taxi users (i.e. Integrated disAbility Action (Inc) and individual users of multi-purpose taxis).

The need for incentives for drivers of wheelchair accessible taxis to pick up wheelchair bound passengers was raised as an issue for consideration.

A user of these taxis expressed concern at the reduction in numbers of car type 'flash' cabs as opposed to van-type taxis. He also expressed concern at what he considered to be a recent tendency by some sections of the taxi industry to apportion part of the blame for problems within the CPV industry to recent increases in the numbers of disabled access taxis.

3.6 General community

There was only one formal submission from a member of the travelling public other than the industry and special interest groups mentioned above. Interestingly, the author's family had previously held a taxi licence and a private hire car licence under the old system. The author stated that although he had some issues with the former Government's actions in forcibly taking over taxi plates, he believed it is now much easier for a customer to get a taxi when they need one than it had been previously.

This submission concluded by stating that: "If you revert to privately owned taxi plates, I would probably be interested in purchasing one or more but I don't think you would be doing anything for the consumers."

4. RECOMMENDATIONS

The following recommendations are put forward for comment at this stage.

4.1 NT CPV Board

It is the view of Government that ongoing decisions regarding industry policy and regulation require formal and active participation by industry and consumer groups.

It is proposed that a Board be established to:

- guide the direction of the industry;
- oversight reforms to the industry;
- administer regulations for the NT CPV industry (minibus, private hire car and taxis); and
- ensure all interests are adequately represented in ongoing industry development.

A Legislation review would need to be undertaken to ensure that any existing anomalies were removed and the legislation reflects the intent of the Board.

It is proposed that the Board would include representatives from:

- each of the industry sectors (Minibus Industry, Private Hire Cars and Taxi Industry)
- community user groups (including disability advocacy groups)
- tourism industry
- drivers
- consumers

All representatives and an independent Chair would be appointed by the Minister, based on recommendations from industry, community groups, drivers and operators.

The Board would be assisted by an Executive Officer, who would be a permanent public servant, and other staff as required.

It is proposed that the Board be established under legislation and given statutory powers.

The Board's specific areas of responsibility would include the following:

- Maximum Fare setting;
- Zone and boundaries;
- Training;
- 'Fit and Proper' assessments for drivers and operators;
- Communication Network approvals;
- Codes of Conduct;
- Industry promotion;
- Standard (or 'Model') agreements between drivers, operators and networks to ensure accountability;
- Vehicle suitability and cosmetic standards including advertising (ie other than roadworthiness standards);
- Disability services; and
- Regulation administration and enforcement.

The CPV Board would have the power to establish standards for the use of identification (ID) cards. Ensuring uniformity in size, design and placement in vehicles to ensure visibility to passengers and authority to remove CPV ID cards from Drivers and Operator for a time period or permanently. Removal of CPV ID would prevent a disciplined driver moving from one operator to another seeking employment.

4.1.1 CPV Interim Consultative Board

It is proposed that an Interim Consultative Board be set up while legislation is developed to establish a permanent NT CPV Board. The Interim Consultative Board would be chaired by the Minister and include nominated industry and consumer representatives appointed by the Minister.

4.2 CPV licence numbers

The Government is concerned that the industry in a small market place like the Northern Territory is not able to easily or rapidly align with and respond to market demand. Individual operators are able to significantly influence the small, separate regional markets.

Taking account of national agreements to remove inefficient industry regulation the Government believes the CPV Board should set the numbers of commercial vehicle licences to minimise any potential distortion of the market while supporting the objective of developing and maintaining a sustainable, high quality commercial passenger industry.

The Board will establish and administer criteria for the issue of minibus, private hire car and taxi operator licences. Criteria for issue of new licences will be based on public benefit considerations including:

- industry response times, including benchmarks for disabled access;
- general service standards relative to industry benchmarks;
- seasonal demands; and
- regional population figures.

Additional licences for substitute/supplementary vehicles may be issued to meet seasonal demand and for major events.

The Board will establish minimum objectives for the percentage of disabled access as a proportion of the fleet - initially, 10% of the fleet. This objective will be developed in consultation with users and with reference to national benchmarks.

