

Response to Schedule of PAC Recommendations

Inquiry into Taxi Licensing and Subleasing Report

PAC Recommendation 1

The Committee recommends that the cap on taxi licence numbers in Darwin and Alice Springs be removed through a staged reform process. The staged reform process should be established in consultation with industry with a view to maximising the quality of taxi services while minimising any potentially adverse consequences of change.

Response: With the introduction of the new regulatory framework to accommodate rideshare services, Government has committed to review the point to point transport industry early in 2020 (two years after introduction). The review will look at the effects of the new regulations, the impact of rideshare services on traditional transport services such as taxis, and will also consider the future need to maintain the cap on taxi licence numbers.

While moving to an open competitive market should be a focus for Government, there is also a need to ensure existing industry members have time to adjust to the introduction of non-traditional transport options such as rideshare services. The responsible approach is to provide existing operators with some stability in the short term to ensure effective transport services to the public are maintained, particularly for those less mobile, and review the need to maintain a cap on taxi licence numbers in 2020.

PAC Recommendation 2

The Committee recommends that the requirements to hold a licence should be reviewed and revised to ensure that they adequately promote community safety and service standards without unfairly restricting entry to licence holding.

Response: Current legislation ensures that each person engaged in the commercial passenger transport industry is first assessed as being of a fit and proper character. All persons are assessed against published principles, with periodic and triggered reviews to ensure persons remain fit and proper while operating in the industry.

Changes to the ballot entry criteria were made in 2016 which set a higher bar for persons wishing to operate a new taxi licence in the Darwin and Alice Springs regions. This new ballot eligibility criteria looks at matters including an applicant's compliance history and that they have remained actively engaged in the industry. This criteria will be maintained for any future ballots.

With the introduction of rideshare services, the training of drivers will now be the direct responsibility of licence holders. This has removed unnecessary barriers to entry for new drivers and ensures licence holders can deliver the necessary training they require to provide safety and service standards.

PAC Recommendation 3

The Committee recommends the Department develop and implement a strategy for improving service standards and safety requirements.

Response: With the introduction of rideshare services to the Territory, ownership of driver training is now with industry. This provides licence holders with the flexibility to meet the expected levels of service in a more competitive point to point transport market.

Performance data from the taxi industry is collected and monitored by the Department and Government will continue to regulate standards of service to passengers travelling in wheelchairs to ensure these people are not disadvantaged.

In 2018, the Point to Point Accessible Transport Service Working Group (the Group) was established to carry on the previous work done by the Multiple Purpose Taxi (MPT) Working Group. The main focus of the Group is to explore options to improving the delivery of point to point transport services to persons travelling in wheelchairs.

The Department currently manages two general industry forums, being Top End CPV Forum and the Central Australian CPV Forum. These two forums are represented by various stakeholders, such as industry, users groups and relevant agencies and focus on improving services delivery standards.

PAC Recommendation 4

The Committee recommends that, if the cap is maintained, the Department develop and implement a comprehensive strategy to prevent subleasing, including any necessary changes to legislation, regulations or licence conditions, and the development of effective means of enforcement. In developing this strategy, the Department should have regard to any need for transitional arrangements for existing sublease agreements.

Response: The Department has developed a comprehensive strategy to combat the issue of subleasing which it is now implementing.

This strategy consists of longer term legislative changes along with effective short term measures which will see subleasing clearly identified as unlawful which will attract clear penalties for any person proven to be engaged in the subleasing of licences.

The Department has also commenced work on developing a model Bailment agreement for the local taxi industry to promote a fairer and more transparent industry. This will assist drivers with a better understanding of an acceptable benchmark agreement and will offer industry a readily adoptable standard agreement. Along with this model agreement, Government will mandate that industry must have a written Bailment agreement with each of their drivers to ensure driver protection.

PAC Recommendation 5

The Committee recommends that, if the cap is maintained, the Department undertake proactive and comprehensive investigations to determine if licence holders are complying with current residency requirements.

Response: While the Department has continued to administer the provisions of the *Commercial Passenger (Road) Transport Act* and has, over the years refined its methods for establishing residency non-compliances, the difficulties in obtaining sufficient evidence to prove non-residency remain.

In recent years, the Department has written to operators suspected of no longer residing in the Northern Territory and requested them to provide evidence such as day to day transaction receipts which may indicate NT residency.

