

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mrs Lambley to the Minister for Infrastructure, Planning and Logistics:

Taxi Industry and Ridesharing

- 1. What reforms have been made to the NT taxi industry since the Inquiry into Taxi Licensing and Subleasing released its 11 recommendations in 2017?**

The commercial passenger vehicle industry has undergone substantial change since the Public Accounts Committee released its findings in November 2017. These changes were implemented as part of this Government's election promise to deliver ridesharing services to Territorians and provided a new regulatory framework for industry to develop and innovate over the foreseeable future. This Government has built upon these reforms through the development of further work in response to the Inquiry recommendations.

Government has stated its position regarding the 11 recommendations and is currently working with industry to ensure initiatives achieve a positive outcome. Currently, consultation is taking place with industry on the introduction of written bailment agreements which will ensure a more transparent industry, with roles of industry members clearly defined. Once this process is finalised, new operating conditions will be applied to industry which will make subleasing clearly unlawful.

- 2. Which of the 11 recommendations from the 2017 Inquiry will the NT Government implement?**

With the exception of Recommendation 1, Government has supported all recommendations of the inquiry. Many of the recommendations form

existing Government and Department of Infrastructure, Planning and Logistics' policy and will continue unchanged, such as Recommendation 6, which was introduced by Government for the 2016 Darwin taxi ballot.

Government notes the Inquiry recommendation to remove the cap however, with the introduction of the new regulatory framework on 1 February 2018, Government decided it would not consider removing the cap at this time as it would add further instability to the industry at this time of significant change.

3. What is the timeframe for implementing these recommendations?

The Department has prioritised implementing the identified strategies. While some of this work includes legislative change which, while a priority, will most likely take in excess of 12 months to deliver, the implementation of other measures is well under way through an extensive consultation program and the development of a standard bailment agreement to increase transparency and improve industry practice.

4. Which recommendations of the 2017 Inquiry has the Government decided not to implement and why?

Recommendation 1 addressed in response to Question 2 above.

Since the 2017 inquiry, Government has implemented a new regulatory model for the commercial passenger vehicle industry. The new model allows for ridesharing services and focuses regulation on safety outcomes. With respect to Recommendation 11, Government has previously committed to reviewing the effects of this new regulatory model, firstly in August of this year to ensure the changes have not adversely affected community members living with a disability, and then a broader review early in 2020 to ensure the new framework is meeting community expectations.

5. What is the rationale for not implementing recommendation number 1 (to lift the cap on taxi licenses) until 2020?

Addressed in response to Question 2 above.

6. How many taxi licenses have been issued by the NT Government since 1st January 2017 to 1st August 2018?

A total of 20 new taxi licences were issued across the Northern Territory between these dates – 14 in Katherine; four in Gove; one in Tennant Creek and one in Darwin. While the taxi ballot was held in July 2016, conditions of the ballot determined that any new licences made available within an eight month window would be issued to the next eligible person as drawn from the ballot. As one wheelchair taxi licence had been returned during January 2017 and it was reallocated to the next person on the ballot list.

As regions outside of Darwin and Alice Springs are uncapped, the numbers of new taxi licences do not necessarily mean an increase in total numbers as industry has the ability to cancel existing licences and reapply for new licences at will or adjust their fleet sizes during periods of high and low demand. Many of the new issued licences in Katherine are the result of changing ownership of the local taxi networks.

7. How many of these new licences were issued in Darwin?

One – this was issued in February 2017 to the next eligible person as drawn from the July 2016 ballot and in accordance with the conditions of that ballot.

8. How many of these new licences were issued in Alice Springs?

Nil.

9. Were these new licences issued using the ballot system?

Notwithstanding the long standing exemption in circumstances of a licence holder death, it is the position of this Government that all new licences in the Darwin and Alice Springs regions are issued through the ballot. Ballots are held as required to ensure the established taxi numbers are maintained in these regions. As population movements have not determined a need to increase taxi numbers, nor has there been any returned licences since the last ballot. Government has not held a ballot since the Inquiry.

Outside of the Darwin and Alice Springs regions, operators are free to apply for a taxi licence and licences may be issued without limitation, i.e. are not subject to ballot requirements.

10. Since the 2017 Inquiry into Taxi Licensing and Subleasing, what has the NT Government done to ensure that all taxi license holders reside in NT, as required by law?

While it is acknowledged there are limits to the legal powers to make enquiries, the Department of Infrastructure, Planning and Logistics will continue to investigate reports of licence holders living interstate and have several cases currently under review. Where a taxi licence holder intends to reside outside of the Northern Territory and in effect remove themselves from the pro-active engagement of running their licence, that licence will be cancelled in accordance with legislative provisions.

It is also anticipated that, once implemented, the mandating of written bailment agreements between operators and drivers will help identify absentee licence holders.

11. What has the NT Government done to address the illegal practice of taxi sub-leasing since the 2017 Inquiry?

The Department of Infrastructure, Planning and Logistics is currently consulting with industry on the content of bailment agreements which, once completed, will be mandatory for all taxi and minibus licence holders to have in place with each of their drivers.

