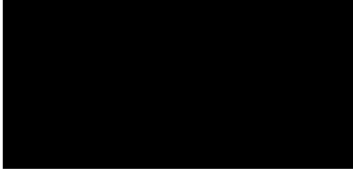





ACT
Government

Chief Minister, Treasury and
Economic Development

Our ref: CMTEDDFOI2019-002



Via email: 

Dear 

FREEDOM OF INFORMATION REQUEST

I refer to your application under section 30 of the *Freedom of Information Act 2016* (the Act), received by the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) on 4 January 2019, in which you sought access to:

1. *A list of names of leases and taxi plate numbers and/or list of names, telephone numbers and taxi plate numbers of current leases of ACT Taxi Plates issued by the ACT Government.*
2. *A list of ACT Perpetual taxi Plate owners (name, address, telephone) of owners of ACT Perpetual Taxi Plate Owners.*
3. *A list of prices and dates of sales of Taxi Plates with Taxi Plate number over the last 10 years.*
4. *A list of Taxi Plates which are leased from the ACT Government, expiry dates and price of lease. Details of the formula used by the ACT Government in determining Taxi Plate Caps in the last 10 years.*
5. *Copies of Ministers Briefs provided to Minister Ramsay and Minister Rattenbury related to the ACT Taxi Industry and the Ride-Share Industry in the ACT (Uber - Ola) over the last 5 years.*
6. *A copy of current standard lease agreements issued to Taxi Leases in the ACT.*
7. *A copy of historical taxi lease agreements used that are different in the last 10 years.*
8. *A copy of Sales, Ballot or Auction Agreements used in the last 30 years by ACT Government in issuing new Perpetual Taxi Licence Plates.*
9. *A copy of survey results undertaken by Winton Sustainable Research Strategies as part of the a deed in September 2017 as to public views on their taxi ride experience with no identifying particulars just the results and any subsequent report or recommendations prepared by the ACT Government based on these surveys.*
10. *Copy of any submissions made by AERIAL Capital Group Ltd and the Capital Taxi Industry Association Inc during the last 3 years on any matters related to the ACT Taxi Industry.*

11. *Numbers of on-demand rideshare transport drivers registered with Access Canberra since 2016.*
12. *Number of on demand transport operators registered with Access Canberra since 2016.*
13. *List of service quality complaints and details of complaint for ride-share operators since January 2016.*

On the 21 January 2019 the Justice and Community Services Directorate accepted transfer of parts 4 (in part - *Details of the formula used by the ACT Government in determining Taxi Plate Caps in the last 10 years*) and part 5 and 10 in their entirety.

On 24 January 2019, Daniel Riley, Information Officer made a decision in relation to the abovementioned access request. That decision advised that there were no documents within the scope of your request found to be within the control or possession of CMTEDD in relation to part 5. Following this decision, the Policy and Cabinet team advised they had 11 documents held solely by their office, which were not considered in the original decision.

Authority

I am an authorised Information Officer appointed by the Director-General of CMTEDD under section 18 of the Act to deal with access applications made under Part 5 of the Act. This decision is made pursuant to section 36 of the Act.

Decision on access

I have decided to grant partial access to 9 additional documents and exempt 2 documents in full. The information redacted in the documents I consider to be information that would, on balance, be contrary to the public interest to disclose under the test set out in section 17 of the Act.

I have included as Attachment A to this decision the schedule of relevant documents. This provides a description of the documents that fall within the scope of your request and the access decision for those documents. My access decisions are detailed further in the following statement of reasons. The documents released to you are provided as Attachment B to this letter.

In accordance with section 54(2) of the Act a statement outlining the reasons for my decision is below.

Statement of Reasons

In reaching my access decision, I have taken the following into account:

- the Act;
- the content of the documents that falls within the scope of your request; and
- the *Human Rights Act 2004*.

Exemption claimed

My reasons for deciding not to grant full access to the identified document is as follows:

Legal Professional Privilege (Schedule 1 of the Act)

Document ref no. 9 contains advice provided by the Government Solicitor Office (GSO). I consider the advice is subject to legal professional privilege as it was brought into existence for the dominant purpose of providing a legal opinion in relation to those decisions. I am satisfied that the communications were made in circumstances of confidentiality and were provided by an independent legal adviser satisfying the requirements to attract legal professional privilege. For this reason, I have decided to exempt from release this information.

Cabinet Information (Schedule 1 of the Act)

Document number 11 contains information that was prepared and brought into existence for consideration by Cabinet. The information in these documents is deliberative in nature and includes advice regarding the evaluation of the 2015 ACT Tax industry reforms.

In reviewing the documents, I note the requirements of schedule 1 section 1.6(2) of the Act which states that the exemption for Cabinet Information does not apply to 'purely factual information' unless the disclosure of the information would involve the disclosure of a deliberation or decision of Cabinet and the fact that the deliberation or decision has not been officially published. In the case of *Parnell & Dreyfus and Attorney-General's Department* [2014] AICmr 71, the Australian Information Commissioner stated that the term 'purely factual material' does not extend to factual material that is an integral part of the deliberative content and purpose of a document, or is embedded in or intertwined with the deliberative content in such a manner that it is impractical to separate it from the other content.

Having reviewed the documents, I consider that the purely factual information within the documents identified is an integral part of the deliberative content and as stated by the Commissioner, the analysis and views in the [documents] would be robbed of their essential meaning without incorporation of this material. I am satisfied that disclosure of this purely factual information would involve the disclosure of a deliberation or decision of Cabinet.

Having considered the information contained in the documents, I am satisfied that disclosure of such information contained in document number 11 would be contrary to the public interest pursuant to section 1.6 of Schedule 1 of the Act.

Public Interest Test (Schedule 2 of the Act)

The Act has a presumption in favour of disclosure. As a decision maker I am required to decide where, on balance, public interests lies. As part of this process I must consider factors favouring disclosure and non-disclosure.

In *Hogan v Hinch* (2011) 243 CLR 506, [31] French CJ stated that when 'used in a statute, the term [public interest] derives its content from "the subject matter and the scope and

purpose” of the enactment in which it appears’. Section 17(1) of the Act sets out the test, to be applied to determine whether disclosure of information would be contrary to the public interest. These factors are found in subsection 17(2) and Schedule 2 of the Act.

Factors favouring disclosure (Schedule 2 section 2.1)

Taking into consideration the information contained in the documents found to be within the scope of your request, I have identified that the following public interest factors in favour of disclosure are relevant to determine if release of the information contained within these documents is within the ‘public interest’:

- (a) *disclosure of the information could reasonably be expected to do any of the following:*
- (i) *promote open discussion of public affairs and enhance the government’s accountability;*
 - (ii) *contribute to positive and informed debate on important issues or matters of public interest;*
 - ...
 - (viii) *reveal the reason for a government decision and any background or contextual information that informed the decision;*

Having considered the factors identified as relevant in this matter, I consider that release of the information within the scope of the request may promote open discussion of public affairs and enhance the government’s accountability. The documents identified contain information relating to the taxi industry and the ride-share industry in the ACT which I consider is of public interest. The briefs seeking ministerial approvals identified contain details of the recommendations from the Directorate and the supporting reasoning. I consider the release of this information could reveal the reason for the government decision and any background or contextual information that informed the decision. Moreover, I consider the release of functional information of the business unit dealing with the policy changes in the ACT taxi industry could inform the community of the function and structure of the relevant business unit. As a result, the release of documents identified could enhance the Directorate’s accountability and contribute to positive and informed debate on the recent policy changes in the taxi industry. I am satisfied that the public interest in increasing transparency and accountability of the Directorate carries significant weight.

Factors favouring non-disclosure (Schedule 2 section 2.2)

As required in the public interest test set out in section 17 of the Act, I have also identified the following public interest factors in favour of non-disclosure that I believe are relevant to determine if release of the information contained within these documents is within the ‘public interest’:

- (a) *disclosure of the information could reasonably be expected to do any of the following:*
- ...
 - (ii) *prejudice the protection of an individual’s right to privacy or any other right under the Human Rights Act 2004;*
 - ...
 - (xii) *prejudice an agency’s ability to obtain confidential information.*

When considering the documents and factors in favour of non-disclosure, I have considered the personal information of staff members contained in the documents. This includes names and contact phone numbers. I am satisfied that the names and contact information of employees below Senior Executive Service (SES) levels should be redacted due to personal privacy considerations. However, I do not consider the release of the names and contact information of senior executives is unreasonable as it is accepted by senior executives that they carry additional responsibilities including approving and clearing documents prepared by their staff members. For this reason, I have decided to redact the names and phone numbers of employees that are below SES levels.

I am of the opinion that release of the abovementioned personal information may prejudice the protection of the individual's right to privacy or any other right under the *Human Rights Act 2004*. I am satisfied that this factor favouring non-disclosure should be afforded very significant weight as it relates to individual privacy.

I have also considered the impact that the release of some of the documents could have on the relations between the ACT Government and the ACT taxi industry. The identified documents contain confidential information provided to the ACT Government by members of the ACT taxi industry who were under no obligation to provide the information and the provision was done so with a mutual understanding of confidentiality. I am satisfied that if released this may impede the Directorate's ability to obtain confidential information in the future and I consider that maintaining good working relations between the ACT Government and the ACT taxi industry crucial to the ongoing negotiations on this issue and on future matters. I am satisfied that this factor favouring non-disclosure carries very significant weight.

Noting the pro-disclosure intent of the Act, I am satisfied that redacting only the information that is not in the public interest to release, whilst releasing the rest of the information will ensure the intent of the Act is met and will provide you with access to the majority of information held by CMTEDD within the scope of your request.

Charges

Pursuant to *Freedom of Information (Fees) Determination 2017 (No 2)* processing charges are applicable for this request because the total number of pages to be released to you exceeds the charging threshold of 50 pages. However, the charges have been waived in accordance with section 107(2)(b) of the Act.

Online publishing – Disclosure Log

Under section 28 of the Act, CMTEDD maintains an online record of access applications called a disclosure log. Your original access application, my decision and documents released to you in response to your access application will be published in the CMTEDD disclosure log after 6 March 2019. Your personal contact details will not be published.

Ombudsman Review

My decision on your access request is a reviewable decision as identified in Schedule 3 of the Act. You have the right to seek Ombudsman review of this outcome under section 73

of the Act within 20 working days from the day that my decision is published in the CMTEDD disclosure log, or a longer period allowed by the Ombudsman.
If you wish to request a review of my decision you may write to the Ombudsman at:

The ACT Ombudsman
GPO Box 442
CANBERRA ACT 2601
Via email: ombudsman@ombudsman.gov.au

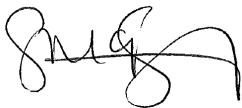
ACT Civil and Administrative Tribunal (ACAT) Review

Under section 84 of the Act, if a decision is made under section 82(1) on an Ombudsman review, you may apply to the ACAT for review of the Ombudsman decision. Further information may be obtained from the ACAT at:

ACT Civil and Administrative Tribunal
Level 4, 1 Moore St
GPO Box 370
Canberra City ACT 2601
Telephone: (02) 6207 1740
<http://www.acat.act.gov.au/>

Should you have any queries in relation to your request please contact me by telephone on 6207 7754 or email CMTEDDFOI@act.gov.au

Yours sincerely,



Sarah McBurney
Information Officer
Information Access Team
Chief Minister, Treasury and Economic Development Directorate

28 February 2019



ACT
Government

Chief Minister, Treasury and
Economic Development

FREEDOM OF INFORMATION REQUEST SCHEDULE

NAME	WHAT ARE THE PARAMETERS OF THE REQUEST	Reference NO.
[REDACTED]	Copies of Ministers Briefs provided to Minister Ramsay and Minister Rattenbery related to the ACT Taxi Industry and the Ride-Share Industry in the ACT (Uber - Ola) over the last 5 years.	CMTEDDFOI2019-002