4.3 Entry Standards for Drivers

The issue of appropriate driver training and standards has been raised by both industry and the community and has featured in recent media commentary, particularly in regard to the taxi sector.

It is proposed that all future drivers will be required to undertake a two-stage assessment:

- Preliminary Assessment as 'fit and proper'; and
- Full Accreditation as taxi, minibus or private hire car driver.

All future drivers will be required to have held a standard car drivers licence for a minimum of five years before they will be considered for accreditation as taxi, minibus or private hire car drivers.

4.3.1 Assessment

Preliminary Assessment as 'fit and proper' will provide preliminary endorsement for drivers enabling them to undertake the full mandatory training inside a period not longer than two months. Preliminary Assessment as 'fit and proper' will expire after two months unless the Driver has successfully progressed to Full Accreditation.

Full Accreditation will be provided following satisfactory completion of an expanded Driver Competency Course. Driver Competency Courses will be developed by the Motor Vehicle Registry (MVR) and approved by the CPV Board.

All candidates for an 'H' (hire and reward) endorsement to their drivers licence are currently required to undergo a 'fit and proper' assessment. 'Fit and Proper' assessments include ensuring medical fitness for drivers and ensuring criminal history checks and further interview by a panel if there are any concerns. Comparisons with other States suggest that the current NT assessment of 'fit and proper' is at least as strict as other jurisdictions, and perhaps stricter.

Notwithstanding this, and in view of industry and community concerns, it is proposed that requirements to be assessed as 'fit and proper' be tightened up further. It is proposed that responsibility for conducting 'fit and proper' assessments of taxi, minibus and private hire car drivers and operators would be with the CPV Board to ensure that industry and community views are taken into account.

It is expected that initial entry standards would be set by the Board and that periodic review assessments for Fully Accredited Drivers would occur every 3 years.

It is also proposed that communication lines between the CPV Board, Police and the Office of Courts Administration are improved to ensure that up to date information is available to the CPV Board on any offences committed by

drivers, operators and network service providers including driver traffic infringements.

4.3.2 Training

Driver training courses will be provided by private sector service providers with MVR auditing the adequacy of training standards. In addition, Fully Accredited Drivers will be subject to periodic auditing.

It is proposed that all new commercial vehicle drivers be required to undergo an expanded training course to obtain Full Accreditation. The course would – as a minimum – be consistent with national accreditation standards.

Prospective drivers will be required to demonstrate competency in a range of areas including:

- local area knowledge;
- vehicle maintenance and safety;
- customer service, including disabled access;
- fatigue management;
- record keeping;
- complaints management;
- knowledge of code of conduct;
- practical driving skills;
- cross-cultural communication; and
- tourism training.

4.4 Industry Framework

Frequent complaints are received from within the industry that the regulatory framework advantages some sectors in comparison with the others.

To remove some existing anomalies and create a fairer environment, the following framework is proposed.

All CPV licences are to be regionally based.

All CPV fees are to be paid 6-monthly.

4.4.1 Minibuses

- Minibuses continue to operate without meters (Note: NT is the only jurisdiction with non-metered Minibus services);
- Minibuses obtain right to respond to hails in the street;
- Minibuses and taxis pay the same annual licence fee, on the basis that they have the access to similar markets;
- Maximum fare per passenger to be established by the CPV Board based on a zonal system (similar to public bus fare zoning practices). This proposal will continue to enable booking of the whole bus for a negotiated fee;
- Maximum fares to be prominently displayed to clients and actual fare negotiated before entry; and
- Fares to destinations outside of regulated Zones to be negotiable.
- All minibuses, excluding Replacement Vehicles, be required to operate a minimum of 100 hours per week.

4.4.2 Private Hire Cars

A tiered arrangement for private hire cars is proposed with annual fees based on the type of operation and hence the level of access to the total passenger market.

It is proposed that the \$10,000 entitlement fee be abolished. Existing entitlements would be offset against future annual fees. Annual licence fees would reflect the market access provided to each of the specified categories of Private Hire Cars.