Mandating written bailment agreements for industry will clearly identify the roles and responsibilities of each party. Operators and drivers entering an agreement outside of the established requirements for bailment agreements will be knowingly entering into an unlawful arrangement and may be subject to prosecution or removal from the industry.

Once the minimum requirements for bailment agreements have been finalised, all taxi and minibus licences will be updated to include the requirement to have in place, a compliant bailment agreement with each driver. In conjunction with this licence amendment, two further conditions of licence will be added, being an express condition preventing the subleasing of the licence and a requirement for the licence holder to maintain legal ownership of the vehicle.

These bailment agreements will provide further auditable evidence that industry is complying with its obligations and will establish greater transparency for all stakeholders.

12. What changes have occurred within the NT Department of Transport to ensure better regulation of the NT Taxi Industry and improved internal operations and compliance with NT legislation since the 2017 Inquiry? Please provide details of internal Government reforms.

The Inquiry was concerned with the Department of Infrastructure, Planning and Logistics' internal policy. As such, the Department has conducted a review into all internal policy relating to the commercial

passenger vehicle industry. The Department has now transferred relevant information to publically available documents where applicable.

During the Inquiry, it was also identified that some sectors of industry did not have a sound understanding of how industry operated. To immediately address this concern, the Department published relevant information during the Inquiry and delivered this information through established forums.

It is expected that the consultation process relevant to the introduction of bailment agreements will add another layer of information on how the industry is expected to operate under the new policy positions taken by Government in response to the Inquiry.

13. How will the roll out of ridesharing in the NT impact on decisions to reform the NT taxi industry, as recommended by the 2017 Inquiry?

The introduction of ridesharing services into the Northern Territory does not directly affect the majority of the recommendations from the Inquiry or what these recommendations intend to achieve however, as ridesharing does have the potential to affect the short term stability of the taxi industry, Government will not consider Recommendation 1 (removal of the cap) at this point in time.

Furthermore, while it is understood this industry is subject to many reviews, it is important to ensure the new regulatory model meets community expectations and does not disadvantage persons living with disabilities. Therefore it is important we undertake further reviews in the short term.

14. Why was the \$1 surcharge on all taxi fares introduced from 1 July 2018 by the NT Government?

On 1 February 2018, Government introduced a per trip levy on all point to point transport services. Point to point transport services include taxis, minibuses, Private Hire Cars and ridesharing services. The introduction of levy commenced with ridesharing services and saw the annual licence fees for taxis, minibuses and Private Hire Cars being substantially reduced. This ensured a level playing field was maintained across the various categories of commercial passenger vehicle.

Operators of taxis, minibuses and Private Hire Cars, and the operators of ridesharing platforms, are required to pay the levy on a monthly basis. The levy collected will be used to assist with the regulation of the industry and to help fund the Transport Subsidy Scheme which provides financial assistance to persons with disabilities when accessing point to point transport options.

15. Please provide the latest statistics on ridesharing in the NT.

To date, there has been three rideshare providers approved to operate a ridesharing platform (app) in the Northern Territory however, only one company, Hi Oscar, is currently delivering a service for the regions of Darwin and Alice Springs. Shebah has had approval for some time, however has not indicated a timeframe to commence. The third operator, Ola (which is one of the largest platforms in the world), is currently recruiting drivers and anticipates operating in the coming weeks.

The Department is currently assessing an application from Uber for approval to commence operating, initially in the Darwin region only.

16. As of 1st August 2018, how many people / businesses have registered to provide ridesharing in Darwin?

There has been 153 drivers and 66 vehicles approved to deliver ridesharing services in the Darwin region.

- 17. As of 1st August 2018, how many people / businesses have registered to provide ridesharing in Alice Springs?**

There has been eight drivers and four vehicles approved to deliver ridesharing services in the Alice Springs region.

- 18. As of 1st August 2018, how many people / businesses have registered to provide ridesharing in Tennant Creek?**

Nil.

- 19. As of 1st August 2018, how many people / businesses have registered to provide ridesharing in Katherine?**

Nil.

- 20. As of 1st August 2018, how many people / businesses have registered to provide ridesharing in Nhulunbuy?**

Nil.

- 21. How many ridesharing trips have been provided in Darwin since ridesharing commenced on 1 February 2018 to 1st August 2018?**

There has been a total of 11,778 ridesharing journeys completed in the Darwin region during this time.

- 22. How many ridesharing trips have been provided in Alice Springs since ridesharing commenced on 1 February 2018 to 1st August 2018?**

There has been a total of 529 ridesharing journeys completed in the Alice Springs region during this time.

23. How many ridesharing trips have been provided in Katherine since ridesharing commenced on 1 February 2018 to 1st August 2018?

Nil.

24. How many ridesharing trips have been provided in Tennant Creek since ridesharing commenced on 1 February 2018 to 1st August 2018?

Nil.

25. How many ridesharing trips have been provided in Nhulunbuy since ridesharing commenced on 1 February 2018 to 1st August 2018?

Nil.