Ref No	Page number	Description	Date	Status	Reason for Exemption	Online Release Status	
1	1-4	MIN:2015/002624	22 Apr 2015	Partial release	Sch 2 s2.2 (a)(ii), Sch 2 s2.2 (a)(xii)	Yes	
2	5-8	Letter – Taxi Industry Innovation Reform – Taxi Drivers – English Language Testing	21 Jul 2016	Partial release	Sch 2 s2.2 (a)(ii), Sch 2 s2.2 (a)(xii)	Yes	
3	9-12	Brief – Regulatory Reform – Taxi Industry Innovation Report	3 Jan 2017	Partial release	Sch 2 s2.2 (a)(ii), Sch 2 s2.2 (a)(xii)	Yes	
4	13-15	Brief – CMTEDD2017/1206	6 Apr 2017	Partial release	Sch 2 s2.2 (a)(ii), Sch 2 s2.2 (a)(xii)	Yes	
5	16-51	Brief – CMTEDD2017/1681	23 May 2017	Partial release	Sch 2 s2.2 (a)(ii), Sch 2 s2.2 (a)(xii)	Yes	
6	52-55	Brief – CMTEDD2017/1089	4 Jul 2017	Partial release	Sch 2 s2.2 (a)(ii), Sch 2 s2.2 (a)(xii)	Yes	
7	56-63	Brief – CMTEDD2017/1144	6 Aug 2017	Exempt in full	Sch 2 s2.2 (a)(xii)	Yes	
8	64-81	Brief – CMTEDD2017/3651	1 Sep 2017	Partial release	Sch 2 s2.2 (a)(ii), Sch 2 s2.2 (a)(xii)	Yes	
9	82-85	Brief – CMTEDD2017/4643	27 Oct 2017	Exempt Partial release	Sch 1 s1.2 Sch 2 s2.2 (a)(ii)	No Yes	
10	86-88	Brief – CMTEDD2018/570	19 Feb 2018	Partial release	Sch 2 s2.2 (a)(ii), Sch 2 s2.2 (a)(xii)	Yes	
11	89-91	Cabinet Brief – CMTEDD2018/2936	6 Jun 2018	Exempt	Cabinet Submission – Sch 1 s1.6	No	
Total No of Docs							
11							

MINUTE



ACT
Government

Chief Minister, Treasury and
Economic Development

IN CONFIDENCE

Date	22 April 2015	TRIM No: MIN:2015/002624 File No: 2014/10440
To	Chief Minister Minister assisting the Chief Minister on Transport Reform Cc: Head of Service	
From	Director, Government Reform • Through Deputy Director-General	
Subject	Taxi Industry Innovation Review – Discussion Paper	

Critical date and reason

1. **28 April 2015** – would enable a release date of 8 May 2015 for the Discussion Paper. We will liaise with your offices on release timing and announcement.

Background

2. On 28 January 2015, you jointly announced an innovation review of the ACT taxi industry. The review has been prompted by the emergence of alternative digital technologies and ridesharing business models, concerns about supply, demand and efficiency in the ACT taxi and hire car market.
 - a. As part of that announcement it was indicated that a Discussion Paper would be released early to mid-2015.
3. Since that time officials have undertaken targeted discussions with industry stakeholders.
4. On 23 March 2015, the Cabinet Sub-committee on Transport Reform considered a working draft of the discussion paper and agreed that you, jointly, would finalise arrangements for its release.

Issues

5. We propose the public release of the draft Discussion Paper for the Review (at Attachment A) and related materials as part of public consultation period. The Discussion Paper outlines:
 - a. the emergence of new technologies and their potential impact;
 - b. outlines the current industry structure and regulatory arrangements; and

- c. canvasses the elements that need to be considered to provide a regulatory framework that is risk-based and supports innovation, maintains public safety and access, and allows a level playing field for competition.
6. Examples of specific matters referenced through paper include:
- a. Consumer focus (Executive Summary; sections 2, 2.5 and 6.2)
 - i. People with Disabilities/WAT (sections 2.4, 4.1 - Study B, 7)
 - b. Support for innovation (Executive Summary; section 7)
 - i. Potential benefits (sections 6.1, 6.2)
 - c. Public transport integration, including Canberra Airport and Capital metro (sections 4.2, 6.5)
 - d. Existing industry providers
 - i. Level playing field (Executive summary; sections 2, 6.3, 7)
 - ii. Driver viability (section 3.2 – Study A)
 - iii. Perpetual plate holder investments (section 4.2; Appendix D)
 - iv. Canberra Taxi Industry Association (CTIA) Report (sections 2.3, 4.2; Appendix C)
 - e. Pricing
 - i. Dynamic pricing (sections 2.5, 5.2, 7)
 - ii. Payments surcharges (Executive Summary; section 6.4)
 - f. Other jurisdictions (5.2 – Study E)
 - i. Harper Review (Executive Summary)

Further process

- 7. We propose that the public consultation occur over a six week period from 8 May to 19 June 2015. A package of reforms would then be developed and brought to Government in September 2015.
- 8. Subject to your agreement to the text of the Discussion Paper, formatting of the publication will be carried out. A final release version of the Discussion Paper and related materials would be made available to you on 4 May 2015.
 - a. Proposed format samples for the Discussion Paper and a short form document are provided at Attachment B.

Consultation

- 9. The members of the inter-directorate working group supporting the Review, which includes CMTEDD, JACSD, Access Canberra and EPD representatives, have overseen the development of the Discussion Paper.

10. The paper has also been reviewed by the Centre for International Economics, as economic consultants to the Review.
11. Matters raised in meetings with, and submissions from, (targeted) industry stakeholders have been considered in the development of the Discussion Paper.
 - a. Stakeholder comments were received from: Aerial and Cabxpress taxi networks; CTIA; Australian Taxi Drivers Association; individual taxi and hire car operators and drivers; Cabcharge; Uber; goCatch; People with Disabilities; Canberra Business Chamber; and Canberra Airport.
12. The Australian Taxation Office (ATO) has been consulting with jurisdictions on its ruling about the application of GST to ridesharing. Section 4.1 outlines the ATO's position post 30 April 2015 to treat rideshare operators the same as taxi operators.

Financial

13. There are no financial implications related to the release of the Discussion Paper. All actions for community consultation are funded from within existing resources.

Risks/ Sensitivities

14. The conduct of the Review has raised concerns within the taxi industry about additional competitive pressures, a level regulatory playing field and public safety arising from introduction of new technologies and business models to the market.
15. For example, the 2.2(a)(xii) wrote on 8 April 2015 expressing disappointment with media reports indicating ACT Government was supportive of Uber coming to Canberra. (A proposed ministerial response has been prepared separately.)
16. 2.2(a)(xii) has expressed concern with the nature of the employment relationships for drivers under Uber ridesharing. CMTEDD officials are to meet with 2.2(a)(ii) on 30 April 2015, as part of the Review.

Media

17. A communications and engagement strategy for the release of the Discussion Paper and the public consultation is at [Attachment C](#). Related draft materials are also provided for consideration, as follows:
 - a. Short form glossy (text version) – [Attachment D](#)
 - b. Questions & Answers – [Attachment E](#)
 - c. Talking points – [Attachment F](#)
 - d. Social media points – [Attachment G](#)
 - e. People with Disabilities Survey – [Attachment H](#). The survey will be distributed to a (300 person) sample of Taxi Subsidy Scheme recipients.
 - f. Content and links for Taxi Review web page – [Attachment I](#).

Recommendations

18. That you:

- **Agree** the text of the Discussion Paper and related materials for public release as part of the community consultation process (with final versions to be provided before release); and

Andrew Barr MLA / /

AGREED/NOT AGREED/PLEASE DISCUSS

Shane Rattenbury MLA 4/5/15

AGREED/NOT AGREED/PLEASE DISCUSS

- **Agree** the proposed communications strategy including timelines for the community consultation.

Andrew Barr MLA / /

AGREED/NOT AGREED/PLEASE DISCUSS

Shane Rattenbury MLA 4/5/15

AGREED/NOT AGREED/PLEASE DISCUSS

Brook Dixon

Action Officer: 2.2(a)(ii)

Phone: 2.2(a)(ii)



ACT
Government
Chief Minister, Treasury and
Economic Development

SENSITIVE

To: Chief Minister
Minister for Road Safety
(Copy: Head of Service)

Subject: **Taxi Industry Innovation Reform – Taxi Drivers – English Language Testing**

Critical date and reason

- 1. **6 July 2016** – to support timeframes for the commencement of the Phase 2 taxi reform regulatory framework on 1 August 2016.

Recommendations

- 2. That you:
 - a. **note** the information on alternate English language testing arrangements;

NOTED/ PLEASE DISCUSS

Andrew Barr MLA / /2016

NOTED/ PLEASE DISCUSS

Shane Rattenbury MLA 21 / /2016

- b. **agree** to continue to require English language testing for ACT taxi drivers subject to a broader recognition of tests and exemptions consistent with Australian migration law:

Andrew Barr MLA / /2016

AGREED/NOT AGREED/ PLEASE DISCUSS

Shane Rattenbury MLA 21 / /2016

AGREED/NOT AGREED/ PLEASE DISCUSS

Supporting Reasoning

3. Following a meeting with a taxi operator on 16 June 2016, the Minister for Road Safety requested further advice on the English language component of proposed skills and knowledge requirements for taxi drivers.
 - a. The taxi operator claimed that English language testing was costly and creating a barrier to entry for new drivers.
4. Currently taxi drivers in the ACT are subject to a requirement to meet national minimum English language standards based on International Second Language Proficiency Rating (ISLPR) ratings. Tests are performed once a month by CIT and cost approximately \$250.
5. Following comments received on exposure draft regulations we had proposed to retain the English language proficiency requirement for taxi drivers to support effective communication in rank and hail situations. (Briefs MIN:2016/002479 and CMTEDD2016/9 refer. See also 'Consultation and Communication' below.)

Availability of new taxi drivers

6. The reforms and ongoing operation of the English language test do not appear to have affected the number of new taxi drivers entering the market compared to their pre-reform level – still operating at around 30 drivers per month. (See Attachment A – an examination of the monthly number of new taxi drivers over the two years prior to May 2016.)

English language proficiency

Option – Recognition of additional internationally recognised tests [Supported]

7. Most Australian states and territories maintain English language requirements against national standards, in major metropolitan areas at least, with the exception of Victoria and Western Australia – see Attachment B.
 - a. Taxi drivers operating from Queanbeyan and providing services in the ACT are not subject to English language requirements under NSW law.
8. English language testing is required in other industries such as teaching and health services, where a range of English language proficiency tests are recognised.
9. To reduce costs of duplicative or unnecessary testing, we proposed that greater recognition could be given to other internationally recognised tests.
 - a. We propose to recognise two common tests – the International English Language Testing System (IELTS) and the Test of English as a Foreign Language (TOEFL). These tests are recognised by the Australian Government's Department of Immigration and Border Protection.
 - b. See suggested equivalent levels of test requirement at Attachment C.

Option – Match exemptions under Australia's skilled migration policy [Supported]

10. As part of Australia's migration policy, passport holders (and citizens) of the United Kingdom, Canada, New Zealand, United States of America, or the Republic of Ireland are exempt from English language proficiency assessment.

11. We propose to provide similar recognition of passport holders/citizens from those countries and Australia, by exempting prospective licensees from those countries from English language testing.

Option - Active English learning recognition [Not supported]

12. Some professions also recognise periods of time in schools and academic institutions as a basis for English proficiency. For example,
- a. For ACT teachers, an English language proficiency assessment is not required for applicants who have undertaken the full four years of required higher education study (or comparable) in English in recognised countries (as per paragraphs 10 and 11).
 - b. Registration standards under Australian Health Practitioner Regulation (AHPR) National Law also recognise primary and secondary education in those countries.
13. We do not support similar recognition in this instance as:
- a. we have not been able to confirm equivalent levels of schooling for taxi driver national standards with a recognised educational body; and
 - b. Access Canberra has raised concerns with additional regulation complexity and associated administration costs, to the extent they would prefer removing English testing before proceeding with this option.

Option – retain English requirement with licensing [Supported]

14. The option of transferring responsibility for English language proficiency to industry as with skills and knowledge of work, health and safety, discrimination and disability awareness has been considered. Such an approach would include a 3 month timeframe for transport booking services/operators to ensure the skills of drivers (rather than before they commence).
15. We propose, however, to retain English as a component of licensing administered by Access Canberra as:
- a. there would be additional regulation complexity and associated administration costs for Access Canberra in having to operate through a compliance and audit approach for this skill element; and
 - b. we would require industry to undertake additional processes and record keeping for an item that they would not otherwise administer under law or in the course of their business. (This compares to say work health and safety for which they would be expected to have ongoing obligations.)

Consultation and Communication

16. Access Canberra, CIT and JACSD were consulted in the preparation of this brief.
17. During consultations on exposure draft regulations the following persons:

- a. supported English language testing – 2.2(a)(xi)

2.2(a)(xii)

- b. did not support English language testing – 2.2(a)(xii), some taxi operators and drivers.