4.4.2.1 Pre-booked Limousine Services

- Operate from authorised home Base only – no ranking;
- Set own fare structure; and

- Licence Fee of \$2,000 per annum.

4.4.2.2 Public Access Private Hire Cars

- Operate from authorised Base (pre-bookings) and authorised Ranks;
- Do not need to return to Base (or sub-Base) between hiring;
- Not permitted to take hails from the street;
- No meters installed, but fare schedule at least 30% higher than for equivalent taxi service. Fare schedule to be submitted to CPV Board for approval; and
- Licence Fee of \$4,000 per annum.

4.4.2.3 Special Function Private Hire Vehicles

- This category includes other vehicles not in the above categories such as vintage cars and similar vehicles which operate only for special functions, such as weddings;
- Associated fee of \$500 per annum.

4.4.2.4 Courtesy Cars

- All courtesy type vehicles used by hotels and tourist operations to be specifically licenced;
- Licence Fee of \$200 per annum;
- All other courtesy type vehicles including those operated by garages, creches etc to be subject to existing conditions.

4.4.3 Taxis

- Taxis continue to operate with meters;
- Taxis and minibuses pay the same annual licence fee, on the basis that they have the access to similar markets;
- Maximum fare structure to be established by the CPV Board;
- Maximum fares to be prominently displayed to clients; and

- Fares to destinations outside of regulated Zones to be negotiable.
- All taxis, excluding Replacement Vehicles, be required to operate a minimum of 100 hours per week.

4.5 Industry Regulation

There is a wide range of sometimes, minor regulatory requirements covering areas such as vehicle types and cosmetics, driver uniforms and advertising on vehicles which are currently enforced by regulation through the Department of Infrastructure, Planning and the Environment. Many of these issues would more normally be the responsibility of the company concerned in any other industry context.

In addition, it is apparent that in some cases CPV operators and networks are not fulfilling their obligations to customers and the community in areas such as quality of service, handling of customer complaints and accurate record keeping to assist in handling such complaints. CPV operators and networks should have a complaint resolution mechanism as part of their customer service obligations.

The industry should have at a minimum, mechanisms to deal with conflict resolution and standards of service. These standards should be in line with other service delivery organisations such as in hospitality industries.

In order to maximise industry self-regulation, it is proposed that:

- monitoring of wearing of driver uniforms etc become the responsibility of operators and networks;
- six monthly inspections of CPVs be abolished and replaced with annual inspections which can be carried out by appointed industry authorised inspectors; and
- responsibilities of networks, operators and drivers in relation to customer complaints, record keeping, driver standards and disciplinary action against operators/drivers be reviewed by the CPV Board and clarified where necessary, in regulations.

4.6 Ranking space

The provision of taxi and minibus ranks is the responsibility of Local Government, the Development Consent Authority (for new major developments) and other relevant stakeholders such as airports and shopping centre operators.

It is proposed that a small working group of the CPV Board be set up with representation from the above groups, as required, to ensure sufficient ranking space is available to meet the needs of industry and the public.

It is proposed to make NT Government Public Transport bus stops available for ranking purposes outside of normal bus hours, with substantial penalties applying for any misuse by industry or the public.

4.7 CPV Board

Members of the CPV Board will be appointed by the Minister, after receipt of nominations from relevant industry sectors and representative bodies.

It is proposed that one transport inspector in Darwin and one in Alice Springs is seconded to the CPV Board for a trial period to ensure that the Boards priorities are met. Visits to other NT centres should also occur from time to time.

5. OPPORTUNITY FOR FURTHER COMMENT

The opportunity for further comment is available for a period of one month from the date of release of the discussion paper, before being resubmitted to Cabinet as a final document.

Written suggestions, submissions or comment should be forwarded to:

The Hon Kon Vatskalis
Minister for Infrastructure, Planning and Environment
GPO Box 3146
Darwin NT 0801

For further information, please contact Mr John Hollins of the Department of Infrastructure, Planning and Environment on ph 89247453.