The Department has also conducted audits of records relating to the payment of regulatory costs to identify whether the registered operator is the person actually paying these bills, or whether it is another party.

An audit was also recently conducted of mandatory driver insurance. The audit provided some insight into the parties holding the insurance policies necessary to the operation of each taxi.

Looking forward, the mandating of Bailment agreements and the new systems in place to manage the recently introduced per trip levy will prove useful in assisting the Department with continuing investigations of this nature. Bailment agreements will assist the Department in determining the engagement each operator has with their business and therefore provide information of potential non-residents of the NT. This, in conjunction with establishing clearer options for actions (identified under Recommendation 4), should better determine compliance with residency obligations.

PAC Recommendation 6

The Committee recommends that, if the cap is maintained, taxi licences should be allocated through the ballot process between existing drivers who do not already hold a licence and have worked as a driver in the Northern Territory for at least five years.

Response: This Government supports the continuation of the eligibility criteria that was adopted for the 2016 Darwin taxi ballot. This criteria directly addresses the PAC's recommendations regarding the distribution of taxi licences through ballot process, including allocating licences to existing drivers with a long work history in the industry, and goes further to examine such things as driver compliance history which supports other PAC recommendations.

PAC Recommendation 7

The Committee recommends the Department take action to restore trust through open, transparent and accountable decision making.

Response: Extensive consultation is undertaken with the Taxi Council, network operators and broader industry on an ongoing basis. This has occurred as a key priority during reviews and reforms and with the introduction of ridesharing. The Alice Springs Taxis Association has recently been established by industry to represent taxi drivers in the Alice Springs region and is considered by the Department as an industry peak body.

The Department also maintains industry forums which comprise of members from both within industry and with relevant stakeholders from outside of industry.

During the PAC inquiry it was identified that the information surrounding subleasing required improving. The Department has developed an information bulletin to assist industry with understanding the various industry practices and Government policies.

PAC Recommendation 8

The Committee recommends the Department develop and implement an extensive education program to improve the industry's understanding of the regulatory framework, compliance with regulatory requirements and industry and consumer expectations.

Response: The Department engages with industry through a number of means with specific industry forums being established to maintain clear communications. These forums meet regularly and are represented by relevant stakeholders and provide industry the opportunity to raise operational issues.

I note during the recent introduction of rideshare services the Department had written directly to every industry operator and driver to ensure each industry participant was well informed of the new regulatory framework.

I further note since the PAC identified shortfalls in industry's knowledge of bailment agreements, the Department has published information to assist with inconsistencies with information and will continue to promote industry education and knowledge through dissemination of information.

PAC Recommendation 9

The Committee recommends that the Department and the Department of Tourism and Culture work collaboratively with the industry to enhance the role of taxis in providing tourist services.

Response: The Department has continued to support the established CPV forums which comprise of representatives from the tourism sectors as well as industry and user groups. The Top End CPV Forum has representation by Tourism Top End with Tourism Central Australia being represented on the Central Australian CPV Forum.

These forums continue to explore avenues to improve the role taxis play in promoting tourism and I am pleased to advise that this collaborative effort has remained a common agenda item for the forums.

PAC Recommendation 10

The Committee recommends that all future industry reviews incorporate both industry consultation and comprehensive and objective analysis of the options for regulatory reform and their implications.

DIPL Response: This Government has maintained a focus on active and broad consultation with all stakeholders and will continue to do so with any future initiatives.

This was evident throughout the most recent industry review which saw the introduction of rideshare services into the Territory and included establishing the independent Rideshare Steering Committee that met regularly and advised on this reform over a five month period.

PAC Recommendation 11

The Committee recommends that the Government, as far as possible within the current changing environment, avoid any further reviews of the taxi industry, and make clear decisions about the appropriate policy settings, and amend the applicable legislation to provide clear laws consistent with policy choices.

Response: I acknowledge the taxi industry has been subject to numerous reviews over the past two decades. Even so, it was important to include the taxi industry in the most recent review as it was anticipated the new rideshare services would impact the industry. While not a taxi review in isolation, a focus of the Rideshare Steering Committee was to maintain a level playing field between categories which required a review of current industry practice.

To ensure the new regulatory framework remains effective, Government has determined that minor internal reviews of the industry will be required within six months of the introduction of rideshare to ensure services to the disability sector have not reduced and a further review 18 months after that (early 2020).