Financial

- 18. Limited – with a potential impact on CIT from reducing demand for the English testing.

Management of Other Risks

- 19. Prospective taxi drivers are otherwise benefitting from reduced timeframes for licensing with the removal of a requirement for public passenger vehicle drivers to have held a full licence for at least one year as part of the reform. As a result those persons still requiring an English testing may have a significantly reduced timeframes for access to a public vehicle licence for a taxi, hire car or rideshare than is currently available.
 - a. The removal of the 12 month period is to recognise the requirements for provision of a full licence and driver licensing regulation, which includes arrangements for foreign licensed drivers.

A/g Deputy Director-General: Geoffrey Rutledge, Policy & Cabinet

Executive Clearance: Brett Wilesmith, A/g Director, Regulatory Reform

Date: 1 July 2016

Action Officer: 2.2(a)(ii)

Phone: 2.2(a)(iii)



ACT
Government
Chief Minister, Treasury and
Economic Development

SENSITIVE

To: Minister for Regulatory Services

Copy: Head of Service

Subject: Regulatory Reform – Taxi Industry Innovation Reform – Data and taxi licence release

Critical date and reason

- 1. Normal course of business – to support your consideration of taxi licence supply arrangements.

Recommendations

- 2. That you:
 - a. **note** the industry data and advice available; and

NOTED/PLEASE DISCUSS

- b. **agree** to a staged release of additional taxi licences up to the regulated cap (refer to CMTED:2016/375) as the preferred approach under continuing reform actions – though with a delay in commencement to 1 March 2017.

AGREED/NOT AGREED/NOTED/PLEASE DISCUSS

Gordon Ramsay MLA *Jordan Ramsay* 3/1/17

* Please ensure clear stakeholder communication in lead up to release

* letter (for us to sign) to ACTTPOA advising of decision.

Supporting Reasoning

3. At the meeting with the ACT Taxi Plate Owners' Association (ACTTPOA) on 1 December 2016 queries were made about the data available to support consideration of the taxi industry innovation reforms, including a release strategy for currently unleased Government-owned taxi licences (see ACTTPOA email at [Attachment A](#)).
4. We have sought further information from key stakeholders to confirm reported aspects of evolving market supply and demand.
5. [2.2\(a\)\(xii\)](#) estimates ridesharing to represent in the order of 6 per cent of the current (and potentially expanded) market. This estimate accords with data that we have received from the Canberra Airport.
6. [2.2\(a\)\(xii\)](#) attributes greater impacts due to a loss of fleet to new provider ACT Cabs, the loss of the contract for Government school runs for children with disabilities and general economic conditions.
7. [2.2\(a\)\(xii\)](#)
Uber has provided figures on so-called 'active' customers and drivers; however, these are vaguely defined and not are comparable to earlier reported statistics or other industry statistics.
8. Data from [2.2\(a\)\(xii\)](#) supports the maintenance of lease values for perpetual taxi licences. For example, in November 2014, the average weekly lease payment excluding GST was \$407 (for a sample of 84 plates); in November 2016, the value was \$415 (for a sample of 92 plates).
9. An outline of performance, licensing and complaint data available to Access Canberra pre- and post-reforms and proposed for the evaluation is at [Attachment B](#).

Public information

10. Through the reform process Access Canberra agreed to stop publication of ACT taxi performance statistics. This was determined on the basis that Uber was unwilling to provide data, so for equity reasons taxi data was also no longer published.
 - a. We note that the Australian Taxi Industry Association has also ceased publication of statistics (since the 2014 calendar year).
 - b. Modified taxi data is available on request from Access Canberra on a needs basis and is a combined total, with no specific party identification.
 - c. [2.2\(a\)\(xii\)](#) New Taxi Booking System reporting requirements will require information from March 2017.
11. Access Canberra advises that most other Australian jurisdictions do not have performance indicators nor collect this data.
 - a. Some jurisdictions, such as Victoria, provide details of licence numbers for drivers, operators and report transfer values of perpetual licences.

Taxi licence supply

12. Allowing the supply of taxi licences to increase would ensure that the taxi supply market does not stagnate. It would permit the entry of new operators, as well as promote competition in the taxi licence leasing market.
 - a. Taxi supply is limited at less than the regulated cap due to prior administrative process.
 - b. There are no caps on the number of hire car or ridesharing vehicles.
 - c. Limiting supply of a good or service can move the market out of its natural equilibrium and can promote rationing through availability or price.
13. Maintaining restrictions on taxi licence numbers and availability for lease only serves to protect the interests of perpetual plate holders and certain existing operators or drivers.
 - a. Perpetual plate values and lease fees have been maintained (source: Access Canberra and 2.2(a)(xii)).
 - b. Existing taxi operators/drivers may experience less competition from new entrants. However, operators unable to take advantage of reduced government-owned taxi licence lease fees complain of a bifurcated market.
14. We recommend that any effort to address the pre-existing regulatory intervention in the market be managed to allow for the continued provision of services and limit harms to stakeholders.
15. We consider that the ability to allow for increased taxi supply is supported by:
 - a. high demand for taxi licences, both from new entrants and existing providers ;
 - b. the substantive maintenance of perpetual plate trading values and lease fees (at cost to taxi operators);
 - c. limited negative impacts on taxi services advised to date;
 - d. lower taxi density per head of population than other Australian capitals; and
 - e. ongoing calls from stakeholders such as 2.2(a)(xii) for further licence release to support expanding transport services.
16. A more detailed outline of reasons for staged licence releases (up to the regulated cap) is at Attachment C.
 - a. If agreed, this can be used as basis for communications materials to provide reasoning for the decision, to support an open engagement with stakeholders.
17. Given delays in obtaining further information, you may also wish to delay the timing of the initial further licence release to 31 March 2017 (and quarterly thereafter).

Retraction

18. Please note we previously suggested an effective increase in taxi supply due to reduced numbers of taxi bookings (refer to briefing CMTED:2016/375). However, we now understand that the data did not include 2.2(a)(iii) 2.2(a)(xii). Accordingly, we cannot infer a substantive decline in booked taxi services following rideshare commencing in the ACT as advised earlier.

Consultation and Communication

19. Access Canberra and Justice and Community Safety Directorate were consulted in the preparation of this brief. They continue to support the proposed approach to taxi licence release.
20. The positions of key stakeholders on taxi licence release are outlined at Attachment D.
21. As referred to in briefing CMTED:2016/375, subject to your agreement we will prepare the necessary communications materials and draft statutory instruments (for the Minister for Justice and Community Services). As part of actions to announce the results of your decision on taxi licences, we propose writing to the ACTTPOA to advise the outcome and basis for the decision. ✓

Financial

22. Nil.

Management of Other Risks

23. Arrangements for any licence release will need to be managed with the Office of the Minister for Justice and Consumer Affairs (refer to briefing CMTED:2016/375).
24. Monitoring of the industry is ongoing. Details of arrangements for the evaluation of reforms will be provided in the New Year.

Executive Clearance: Geoffrey Rutledge, A/g Deputy Director General, Policy & Cabinet

Date: December 2016

Action Officer: 2.2(a)(ii) Senior Manager

Phone: ext 2.2(a)(ii)



MINISTERIAL BRIEF

Chief Minister, Treasury and Economic Development Directorate

SENSITIVE

To:	Minister for Regulatory Services	Tracking No.: CMTEDD2017/1206
CC:	Chief Minister; Minister for Justice, Consumer Affairs and Road Safety; Head of Service	
From:	A/g Executive Director, Policy and Cabinet	
Subject:	Taxi Reform – Cross-border taxi fares – 1 May 2017 changes	
Critical Date:	URGENT – as soon as possible	
Critical Reason:	New cross-border taxi fare arrangements are scheduled to commence on 1 May 2017.	
• DG	.../.../...	

Purpose

To support new cross-border taxi fare arrangements scheduled to commence on 1 May 2017.

Recommendations

That you:

- Note** the information contained in this brief on cross-border arrangements for taxi fares; and

Noted / Please Discuss

- Sign** the attached letter to the NSW Minister for Transport.

Agreed / Not Agreed / Please Discuss

Gordon Ramsay MLA *Gordon Ramsay* 6/4/17

Minister's Office Feedback

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Background

1. As part of second phase taxi reforms, cross-border taxi fare arrangements are scheduled to change on 1 May 2017. Currently, Queanbeyan-based NSW taxis are permitted to operate in the ACT and apply NSW-regulated fares to hirings that commence in the ACT. From 1 May 2017, all hirings that commence in the ACT are to be subject to ACT regulated fares.
 - a. NSW maximum regulated taxis fares for Queanbeyan taxis are higher than that that for ACT maximum regulated taxis fares.
2. The new NSW *Point-to-Point Transport Act 2016* reforms are not scheduled to come into effect until mid-2017. Accordingly, cross-border arrangements remain to be finalised. (See earlier correspondence between the Chief Minister and NSW Minister for Transport and Infrastructure.)

Issues

3. Affected Transport Booking Services (Aerial Capital Group and Queanbeyan Taxis Co-op) have been approached regarding their readiness for the change. 2.2(a)(xii)
2.2(a)(xii)
4. We have liaised with our Transport for NSW counterparts on this issue, and they are amenable to the ACT changes. 2.2(a)(xii)
2.2(a)(xii)
 - a. 2.2(a)(xii)
5. Writing to the NSW Minister for Transport and Infrastructure is intended to reinforce NSW Government action to support the ACT reforms.
 - a. There is, however, no guarantee that the NSW Minister will respond in sufficient time to permit the effective commencement of new taxi fare arrangements on 1 May 2017.
6. In the absence of supporting NSW arrangements, Queanbeyan-based taxis servicing the ACT could be liable for fines or other regulatory actions when operating in NSW. This could effectively then prohibit those affected taxis from operating in the ACT to the detriment of their business and services in the ACT.
7. If arrangements with NSW are not able to be settled in sufficient time to allow industry to meet the deadline for the changes, there is the option of extending the implementation timeframe.
8. We will provide follow-up briefing in a fortnight.

Financial Implications

9. Nil.

ConsultationInternal

10. Access Canberra was consulted in the preparation of this brief.

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Cross Directorate

11. JACSD was consulted in the preparation of this brief.

External

12. We have liaised and agreed to the recommended approach with Transport for NSW.

13. 2.2(a)(xii) have been consulted. We will prepare letters to them from the Minister for Regulatory Services advising of the finalised cross-border fare arrangements.

Benefits/Sensitivities

14. A delay in fare changes for will delay potential benefits to consumers. However, a conflict in arrangements may affect the provision of services to consumers in the ACT and detract from efforts to release additional taxi licences.

Media Implications

15. We do not expect media interest in technical arrangements with NSW to support previously announced fare changes.

16. Media interest could arise with any delay in fare changes. A draft media release will be prepared (if needed) outlining the need for a delay.

Signatory Name: Sam Engele

Phone: x78884

Action Officer: 2.2(a)(ii)

2.2(a)(ii)

Attachments

Attachment	Title
Attachment A	Draft letter to NSW Minister for Transport and Infrastructure

SENSITIVE



MINISTERIAL BRIEF

Chief Minister, Treasury and Economic Development Directorate

SENSITIVE

To:	Minister for Regulatory Services Minister for Justice, Consumer Affairs and Road Safety	Tracking No.: CMTEDD2017/1681
CC:	Minister for Transport Reform Head of Service	
From:	Director, Government and Regulatory Reform	
Subject:	Taxi Reform – Revised Taxi Licence Release for June 2017	
Critical Date:	23 May 2017	
Critical Reason:	The next release of taxi licences is scheduled for 1 June 2017.	
	<ul style="list-style-type: none"> • DG .../.../... • DDG .../.../... 	

Purpose

To advise on the scheduled release of taxi licences in June 2017 following the agreed taxi licence release strategy announced in February 2017.

Recommendations

That you:

1. **Note** the information on on-demand transport market conditions contained in this brief (at Attachment A);

Noted / Please Discuss

2. **Agree** to a revised taxi licence release strategy, which includes the release of five wheelchair accessible taxi licences in June 2017 while maintaining the existing regulated cap of 358 ACT taxi licences;

Agreed / Not Agreed / Please Discuss

3. **[Minister for Regulatory Services]** sign the attached letter to the Chief Minister (at Attachment B);

Agreed / Not Agreed / Please Discuss

4. **[Minister for Justice, Consumer Affairs and Road Safety]** sign the attached notifiable instruments to adjust availability and mix of standard taxi and WAT licences (at Attachments C1 & C2); and

Agreed / Not Agreed / Please Discuss

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5. **Agree** to the media statement (at Attachment D1) and material for the Access Canberra website (at Attachment E).