6. APPENDICES

Appendix A

CVL statistics 1997 – 2002

Appendix B

Chart of Northern Territory – CVL

Appendix C

Terms of Reference

Appendix D

Written Submissions Received

CVL statistics for the period 1997 – 2002

Active CPV Licences' as at the dates shown							
	Jan-97	Jan-98	Jan-99	Jan-00	Jan-01	26-11-01	24-4-02
TAXI	138	138	138	182	178	186	***183
PRIVATE HIRE	103	92	88	77	75	**69	***67
MINIBUSES	unknown	62	52	47	49	54	***46
TOTAL	unknown	292	278	306	302	309	296

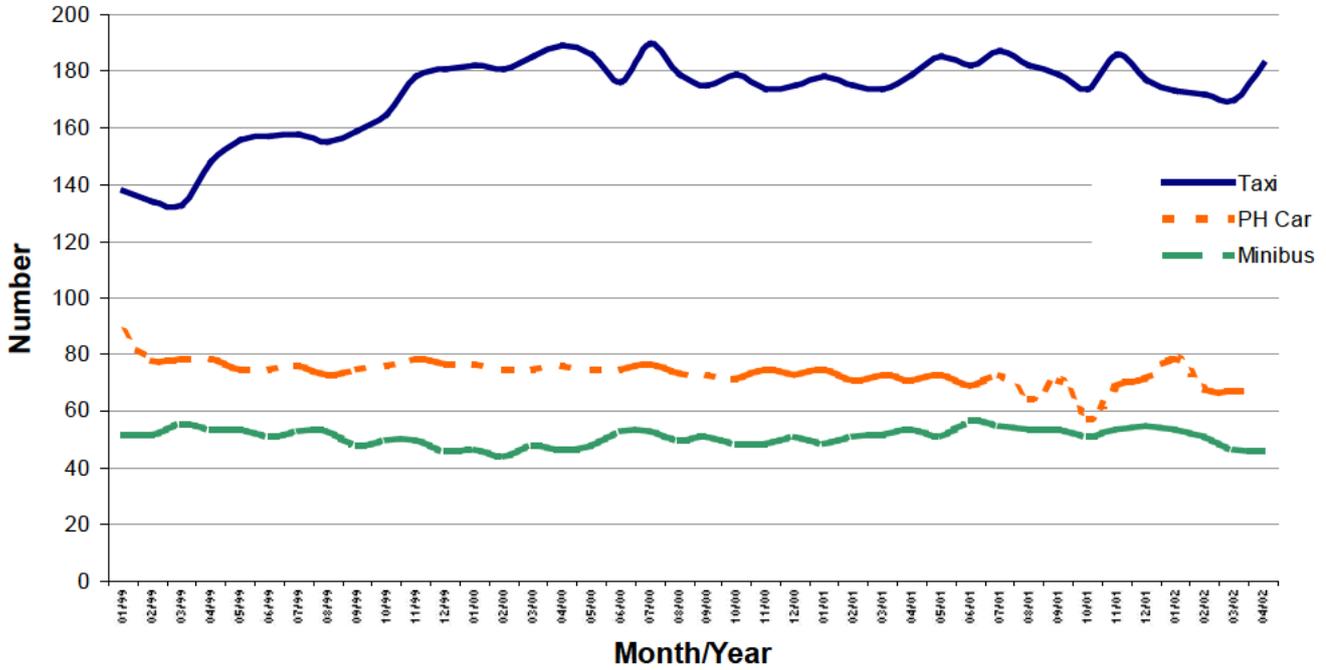
** 84 entitlements to operate a private hire car were in place (cap) but only 69 active CVLs

*** Reduction in numbers brought about by operators taking time out for periods up to 3 mths

		CVL Before 01-01-99	CVL From 01-01-99	
Darwin	Taxi	**	\$16,000	** Typical lease fee, from plate owners, was \$450 to \$500 per week for a taxi in the Darwin area
	MPT		\$8,000	
	Minibus	\$500 for 3 yrs	\$7,500	
	Private Hire	* 0	* + \$1000	
Alice Springs	Taxi		\$13,000	
	MPT		\$6,500	
	Minibus	\$500 for 3 yrs	\$6,000	
	Private Hire	* 0	* + \$1000	
Katherine	Taxi		\$9,000	
	MPT		\$4,500	
	Minibus	\$500 for 3 yrs	\$4,000	
	Private Hire	* 0	* + \$1000	
Tennant Creek	Taxi		\$4,500	
	MPT		\$2,250	
	Minibus	\$500 for 3 yrs	\$2,250	
	Private Hire	* 0	* + \$1000	
Gove	Taxi		\$5,000	
	MPT		\$2,500	
	Minibus	\$500 for 3 yrs	\$2,500	
	Private Hire	* 0	* + \$1000	