Agreed / Not Agreed / Please Discuss

Gordon Ramsay MLA

Gordon Ramsay 22/5/17

Agreed / Not Agreed / Please Discuss

Shane Rattenbury MLA

Shane Rattenbury 24/5/17

Minister's Office Feedback - Agree to letters to stakeholders being issued as per para 13.

Background

1. You announced the government's taxi licence strategy to make available for release 50 standard government-owned taxi licences (GOTL) for standard taxis available. The release was to be staged with batches of 10 licences available quarterly from 1 March 2017. Releases were also to be subject to consideration of market conditions. (See CMTEDD:2016/375 and CMTEDD:2017/75.)
2. In determining the release strategy it was recognised that:
 - a. the GOTL release was significant to stakeholders as licence supply in the market remained locked under the regulated cap, limiting the opportunity for taxi operators to have effective choice and competition in the market;
 - b. the effective **taxi supply** had already increased over the past year (based on a decline in booked jobs) – release of these GOTL will increase supply of taxi services in the market;
 - c. the impacts on overall taxi supply for consumers may not match the number released as existing market participants substitute GOTL for perpetual plates (due to some applicants on the taxi licence waiting list being existing market participants);
 - d. the GOTL releases may negatively affect the interests of **perpetual licence holders** to the extent that they promote downward pricing pressure on perpetual licences and related lease fees due to increased competition;
 - e. for **taxi operators** it provides the opportunity for new entry, lower regulatory costs and price competition with those locked in perpetual leases – some existing operators may still be unable to take advantage of lower fees (e.g. some are contracted to perpetual licence holders for a period of time or lower down the wait list); and

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- f. existing operators would also be subject to addition competition from new entrants or expanded fleets of other existing operators (in addition to that created by the introduction of rideshare).
3. The regulated cap remains at 358 taxi licences, including 26 wheelchair accessible taxi (WAT) licences.

Issues

4. The next scheduled release of standard taxi licences is due on 1 June 2017.
5. We recommend that the Government does not proceed with the release of a further 10 standard taxi licences, as industry reporting to Access Canberra and submissions from the Implementation Working Group members on market conditions suggest:
 - a. a lack of clarity about the impact of the March 2017 release – due to limited data and the delay in all of the taxis becoming operational (the last at the start of May 2017); and
 - b. a continued decline in standard taxi hirings – equivalent to over 22 taxis since the commencement of the reforms. We note that industry does not attribute a significant impact to rideshare, outside of Friday and Saturday nights. (See market conditions at [Attachment A](#).)
6. We do, however, recommend that five (5) WAT licences be released. While not part of the initially announced strategy to release 50 standard taxi licences, this action would:
 - a. meet calls from [2.2\(a\)\(xii\)](#) to prioritise the release of such licences for increased social and economic inclusion of vulnerable members of the ACT community;
 - b. recognise the near-trebling of WAT bookings since the 26 licence cap was set in 2001, and the ongoing growth trend of bookings; and
 - c. better allow for WAT operational concerns, such as vehicles off the road (currently three) for maintenance or operator issues.
7. The mix of standard taxi and WATs licences under the regulated cap would require adjustment to maintain the existing overall cap of 358 ACT taxi licences.
8. The benefits and risks of potential release options are briefly outlined at [Attachment F](#).

Financial Implications

9. Government revenue will not increase to the extent associated with standard GOTL. There are possible revenues from the release of 10 standard licences, up to \$50,000 with GOTL lease fees at \$5000 per annum from 1 November 2016. In comparison, WATs lease fees are \$100 per annum for a dual capacity WAT and \$1000 for a single WAT.
10. There are costs to Government with the release of WAT licences due to associated subsidies. Each additional taxi will cost the government approximately \$10,000 per taxi in driver and operator incentives and dispatch equipment leases. In addition, if an operator puts on a vehicle that is under two years of age, the government pays a grant of \$4500 per vehicle to assist with the modifications to make the vehicle wheelchair accessible.

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ConsultationInternal

11. Access Canberra was consulted in the preparation of this brief. Justice and Community Safety and Transport Canberra and City Services were consulted in the preparation of this brief.

External

12. Industry stakeholders were consulted through the Implementation Working Group established through the reforms. Nine stakeholders made submissions, their views and our comments are outlined at Attachment G.

a. Not supporting release – 2.2(a)(xii)

b. Supporting release – 2.2(a)(xii)

Benefits/Sensitivities

13. Industry may not be expecting the release of WAT licences, given the initial announcement. If you are agreeable to the proposal, we would provide stakeholders with an indication of the revised approach prior to a formal announcement.
14. Industry is calling for greater clarity on 'market conditions' to be stated. The Supporting Analysis statement (at Attachment E) outlines a range of factors that are examined, but does not seek to prescribe a particular measure given the complexity of matters and competing interests involved in the industry reform process.
- a. Note a supporting analysis statement was publicly released with the announcement of the taxi licence release strategy.

Media Implications

15. The initial taxi licence release strategy was subject to a media release. A draft release updating on arrangements is included, along with talking points (at Attachment D).

Signatory Name: Geoffrey Rutledge

Phone: x78884

Action Officer: 2.2(a)(ii)

2.2(a)(ii)

Attachments

Attachment	Title
Attachment A	Market conditions analysis
Attachment B	Draft letter to Chief Minister
Attachment C	C1 – Draft Notifiable Instrument – Taxi licence cap C2 – Draft Notifiable Instrument – Taxi licence availability
Attachment D	D1 – Draft media release D2 – Suggested talking points
Attachment E	Draft Supporting Analysis statement
Attachment F	Release options summary
Attachment G	Summary of IWG stakeholder submissions

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SENSITIVE**ATTACHMENT A****ON-DEMAND TRANSPORT MARKET CONDITIONS**

10 May 2017

As part of its taxi licence release program the Government indicated that it would consider market conditions with each scheduled release. There is no one measure to determine further releases – rather, there is consideration of a range of factors to ensure that the industry is there to provide the services consumers want, at a level of price and service that makes them safe and accessible to the community. In making a decision to release, there is a breadth of matters and stakeholder interests to weigh.

Market conditions considered are:

- consumer outcomes:
 - price competition – advertised fares, average fares
 - service quality – consumer perceptions, waiting times (average, traditional performance benchmarks, geographic), complaints/service ratings;
- market demand:
 - hirings – booked; rank and hail
 - service preference/take up – hirings across companies and service types
 - peak demand – hirings over peak and off peak periods (daily/monthly/annually); and
- market supply:
 - available supply – number of licensed service providers (including taxi cap and availability)
 - potential market supply – for example, waiting lists for licences
 - distribution and allocation – across services and locations
 - impacts on participants – including market incentives and viability.

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CONSUMER MEASURES

Price

With nominal fares unchanged, fares are declining in real terms over time.

Taxis

The regulated maximum for ACT taxi fares has not changed since prior to the reforms. No evidence has been presented of taxi providers discounting fares under the regulated maximum.

ACT-NSW cross border taxi fare changes commenced on 1 May 2017. Queanbeyan-based cross border taxis are now required to apply fares up to the ACT regulated maximum when commencing a hiring in the ACT; consistent with ACT licensed taxis.

Table 1: Taxi fares

Description of matter in respect of which fare is payable	Maximum fare (\$)
Radio bookings	\$0.00
Booking fee for Canberra Silver Service Taxis (operated by Aerial Capital Group Limited)	\$13.80
Standard taxi (single hiring)	
▪ Flagfall	\$5.00
▪ Kilometre rate:	
– for a journey commencing between 6 am and 9 pm on a day other than a Saturday, Sunday or public holiday	\$2.06
– for a journey commencing before 6 am or after 9 pm Monday to Friday and all day on a Saturday, Sunday or public holiday	\$2.37
Other fees and charges are also regulated such as: multiple hirings, high occupancy; wait time; baby capsule, commissionaire surcharge.	

Source: [Road Transport \(Public Passenger Services\) Maximum Fares for Taxi Services Determination 2015 \(No 1\)](#).

Rideshare

Uber's fare structure has remained unchanged since their commencement in the ACT. Note that Uber customers may also be subject to 'surge' pricing in periods of higher demand.

Table 2: Canberra Uber fares

Fare structure	3 November 2015	16 November 2016	3 May 2017
Base fare	\$2.35	\$2.35	\$2.35
Per minute	\$0.45	\$0.45	\$0.45
Per kilometre	\$1.35	\$1.35	\$1.35
Minimum Fare	NA	\$6.00	\$6.00

Source: Uber website, <https://www.uber.com/en-AU/cities/canberra/>

Hire cars

No data available.

Service quality

Consumer views

Detail on consumer perceptions is subject to conduct of further consumer surveys. Initial surveys were undertaken during the 2015 review. Further surveys are scheduled for mid-2017 as part of the evaluation of taxi reforms.

Waiting times

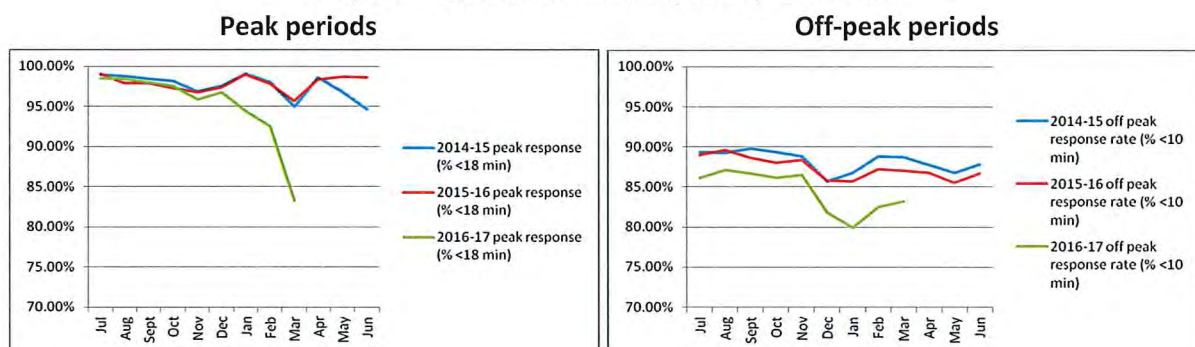
Rideshare

Uber advises an average waiting time of less than five minutes in the ACT.

Taxis – standard

Taxi waiting times have deteriorated in performance. We predict this is associated with factors such as: new brands with developing fleets entering the market and attempting to satisfy bookings across the ACT; or taxi drivers moving to rideshare services at different times of the day or week.

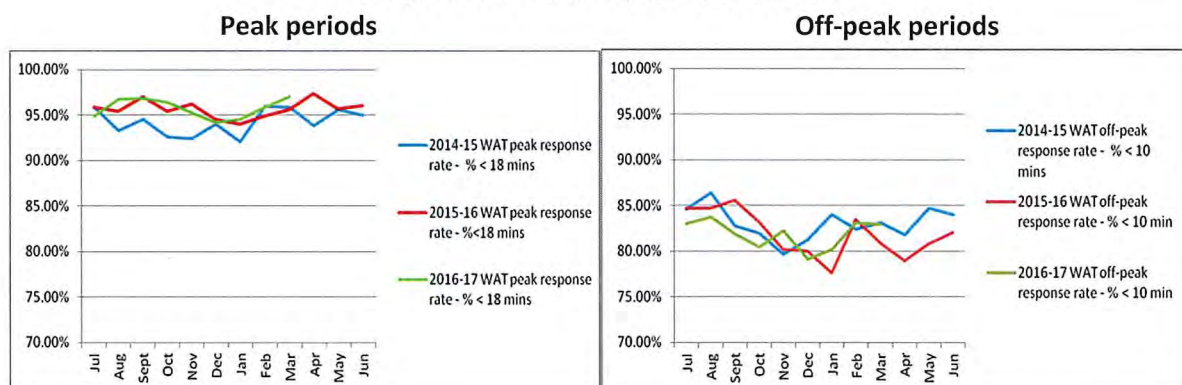
Graph 1: Standard taxi waiting time performance



Taxis – Wheelchair accessible taxi

WATs are maintaining previous performance trends.

Graph 2: WAT waiting time performance



Geographic

Based on (the only available) data from Aerial, services to central Canberra have a lower wait time than other areas, averaging around five minutes. Woden, Weston Creek and Belconnen have comparable average wait times in the order of six to seven minutes. Tuggeranong averages seven to eight minutes and Gungahlin eight minutes and over. Given the relative distances, a similar ordering

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could be expected from other providers, but times may vary (for example, dependent on available fleet size).

Complaints

Consumer complaints regarding on-demand transport services increased in 2016, after dipping in 2015. Predominantly, concerns have related to the operation of taxis (95.4 per cent in 2016) and covered matters ranging from overcharging, rudeness and no shows to more serious actions such dangerous driving and disability discrimination.

Table 3: Number of complaints received by Access Canberra

Year	Taxi	Hire car	Rideshare
2014	76	-	NA
2015	64	1	NA
2016	104	1	4
2017 (to 1 April)	27	-	10

Source: Access Canberra.

A serious complaint regarding the actions of an Uber driver was reported in the media on 2 May 2017. The matter has been subject to police investigation and Uber has suspended the driver. The driver also holds a taxi driver licence condition, but is not partnered with any taxi TBS.

Ongoing delays in waiting times during peak periods continue to be advised by Canberra Airport.

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AVAILABLE SERVICES

Overall, we suggest that, since the commencement of the ACT Government's reforms, there has been increase in on-demand transport market services. We estimate net increase in the order of 100,000 trips per annum or greater (4.2 per cent or greater compared to 2014). Rideshare services have increased. Standard taxi services have decreased (both booked and rank and hail); however, WAT booked services continue to grow.

Booked services

Rideshare

Data from Uber remains limited to date; however, we understand that rideshare had (as at 29 April 2017):

- just under 1000 active partner drivers; and
- 71,000 active riders (ie. passengers who have activated the Uber app in the last 28 days).

2.2(a)(xii) [REDACTED]
[REDACTED]. When looking at the combined taxi and rideshare movements, 2.2(a)(xii) [REDACTED]
[REDACTED]

2.2(a)(xii) [REDACTED]

Further consumer surveys are to be undertaken as part of the evaluation. A RiotACT poll (30 April 2017) indicated that 70 per cent of surveyed respondents had used Uber in Canberra.⁴

Taxis

The last of the ten taxis from the March release was available on the road during the week of 1 May 2017, bringing to 318 the number of standard taxis available.

2.2(a)(xii) [REDACTED]

2.2(a)(xii) [REDACTED]

¹ We are awaiting data from the Airport on hire car numbers and revised numbers of terminal passengers.

² Based on reports of 20,000 Uber trips in November 2015.

³ ATIA data indicates total ACT taxi jobs of 2,431,950 in 2014.

⁴ See <https://the-riotact.com/meet-australias-first-uber-driver-and-he-is-still-driving/201058>. Poll votes as at 3 May 2017.

⁵ This carries on early reports on Uber's operations in Canberra with 'more than a third of trips were requested between 6pm and 3am on Friday and Saturday nights' – see [Canberra Times link](#).

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2.2(a)(xii)

The data received by Access Canberra as part of Transport Booking Service (TBS) reporting suggests a reduction in booked services for standard taxis averaging in the order of 15 per cent per month over the first year of reform (from November 2016 to October 2016 excluding May). In the second year (to March 2017), the average monthly decline has slowed to around 7 per cent.

2.2(a)(xii)

Over the first year of the reforms, the number of booked trips for standard taxis for the period November 2015 to October 2017 compared to the prior year declined by around 177,000 trips⁸ and is equivalent to the prior workload for nearly 22 taxis⁹. In the second year, to date, there has been a further decline averaging 5970 trips per month.

Caution is required in interpreting the potential impact of rideshare since its introduction and the actual impact of reforms on industry participants.

- In the four months prior to rideshare commencing, taxi bookings had declined by an average of approximately 3900 trips (equivalent to services for 5.8 taxis).
- The impact on participants such as operators and drivers is reduced by reforms that reduced charges – either directly government or through competition between. (See 'Operators' below.)

WAT services

Demand for booked WAT services continues to increase. Note: WAT services for people with disabilities are all subject to bookings through a centralised TBS.

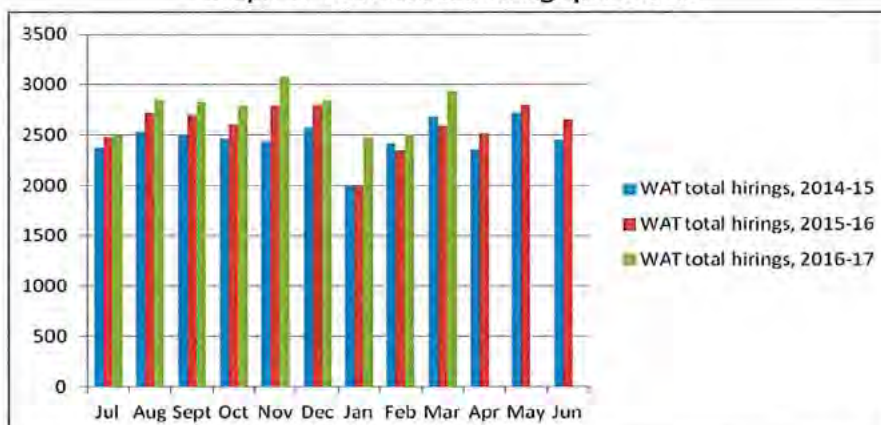
2.2(a)(xii)

⁸ The figures represent an annualised amount excluding May 2016 due to what we consider is the impact of the 2016 Federal election, which is not consistent with more normalised periods of operation.

⁹ The estimate use Australian Taxi Industry Association (ATIA) data which indicated a pre-reform average of 8,106 jobs per taxi in 2014.

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Graph 4: WAT booked hirings per month



The current cap of 26 WAT licences was set in 2001. WAT hirings have increased from around 11,000 in 2002-03 to 31,000 in 2015-16 (or 283 per cent). In 2016-17 to date, WAT bookings have increased on the prior year by approximately 8 per cent.

Access Canberra advised that currently three WATs have been unavailable for an extended period and are subject to further action.

Rank and hail

No current TBS data. (Due to an administrative error, rank and hail data has not been provided with TBS reporting.)

In the ACT, rank and hail is understood to be the origin of approximately half of taxi fares. It has been increasing as a proportion of total trips from 45 per cent in 2010 to 51 per cent in 2014 (according to ATIA statistics)¹⁰ 2.2(a)(xii). The Australian Taxi Industry Association (ATIA) has no updated data since the 2014 calendar year.

If you extrapolate 2.2(a)(xii) figure of a 13 per cent reduction trips per taxi per day, this equates to around 360,000 taxi trips per annum or the equivalent of around 45 taxis. This suggests that there has also been a drop in taxi rank and hail services between 2015 and 2016 of around 180,000 trips per annum (comparable to the abovementioned decline in booked services over the first year).

Hire cars

No trip data is available. From September 2015 to 3 May 2017, the number of licensed hire cars has increased from 38 to 53 (see 'Vehicle supply' below).

Canberra Airport

Taxi and rideshare services to Canberra Airport¹¹ have increased in proportion with the growth in passenger numbers, with taxis appearing to maintain its previous number of hirings.

¹⁰ Note, these figures were incorrectly inverted with the last market conditions briefing.

¹¹ Figures available are to 31 March 2017. We are awaiting updated data and data on hire cars.

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2.2(a)(xii)



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MARKET SUPPLY

All facets of on-demand transport market supply have grown since the ACT Government's reforms – predominantly in terms of rideshare, but also in relation to taxis (across drivers, operators and booking services) and hire cars.

Transport Booking Services

The number of transport booking services (TBS) licensed to serve taxi has increased since the commencement of the licence release strategy with the addition of Glide Taxis.

Table 5: Transport Booking Services (as at 1 May 2016)

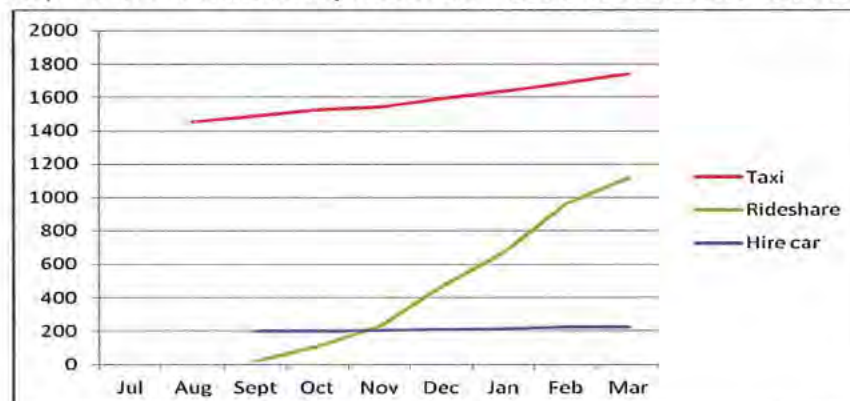
Type	Number	Company
Taxi	5	<ul style="list-style-type: none"> ▪ Aerial Capital Group – t/a Silver Service and Canberra Elite ▪ goCatch ▪ Cabxpress ▪ ACTCabs ▪ Glide Taxis
Rideshare	1	<ul style="list-style-type: none"> ▪ Uber
Hire car	1	<ul style="list-style-type: none"> ▪ Aerial

2.2(a)(xii)

Drivers

Access Canberra is recording increasing licence numbers for all types of drivers.

Graph 6: On-demand transport drivers – Licensed with Access Canberra



Increases in licensed drivers since 1 September 2016 are as follows:

- taxis – 20.2 per cent
- hire cars – 17.8 per cent.

Increases in rideshare drivers since that time are not stated as they are more reflective of the transition to formal licensing arrangements. The numbers may also include drivers who have obtained a combination of licences.

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Operators

Rideshare operator numbers are increasing in line with expectations of licensing transition. Taxis are subject to limited variation. However, there has been significant growth in hire car operators on a proportional basis.

Table 6: On-demand transport operators – Licensed with Access Canberra

	1 Sept 2016	1 April 2017	Difference
(As at 1st of month)	No.	No.	%
Taxi	169	180	6.5
Rideshare		958	NA
Hire car	24	31	29.2

Taxi operators leasing GOTL remain at a significant advantage to those leasing perpetual licences, in the order of \$17,000 per annum. (This is equivalent to around 680 average taxi fares¹². Over the 75 GOTL currently available, this represents around 51,000 taxi hirings per annum.)

CTP premiums for taxis have also been reduced with the reforms¹³, by up to approximately 13 per cent or \$1160. (This is equivalent to around 52 average taxi fares. Over the 318 ACT taxis currently available, this represents around 16,500 taxi hirings per annum.)

We understand that there are differences in charges being levied on operators by different TBS since the start of the reforms.

- 2.2(a)(xii)

Vehicle supply – Taxi equivalence

Available taxi vehicles now stand at 318, including 292 standard taxi and 26 WATs. This is an increase of 10 vehicles (or 3.2 per cent) with the March 2017 release.

Licensed hire car numbers have increased from 38 (September 2015) to 53 (May 2017). This is an increase of 15 vehicles (or 39.5 per cent).

With Uber drivers working part-time and without trip data, it is difficult to compare the extent of rideshare services and supply provided into the market.

Based on Regulatory Reform calculations of theoretical maximum potential hours of supply¹⁴, Uber may represent the equivalent of 60 to 119 taxis based on whether Uber drivers average 10 or

¹² Estimated at \$22.

¹³ See http://www.cmd.act.gov.au/open_government/Inform/act_government_media_releases/td/2016/taxi-and-hire-car-rates-fall-rideshare-premiums.

¹⁴ In December 2015, the *Canberra Times* reported that Canberra Uber drivers were working 19 hours per week, however Uber prefers to refer to the proportion of drivers working 10 hours or less per week. For estimation purposes, taxis and hire cars are assumed to be available 24/7. Figures excludes cross border taxis.

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20 hours per week. As such, Uber may comprise between approximately 14 to 25 per cent of available on-demand market supply.