*** One off Fee for Private hire car plate / entitlement \$10,000**

Northern Territory - Commercial Vehicle Licenses



TERMS OF REFERENCE

REVIEW OF COMMERCIAL PASSENGER VEHICLE ARRANGEMENTS IN THE NORTHERN TERRITORY

The Northern Territory Government is currently reviewing the operational framework and regulatory arrangements for certain classes of commercial passenger vehicles in the Northern Territory. These are: minibuses, private hire cars, and taxis.

In conducting this review, the Government is seeking to gather the views of both industry and community stakeholders.

The review will focus on:

- (i) The capacity of these three sections of the industry (minibus, private hire car and taxi) to provide sustainable, high quality services to the public; and
- (ii) Improvements that can be made to the operational framework and regulatory arrangements to achieve the objective of sustainable, high quality services to the public.

Written suggestions, submissions or comment are welcomed and should be forwarded to:

Minister for Infrastructure, Planning and Environment
GPO Box 3146
Darwin NT 0801

by 30 March 2002.

For further information, please contact Mr John Hollins of the Department of Infrastructure, Planning and Environment on ph 8924 7453.

COMMERCIAL PASSENGER VEHICLE INDUSTRY REVIEW 2002**WRITTEN SUBMISSIONS RECEIVED**

1. NT Minibus Association (NTMA)	1/12/01
2. Julian Sharples, Vice Pres NTMA	5/12/01
3. P Martin / G Cooke, Alice Springs taxi operators	21/11/01
4. Larry Kennaway, Around-about Alice Bunji Shuttle	6/12/01
5. City Radio Taxis	27/12/01
6. Kerry Archer, First Choice Minibus	12/12/01 & 18/3/02
7. K McNeill/G MacLeod, Mollycorp Logistics Solutions	8/1/02
8. Sara Eltham, Rydges Plaza	26/2/02
9. Dino Scungio, The Darwin Holiday Shop	27/2/02
10. J Bancroft, Gecko Lodge	25/2/02
11. Taxi Council of the NT	25/11/01
12. Michael Scott, Mirambeena Resort	1/3/02
13. Aidan Hedley/Marisa Wayne, Uni Travel	28/2/02
14. K Armstrong/P Charles, PH operators	26/1 & 13/2/02
15. Patricia Oates, Orchid House Bed & Breakfast	22/2/02
16. George Korzensky, Mediterranean All Suite Hotel	21/2/02
17. Lisa Rowling, Barramundi Lodge	2/3/02
18. Coomalie Enterprises	22/2/02
19. Botanic Gardens Apartments	27/2/02
20. Hogs Breath Café Management & Staff	March 02
21. Cullen Bay Charters Management & Staff	11/3/02
22. Trevor O'Brien, Alice Private Hire Cars	6/3/02
23. Andrew Cripps, Carlton Hotel	13/3/02
24. Sharon Kelly, Value Inn	25/2/02
25. Reg Marlow, PH owner/operator	12/3/02
26. Jose Soares, Kangaroo Radio Taxis	8/3/02
27. Ken & Connie Cohalan, Cohalan Enterprises	10/3/02
28. David Fleming, Grand Touring Coaches	16/3/02
29. Impala Private Hire, Alice Springs	March 02
30. A A Grant	14/3/02
31. John & Erin Southee, Hayes Limousine Service	22/3/02
32. Penni Tastula, Acacia Luxury Transport	24/3/02
33. John Worrell, proposed PH Car Association	27/3/02
34. Ted Dunstan	5/3/02