Table 7: Estimated on-demand market supply shares by available vehicles

	Pre-reform	Assumed average Uber driver hours	
		10 hours per week	20 hours per week
Taxi	89%	73.2%	64.2%
Hire car	11.0%	12.6%	11.0%
Rideshare	NA	14.2%	24.8%

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TAXI LICENCES – GOTL AND PERPETUAL SURRENDERS, TRANSFERS AND LEASES

Government-owned taxi licences (GOTL)

Lease charges for GOTL remain at \$5000 per annum.

During 2017 (to 1 April), one standard GOTL was surrendered in February and returned to the market via the pre-approval waiting list.

At this time, there are three WAT licences known to not be actively operated. Access Canberra is working with two of the operators to resolve actions, and has issued a show cause to the third operator.

As at 10 May 2017, the pre-approval waiting list stood at:

- standard taxis – 242 applicants
- WAT – 31 applicants.

Perpetual

During 2017 (to 1 April), there had been three transfers of perpetual taxi licences. Only one was a market based transfer with a price of \$186,000. This compares to averages prices for transfers in:

- 2014 (pre-review/reform) – eight plates at an average of \$244,900
- 2015 – 13 plates at an average of \$244,200
- 2016 – three plates at an average of \$231,600.

During March 2017, 10 perpetual plate leases were subject to changes in operator. Prices advised to Access Canberra by operators remained in the order of \$22,000. (In February 2017, leases prices were understood to average \$22,872 per annum.)

- 2.2(a)(xii) cites a reduction lease rates (not necessary related to these changes) in the order of \$40 per week or approximately \$2000 per annum.

Of the next 10 pre-approved applicants on the standard taxi licence waiting list, only three are accredited operators and only one operates a perpetual plate.

Accordingly, we do not expect a substantive impact on plate holders from the next scheduled release.



Gordon Ramsay MLA

Member for Ginninderra

Attorney-General
Minister for Regulatory Services
Minister for the Arts and Community Events
Minister for Veterans and Seniors

Mr Andrew Barr MLA
Chief Minister
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Chief Minister *Andrew*

I am writing to you regarding the ACT tax licence release strategy, which I announced in February 2017.

Under the announced strategy, from 1 March 2017, 50 previously-surrendered standard tax licences are scheduled to be released in batches of 10 each quarter subject to market conditions. However, for the next scheduled release in June 2017, I propose that the strategy be amended to allow for the release of five wheelchair accessible taxi (WAT) licences instead of 10 standard tax licences. The overall cap of 358 ACT tax licences will be maintained.

I consider that the revised approach will best support calls for the increased supply of accessible services for consumers, while being attentive to market circumstances and industry concerns.

Work has been undertaken to examine market conditions in the lead-up to the scheduled June 2017 release. This has included analysing data received by Access Canberra as part of reporting by Transport Booking Services, and submissions from members of the on-demand transport industry reform Implementation Working Group.

In terms of not releasing additional standard tax licences at this time, industry members have argued that the quarterly release timeframe has limited the ability to obtain information on the impact of the March licence release. Also, while there remains a strong demand for tax licences by service providers, data indicates a decline in consumer demand for taxis, with hirings per taxi declining by 13 per cent between 2015 and 2016 (as advised by the Canberra Taxi Industry Association).

In contrast, WAT booked services grew to 31,000 bookings in 2016 (or around 5 per cent). This year (to end of March) growth in bookings has averaged over 8 per cent compared from same time in 2016. This compares to 11,000 WAT bookings in 2002-03, noting that the current cap of 26 WAT

AUSTRALIAN CAPITAL TERRITORY LEGISLATIVE ASSEMBLY

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Gordon Ramsay MLA

licences was set in 2001. 2.2(a)(xii) [REDACTED], in its submission, has called for the prioritisation of accessible services.

More generally, in terms of servicing consumers, available booked services continue to increase via the number of hire cars (now 53, up from 38 prior to reforms) and active rideshare drivers in the ACT (Uber advises numbers in the order of 1000). The Canberra Airport now receives ACTION bus services; since 20 March 2017 there has been over 4000 passenger movements at the terminal.

Accordingly, I consider that the proposed release of five WAT licences is appropriate to the needs of the market and consumers at this time, despite varying from the initial strategy.

The scheduled September release of 10 taxi licences will be subject to further consultation and consideration of market conditions at that time. Overall, the intent is to ensure that the market has the ability to operate effectively and flexibly to meet the needs of consumers as industry participants transition to a more competitive environment.

My office would be happy to arrange any further briefing or information that you may wish. Minister Rattenbury, as Minister for Justice, Consumer Affairs and Road Safety, has been copied into this letter due to his administrative responsibilities for road transport legislation.

Yours sincerely



Gordon Ramsay MLA

cc

Australian Capital Territory

Road Transport (Public Passenger Services) Maximum Numbers of Taxi Licences Determination 2017 (No 1)

Notifiable Instrument NI2017–

made under the

Road Transport (Public Passenger Services) Act 2001, section 39 (1) (Maximum numbers of taxi licences)

1 Name of instrument

This instrument is the *Road Transport (Public Passenger Services) Maximum Numbers of Taxi Licences Determination 2017 (No 1)*.

2 Commencement

This instrument commences on the day after notification.

3 Taxi licences (other than wheelchair accessible taxi licences)–number

I determine the maximum number of taxi licences (other than wheelchair accessible taxi licences) to be three hundred twenty seven (327) made up of –

- (a) the two hundred seventeen (217) taxi licences (other than wheelchair accessible taxi licences) issued before 7 March 2006, less any of those licences surrendered or cancelled after 1 August 2016;
- (b) ten (10) transferable leased taxi licences, less any of those licences surrendered or cancelled after 1 August 2016; and
- (c) the remainder being non-transferable leased taxi licences.

4 Wheelchair accessible taxi licences–number

I determine the maximum number of wheelchair accessible taxi licences to be thirty one (31).

5 Revocation

This instrument revokes *Road Transport (Public Passenger Services) Maximum Numbers of Taxi Licences Determination 2016 (No 1)* (NI2016-396).


Shane Rattenbury MLA
Minister for Justice, Consumer Affairs and Road Safety

24 May 2017

Australian Capital Territory

Road Transport (Public Passenger Services) Standard and Wheelchair Taxi Licences Availability Determination 2017 (No 2)

Notifiable Instrument NI2017–

made under the

Road Transport (Public Passenger Services) Regulation 2002, section 92 (Standard and wheelchair taxi licences–availability)

1 Name of instrument

This instrument is the *Road Transport (Public Passenger Services) Standard and Wheelchair Taxi Licences Availability Determination 2017 (No 2)*.

2 Commencement

This instrument commences on the day after notification.

3 Availability of taxi licences

- (1) A standard taxi licence is available if the number of taxi licences (other than wheelchair-accessible taxi licences) in force in the Territory is less than 292.
- (2) A wheelchair-accessible taxi licence is available if the number of wheelchair-accessible taxi licences in force in the Territory is less than 31.

4 Revocation

This instrument revokes Notifiable Instrument *Road Transport (Public Passenger Services) Standard and Wheelchair Taxi Licences Availability Determination 2017 (No 1)* (NI2017-50).



Shane Rattenbury MLA
Minister for Justice, Consumer Affairs and Road Safety

24 May 2017



Media release

GORDON RAMSAY MLA

Attorney-General
 Minister for Regulatory Services
 Minister for the Arts and Community Events
 Minister for Veterans and Seniors
 Member for Ginninderra

X May 2017

More accessible transport options for Canberrans

Minister for Regulatory Services Gordon Ramsay has today announced that five additional wheelchair accessible taxi (WAT) licences will be released to the Canberra market in June 2017.

“The ACT Government is committed to making Canberra an accessible, inclusive city and it is important we have on-demand transport options readily available to ensure all in our community can safely and effectively travel from A to B,” Mr Ramsay said.

In March 2017, the Government indicated it would release 10 additional government-leased licences each quarter up to the regulated cap to ensure a competitive and accessible service. This staged release was always subject to consideration of ongoing market conditions and intelligence from industry stakeholders.

“We are listening to the feedback and needs of the industry and adjusting arrangements to ensure the on-demand transport needs of Canberrans are being met, no matter where they live or what their accessibility needs are,” Mr Ramsay said.

“Advice from stakeholders is that people in our community rely on these services and there is a need for more wheelchair accessible taxis. As a result, this quarter we will release an additional five WAT licences to market to assist in meeting this demand.”

“This matches the government’s commitment to improving transport in the ACT for all Canberrans, while recognising operating factors in the on-demand transport market.”

The demand for booked WAT services has grown significantly since the initial cap of 26 licences was set in 2001. Appropriately, community stakeholders have expressed their desire for accessible services to be prioritised.

“We will continue to examine the on-demand transport market to ensure greater consumer choice, service quality and accessibility, and look forward to the community’s feedback in the coming months as we conduct an evaluation of the 2015 Taxi Industry Innovation Reforms.”

The leasing of a taxi licence is a private commercial decision and parties should ensure that it meets their objectives, financial situation and particular needs. Parties may wish to seek the assistance of a qualified adviser.

Statement ends

Media contact:

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ACT LEGISLATIVE ASSEMBLY

Phone (02) 6205 2615

Email ramsay@act.gov.au



Minister: Minister Ramsay
Date: 17 May 2017

SUBJECT: ACT Government Taxi Reform

ISSUE: Release of five government-owned wheelchair accessible taxi licences

KEY MESSAGES:

- We are pleased to release five additional wheelchair accessible (WAT) taxi licences to the Canberra market in June 2017.
- In March 2017, we indicated we would release 10 additional government-leased licences each quarter up to the regulated cap to ensure a competitive and accessible service. This staged release of licences was always subject to ongoing market conditions and intelligence from industry stakeholders.
- Advice from stakeholders is that there is a need for more wheelchair accessible taxis, so this quarter we will release an additional five wheelchair accessible taxi licences to market to assist in meeting this demand.
- The demand for booked wheelchair accessible services has grown significantly since the initial cap of 26 licences was set in 2001.
- Appropriately, community stakeholders have expressed their desire for accessible services to be prioritised.

Community benefits

- We are committed to improving the on-demand transport and public transport sector in the ACT to ensure all Canberrans have access to affordable, convenient, safe and better integrated transport options into the future.
- The release of taxi licences helps to encourage quality operators and drivers to enter the marketplace and support an even greater quality of taxi service for the community.
- We will continue to examine the on-demand transport market to ensure greater consumer choice, service quality and accessibility.

Release of licences

- With our goal for strong consumer outcomes, the introduction of international flights at Canberra Airport and strong demand for taxi licences, the ACT Government lifted its freeze on the lease of 50 government-owned taxi licences to help promote competition.
- The staged approach will allow existing industry participants the time to adapt to the ongoing changes in the market.
- We will continue our monitoring and evaluation of the market as part of the Taxi Industry Innovation Reforms.
- Taxi licences can be issued for no longer than six years.
- The waiting list approach is first-come, first-served. If an applicant applies for multiple licences, they can only be supplied one licence at a time. After the allocation of a licence, they are returned to the end of the waiting list. The maximum number to be controlled by a person is 25.
- As of 10 May 2017, the pre-approval waiting list of individuals applying for one or more standard taxi licences was 242 applicants, with a further 31 individuals applying for one or more wheelchair-accessible taxi licences (a total of 273 applicants).

History of reforms

- The ACT Government delivered landmark taxi and ride share industry reforms in 2015, the first jurisdiction in the nation to regulate rideshare and legally introduce services like Uber to Canberra.
- These reforms were an acknowledgement that the taxi industry is evolving, and that consumers were looking for broader travel choices and experiences.
- The reduction in taxi licence fees have endeavoured to level the playing field for the taxi and hire car industry to ensure a more competitive and accessible service.
- Over the reforms the fees have reduced from \$20,000 to \$10,000 during late 2015, to \$5000 as of 31 October 2016 (per licence per annum).
- On-demand transport services are rapidly expanding and innovating to create new ways for Canberrans to get from A to B, creating valuable opportunities for private businesses to enter the market.
- Our first priority is always to ensure safety of our residents and we will continue to review and monitor new business models as they commence operations in the ACT. As part of this approach, we are currently conducting a two-year period of monitoring and evaluation of taxi and rideshare reforms.

BACKGROUND/SENSITIVITIES (not for distribution):

- Since the commencement of taxi licensing in the ACT (in 1949), the number of taxi licences has been controlled by government.
- Currently, a maximum of 358 ACT taxi licences are permitted – this includes standard and wheelchair accessible taxis (26).
- The cap is not changing. When the government commenced its new regulatory framework in August 2016, it did not immediately allow a backlog of unleased government-owned taxi licences (50 standard licence taxis) to be placed into the market.
- In announcing its reforms, the government indicated the potential to make available further licences under the cap, and also to consider the cap itself after a reasonable time.
- The government has listened to stakeholder views throughout the second phase of its reforms and examined available market data.
- We consider that a graduated return of supply up to the regulated cap will continue to promote competition (ultimately for the benefit of consumers) and meet a strong demand within the industry for taxi licences.
- Consumers will see new suppliers of taxi services enter the ACT. This will add to the services introduced through the reforms such as ridesharing (Uber), and complement new taxi booking services (ACT Cabs, goCatch and Glide taxis) and familiar taxi booking services (Aerial/Elite taxis, CabXpress).
- The on-demand transport industry is experiencing a period of substantive change. Traditional participants are experiencing greater competition from new services and entrants. This creates points of strain that are being managed over the transition period for the reforms.
- More taxi licences will mean a further increase in competition for existing service providers. With this also comes the opportunity for new entrants to contribute to the ability of the taxi industry to adapt and provide quality service.

Action officer: 2.2(a)(ii)

Cleared by (Business Unit Head):

Date: 17 May 2017



On-demand Transport Industry Reform – Taxi Licence Release Supporting Analysis

ACT Taxi Licence Release Strategy – June 2017

As announced on 7 February 2017, the ACT Government is making available for lease, through a staged process, government-owned taxi licences that were previously unallocated. From 1 March 2017, ten additional licences are to be released each quarter up to the regulated cap, subject to ongoing consideration of market conditions.

The Government is taking a comprehensive approach to its considerations. No single measure will be used to determine whether or not market conditions would dictate not proceeding with the return of previously surrendered licences under its strategy.

As part of the taxi licence release the government indicated that it would consider market conditions with each scheduled release. There is no one definitive measure to determine further releases, rather, consideration of a range of factors to ensure that the industry is there to provide the services consumers want, at a level of price and service that makes them safe and accessible to the community. In making a decision to release, there is a breadth of matters and stakeholder interests to weigh, such as:

- consumer outcomes:
 - price competition – advertised fares, average fares
 - service quality – consumer perceptions, waiting times (average, traditional performance benchmarks, geographic), complaints/service ratings;
- market demand:
 - hirings – booked; rank and hail
 - service preference/take up – hirings across companies and service types
 - hirings over peak and off peak periods (daily/monthly/annually)
 - general – population, economic conditions, business and community interests; and
- market supply:
 - number of licensed of service providers (including taxi cap and availability)
 - potential market supply – for example, waiting lists
 - distribution and allocation
 - impacts on participants – including market incentives and viability.

The ACT Government is committed to reform that supports consumer outcomes with a regulatory framework, designed to promote safe, reliable, sustainable and efficient transport services. The Government is continuing to monitor the Territory's on-demand transport industry as part of the two year evaluation of its reforms, which commenced in October 2015. The following outlines the government's view of market conditions and factors considered with the scheduled June 2017 release.¹

¹ This analysis should be read in conjunction with supporting analysis for the taxi licence release strategy available from the Access Canberra website (see [link](#)).

CONSUMERS

Price levels for taxi and rideshare remain unchanged since the commencement of reforms in late October 2015. The Government is not aware of any taxi fares being offered below the regulated maximum. Hirings of ACT–NSW cross border taxis commencing in the ACT are now subject to ACT regulated fares, effective as of 1 May 2017.

Uber advises average rideshare waiting times of under five minutes in the ACT. Data to 31 March 2017, indicates that waiting times for booked taxi services are subject to some variation as the market adjusts to new entrants and services. Waiting times tend to be longer the further away parties are from the city centre, which is not unexpected due to the logistics involved.

Consumer perceptions will be surveyed as part of the reform evaluations to be conducted this year.

MARKET DEMAND

Overall indications suggest a net increase in on-demand transport services.

Rideshare services have grown since their introduction with over 70,000 active riders. Booked wheelchair accessible taxi (WAT) services have continued to grow to 31,000 trips in 2015-16. In 2016, booked WAT trips grew by around 5 per cent and in 2017 to date have been growing at around 8 per cent.

Use of other taxi services though has decreased, with the Canberra Taxi Industry Association citing a 13 per cent decrease in trips per taxi between 2015 and 2016. However, advice from industry continues to point to a limited impact of new rideshare services on taxi services – with such impacts primarily affecting services on Friday and Saturday nights.

MARKET SUPPLY

Taxi supply

The regulated cap on ACT taxi licences remains at 358. Since the March 2017 release, there have been 318 ACT-licensed taxis available comprising 292 standard taxis and 26 wheelchair accessible taxis (WATs). The last of the March 2017 batch of licences became operational in the week of 1 May 2017. Canberra taxis per head of population increased by approximately 0.025 taxis per thousand people, with each release of 10 taxi licences². Access Canberra advises that three WATs have been unavailable due to operational reasons for an extended period of time.

As at 10 May 2017, waiting lists for both government-owned taxi licences comprised 242 pre-approvals for standard taxi and 31 pre-approvals for WATs.

The supply of taxi drivers to service vehicles and consumers continues to rise since the commencement of the second phase reforms to driver licensing, with over a 20 per cent increase in licensed taxi driver numbers from 1 August 2016 to 1 April 2017 (to nearly 1800).

There has been some changeover in operators leasing perpetual taxi licences during March 2017. Industry reports that the level of associated lease fees in line with prior levels. Since January 2017,

² Population source: <http://www.abs.gov.au/ausstats/abs@.nsf/mf/3218.0>; <http://apps.treasury.act.gov.au/demography/projections/act/total>.

only one perpetual taxi licence has been subject to a market-based transfer³.

The number of transport booking services for taxi services remains at five with ACT Cabs, Aerial Capital Group, CabXpress, goCatch and Glide Taxi.

Rideshare⁴

There has been considerable uptake up of rideshare services. Uber advises just under 1000 active rideshare drivers – many are part-time.

Hire cars⁵

The number of licensed hire car operators and drivers has also increased over the phase 2 reform period by around 29 per cent and 18 per cent respectively. Since September 2015, the number of licensed hire car vehicles has increased from 38 to 53 (or approximately 39 per cent).

Other

ACTION bus services to the Canberra Airport commenced on 20 March 2017. Since that time, 4050 passenger movements (including boardings and arrivals) have been recorded at the Terminal.

STAKEHOLDER VIEWS

Nine substantive submissions were received through the Implementation Working Group. Submissions to government on market conditions for June 2017 scheduled did not evidence a discernible impact on the ACT on-demand transport market from the March 2017 release. Neither did they demonstrate hardship or impediment to the operation of the market from the staged return of taxi supply. However, stakeholders did suggest that further time was required to determine the impact due to data lags and time taken for vehicles to get on the road.

Various parties made comments on the 'potential' impacts of increase market supply on the incomes and viability of taxi operators and drivers in arguing not to proceed with a further release of taxi licences. This advice conflicted with a cohort of Canberra taxi drivers who noted opportunities for new providers and benefits for consumers, and went as far as to support the release of the remaining 40 previously-surrendered licences citing population growth, international flights and housing development as relevant factors.

A submission from an operator reported ongoing difficulty with attracting drivers. Given the increase in licensed taxi drivers, factors other than overall supply may be relevant (for example, differing driver incentives between operators and/or service types).

Actions to freeze additional taxi licence releases in other jurisdictions as part of reforms were noted. The Government has been monitoring actions in other jurisdictions through the transition period. Like the ACT, NSW is returning previously surrendered licences into the market. NSW will be returning 62 licences in 2017-18.⁶

Two submissions raised issues with wheelchair accessible taxi (WAT) licences and available services.

³ Due to the single transfer a value cannot be provided for privacy reasons.

⁴ The number of ACT rideshare vehicles is not limited by regulation.

⁵ The number of ACT licensed hire cars is not limited by regulation.

⁶ This approach was supported by the NSW Taxi Council – see <https://www.nswtaxi.org.au/news/20172018-sydney-taxi-licence-determination>.

This included arguments to prioritise the release of additional WAT licences to support their role as an enabler of social and economic inclusion.

Other non-taxi licence matters were raised in submissions. These have been passed to relevant agencies for further consideration or will be examined with the evaluation of taxi reforms. The Government values the input from stakeholders to this process.

DECISION

The Government does not intend to release any standard taxi licences in June 2017, given advice from industry on the need to allow further time to determine any impact of the March 2017 release and apparent reduced demand for standard taxi services.

The Government, however, will release an additional five WAT licences. This matches calls to promote the release of WATs, while recognising the continued growth in demand for these services over time. The number of bookings is now approaching threefold the amount since the WAT licence cap was set in 2001. This additional capacity should also permit WAT services to function better given operational considerations (such as the time vehicles may be off the road for maintenance or other factors).

The mix of licences under the regulated cap will be adjusted to provide that the overall number of ACT taxi licences remains at 358.

SENSITIVE

ATTACHMENT F

**OPTIONS FOR SCHEDULED RELEASE OF TAXI LICENCES SUBJECT TO MARKET CONDITIONS –
SUMMARY OF CONSIDERATIONS**

Option	Benefit	Cost/Risk
1. Do not release any taxi licences	<p>Address calls from existing taxi operators, plate owners and CTIA to not release licences</p> <p>Maintains existing conditions until further data available</p>	<p>Limits access of new taxi TBSs to additional supply</p> <p>No additional revenue to government (\$10,000 p.a. lease for standard licence)</p>
2. Release the scheduled 10 additional standard taxi licences	<p>Adds additional competitive pressure into market for drivers and operators to improve consumer service</p> <p>Meets calls for more licences from Canberra Airport and 2.2(a)(xii)</p> <p>Additional revenue to government (\$10,000 p.a. lease for standard licence)</p>	<p>Potential negative impact on operator and driver income with standard taxi work declining</p>
3. Release a lower number of standard taxi licences	<p>Similar to Option 2 but to lesser degree</p>	<p>Similar to Option 2 but to lesser degree</p>
4. Release (up to five) WAT licences, but maintain existing licence cap [PREFERRED]	<p>Adds some additional competitive pressure into market for drivers and operators to improve consumer service</p> <p>Meets calls for more licences from Canberra Airport and Sikh Taxi Drivers Assoc but to lesser degree</p> <p>Meet calls to prioritise accessible services</p> <p>Recognises growth in WAT bookings over time</p> <p>Addresses (at least in part) ongoing WAT operational capacity concerns</p>	<p>Surprise to market (given prior announcement of standard licence release)</p> <p>Potential negative impact on driver and operator income, noting that WATs still perform standard taxi work</p> <p>May take a greater time to become operational as vehicle supply is more limited</p> <p>Less revenue to government (\$100 p.a. lease for dual WAT licence; \$1,000 for single WAT licence)</p>

SENSITIVE

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ACT TAXI LICENCE RELEASE (SCHEDULED FOR JUNE 2017) – SUBMISSIONS

Party	Issue	Comment
2.2(a)(xii)	<ol style="list-style-type: none"> 1. Need for more accessible vehicles in on-demand transport mix. <ol style="list-style-type: none"> i. 26 WAT, including 16 dual WAT. 2. Transport as an enabler of social and economic inclusion. 3. Rideshare in other jurisdictions causing disruption to transport (as some taxis exit market, eg Melbourne). 4. Prioritise new accessible taxi vehicles. 5. Dangerous rides in transit buses. 6. Impact of rideshare on travel costs unclear. <ol style="list-style-type: none"> i. Monitoring and data publication. ii. Assess investment in transport infrastructure. 7. Greater integration of access across transport. <ol style="list-style-type: none"> i. Incentives for operators with new integrated system. 	<ol style="list-style-type: none"> 1. Noted. 2. Noted. 3. Noted. ACT taxi, operator and driver numbers have not experienced a similar drop. 4. Consider with evaluation. 5. Refer to TCCS. 6. Taxi fares remain subject to regulated maximum and a subsidy scheme applies. Rideshare fares are not regulated. <ol style="list-style-type: none"> i. Monitoring with evaluation. ii. Not within scope. 7. Not within scope.
	<ol style="list-style-type: none"> 1. Initial release. <ol style="list-style-type: none"> i. Drivers leaving to take up licences, with impacts on driver availability for original taxi. ii. Plate owners able to re-lease to operators from initial licence release and maintain lease income levels. iii. Approaches from operators to reduce fees have been refused, to operators' detriment. 2. Further release. <ol style="list-style-type: none"> i. Unknown number of Uber drivers. ii. Data is required to justify further release. 3. Owners – buyback proposal. 4. Lease incomes – fallen only \$40 per week on average. 5. Buyback proposal. 6. Outstanding concerns – data collection, CTP and counselling. 	<ol style="list-style-type: none"> 1. <ol style="list-style-type: none"> i. Noted. However, licensed taxi driver numbers have increased. ii. Noted. iii. Noted 2. <ol style="list-style-type: none"> i. Further data on active numbers received from Uber to be available with release (see submission). ii. ACTTPOA is of the view that the Government is attempting to release licences only to match direct supply and demand in the market. This neglects the government's statements about the release strategy 'to allow for movement in taxi supply and permit new entrants on the taxi side of the equation'. The difficulty in attempting such matching was recognised in the 2002 ICRC taxi review. 3. To be considered with evaluation. 4. Noted. 5. To be considered with evaluation. 6. As advised in Minister's letter of 21 April 2017.
	<ol style="list-style-type: none"> 1. We still have a lot of taxis without drivers. They can't do any work because there is no one to drive them. 	<ol style="list-style-type: none"> 1. Noted.

2.2(a)(xi)	<p>2. There is no sense in releasing more taxi plates. It is putting a lot of pressure on existing taxi driver and operator incomes and worsening driver shortages.</p> <p>3. Existing taxi operators will always want to get these new plates due to their lower lease fee.</p> <p>4. The release of new plates cannot be justified as there is no increase in taxi jobs per taxi. It has rather decreased after introduction of ride sharing in ACT.</p>	<p>2. Noted.</p> <p>3. Noted.</p> <p>4. Noted – no data provided.</p>
	<p>0. General:</p> <ul style="list-style-type: none"> i. Opposed to issue/re-issue of taxi licences. ii. Do not want consideration of taxi licence values and lease fees as part of market conditions. iii. More time required to comment on market impacts from March 2017 release. iv. Consideration of CTIA views with regard to policy. v. Makes comments conduct of taxi review. vi. Suggests taxi reviews have demonstrably adversely affected the income and confidence of those in the taxi industry. 	<ul style="list-style-type: none"> i. Noted. ii. At odds with further on impacts on perpetual licence holders. iii. Noted – staging was considered with initial decision to release. iv. CTIA views are considered with those of other stakeholders. v. Purported statements by ‘a public servant’ are unsubstantiated. vi. No income data provided to support statement.
	<p>1. Service delivery times:</p> <ul style="list-style-type: none"> i. Use as potential indicator of need for additional supply. ii. Performance details provided for May 2013 and May 2016. iii. Decline in number of booked trips. <ul style="list-style-type: none"> a. For Aerial trips per car per day dropped by 13% (however, timeframe not advised). 	<ul style="list-style-type: none"> i. Noted – no one measure will be the sole determinant of further releases. ii. Noted – details known and considered with decision on release strategy. iii. As per ii. [Note figures relate to Aerial only and do not consider trips booked through other TBS.]
	<p>2. Effects of competition:</p> <ul style="list-style-type: none"> i. Level playing field is a work in progress. ii. With new competition loss of percentage of overall work (not stated), mainly during peak night periods on Fridays and Saturdays. iii. Drop in total trips numbers has enhanced ability of taxis to maintain performance levels. 	<ul style="list-style-type: none"> i. Noted. ii. Noted - details known and considered with decision on release strategy. iii. Need to consider statement with figures from other TBS.
	<p>3. Driver and vehicle:</p> <ul style="list-style-type: none"> i. Government does not need to release extra taxis to increase competition to address quality. 	<ul style="list-style-type: none"> i. Position at odds with statements by Tony Bryce (CTIA) and Phil Skipper (Aerial) meeting of 29 March 2017 – e.g, indicated issues with drivers maintaining dress standards.

SENSITIVE

	<p>4. Time since last release:</p> <ul style="list-style-type: none"> i. Questions consideration of time (since 2013) of prior releases. ii. Assertions that: <ul style="list-style-type: none"> a. Licences previously surrendered due to market forces. b. Lowering lease fees lowers demand for operator's management abilities. c. If lease fees 'eliminated' and fares forced down operators would have no margin of profit. d. Taxi incomes during normal working hours not affected by rideshare as rideshare drivers only seek out surcharging opportunities. 	<ul style="list-style-type: none"> i. Reflective of the previous ad hoc allocation system. Also, associated with factors, such as population growth. ii. Varied – <ul style="list-style-type: none"> a. We understand that licences may have been surrendered for a variety of reasons, including personal and family matters unrelated to financial viability. b. & c. Basis for lease fee reductions publicly advised with announcement of reforms. d. Note comments on limited impact on taxi incomes, however not supported by data.
	<p>5. Licence cap:</p> <ul style="list-style-type: none"> i. The number of licences 'on the shelf' prior to reforms should have been removed from the cap. ii. Issuing of licences will ignore the well being of taxi drivers and operators. 	<ul style="list-style-type: none"> i. Not agreed. ii. Not agreed – breadth of interests to be considered.
	<p>6. Effects on perpetual taxi licences:</p> <ul style="list-style-type: none"> i. CTIA does not understand the lowering of the lease fees for government-owned licences. ii. Questions why waiting list for leases should be considered. iii. Expectations of stability with a regulated business. iv. Want operators to pay a premium to work in a regulated industry. 	<ul style="list-style-type: none"> i. Basis for lease fee reductions publicly advised with announcement of reforms. ii. Indication of potential supply. iii. Neglects over 20 plus years of industry deregulation discussions. iv. A disturbing comment that goes against the efforts of the government's reform to promote outcomes for consumers and reduce costs to industry participants.
	<p>7. Comparison to other cities:</p> <ul style="list-style-type: none"> i. Questions why government would consider taxi density against other markets, however then suggests use of an objective measure based on population. 	<ul style="list-style-type: none"> i. No comment.
	<p>8. Pressure groups:</p> <ul style="list-style-type: none"> i. Concerned with influence of Canberra Airport. ii. Suggests international flights have not stretched taxi service capacity. iii. Suggests interests of other stakeholders do not regard the well being or functionality of the taxi industry. 	<ul style="list-style-type: none"> i. Canberra Airport interests considered along with other stakeholders. ii. Subject to consideration of rideshare services and ongoing peak period concerns. iii. Not agreed.

	<p>9. Human rights:</p> <p>i. Comments on government consideration of welfare of group of people [not defined] over whom it has a large degree of economic control.</p>	<p>i. Not agreed.</p>
	<p>10. Other jurisdictions:</p> <p>i. Notes freezes on taxi releases in other Australian jurisdictions.</p>	<p>i. Approach in other jurisdictions has been monitored and was considered with decision on release strategy. Neglects that NSW is returning 62 previously surrendered licences to the market in 2017-18.</p>
2.2(a)(xii)	<p>1. Nil comment from members.</p>	
	<p>1. Questions basis for releasing 10 more taxis. 2. Regards taxis as 'dying breed'. 3. Seeks further information about support for Uber drivers:</p> <p>i. Access to the TSS. ii. Access to special events roads. iii. Stop limiting where Uber drivers can and cannot pick up a client from.</p>	<p>1. Advised in supporting analysis with release strategy. 2. No comment – personal opinion. 3. To be considered with evaluation. Comments advised to agencies.</p>
	<p>1. Number of taxis:</p> <p>i. 40 more taxis would help to provide efficient service and benefit the public. ii. No effects of March 2017 release realised. iii. Ongoing issue with taxi demand at Airport.</p>	
	<p>2. Candidates for government-owned licences:</p> <p>i. Majority (suggested 90%) already working in the taxi industry and experienced in the Canberra market. ii. More transport options for public with more taxis. iii. No perpetual plates available for lease (waiting time extends to more than a year). iv. No impacts on lease prices for perpetual plates from March 2017, though further releases may reduce lease prices.</p>	
	<p>3. Economic benefits:</p> <p>i. Potential for more driving jobs and flow through to secondary business sectors.</p>	
	<p>4. Reasons behind returned plates:</p>	

SENSITIVE

	<ul style="list-style-type: none"> i. Concerns regarding viability but large volume of work suggested. 	
2.2(a)(xii)	<ul style="list-style-type: none"> 5. Future prospects: <ul style="list-style-type: none"> i. Population growth, international flights and ongoing housing development suggestive of further business opportunities. 1. Aspects to improve WATs: <ul style="list-style-type: none"> i. Drivers neglecting wheelchair bookings continues – greater policing to force uptake of bookings; if refused, take off the road for 48 hours for non-compliance; WATS licences need to be tied to an operators WATS bookings for any renewal. ii. Wheelchair hoist in WATS are a standard hoist have a safe-weight-lift (SWL) of 300kgs – concerned that the standard wheelchair hoist installed in the majority of ACT WATS are now a safety issue for the government taxi regulators due to passenger obesity and increased size of wheelchairs. 	<ul style="list-style-type: none"> 1. Not relevant to taxi licence release. Referred to agencies for consideration; may be considered with evaluation.
	<ul style="list-style-type: none"> 1. Data – 71,000 active riders; just under 1,000 partner drivers; waiting time less than 5 min; passengers from 58 different countries using app in ACT. 2. Partnerships with government. 3. Access Canberra implementation issues. <ul style="list-style-type: none"> i. Accreditation certificate process. ii. Vehicles – accreditation for 4 door utes iii. Vehicle labelling – potential better actions iv. Working with Vulnerable People Check – not supported due to additional cost and existing checks v. Online accreditation to reduce licence wait times 4. Reporting requirements <ul style="list-style-type: none"> i. Security due to commercial sensitivity ii. Rationale for data requests 5. Work on ACT-NSW cross border 	<ul style="list-style-type: none"> 1. Noted. 2. Noted. 3. Noted – already subject to government consideration by agencies. 4. Minister Ramsay has written to Uber on these points. Rationale for data requirements has been discussed with Uber throughout the reform process. 5. Noted. We have been unable to progress substantively as NSW still developing its reforms.



Minister: Minister Ramsay
Date: 25 May 2017

SUBJECT: ACT Government Taxi Reform

ISSUE: Release of five government-owned wheelchair accessible taxi licences

KEY MESSAGES:

- We are pleased to release five additional wheelchair accessible taxi licences to the Canberra market in June 2017. This will result in 31 WAT licences in the ACT. The overall regulated cap of 358 taxi licences will remain the same.
- In making its decision, the ACT Government has carefully considered the input of stakeholders on a range of relevant issues, including market conditions and factors in different customer segments.
- Given its analysis, the Government has decided to not release any standard taxi licences in June 2017.
- The demand for booked wheelchair accessible services has grown significantly since the initial cap of 26 licences was set in 2001.
- Appropriately, community stakeholders have expressed their desire for accessible services to be prioritised.
- This considered decision does not prejudice the Government's future release taxi of licences as previously announced.
- In February 2017, we indicated we would release 10 government-leased licences each quarter up to the regulated cap to ensure a competitive and accessible service.

Community benefits

- We are committed to improving the on-demand transport and public transport sector in the ACT to ensure all Canberrans have access to affordable, convenient, safe and better integrated transport options into the future.
- The release of taxi licences helps to encourage quality operators and drivers to enter the marketplace and support an even greater quality of taxi service for the community.
- We will continue to examine the on-demand transport market to ensure greater consumer choice, service quality and accessibility.

Release of licences

- With our goal for strong consumer outcomes, the introduction of international flights at Canberra Airport and strong demand for taxi licences, the ACT Government lifted its freeze on the lease of 50 government-owned taxi licences to help promote competition.
- The staged approach will allow existing industry participants the time to adapt with the ongoing changes in the market.
- We will continue our monitoring and evaluation of the market as part of the Taxi Industry Innovation Reforms.
- Taxi licences can be issued for no longer than six years.
- The waiting list approach is first come, first served. If an applicant applies for multiple licences, they can only be supplied one licence at a time. After the allocation of a licence, they are returned to the end of the waiting list. The maximum number to be controlled by a person is 25.
- As of 10 May 2017, the pre-approval waiting list of individuals applying for one or more standard taxi licences was 242 applicants, and a further 31 individuals applying for one or more wheelchair-accessible taxi licences (a total of 273 applicants).

History of reforms

- The ACT Government delivered landmark taxi and ride share industry reforms in 2015, the first jurisdiction in the nation to regulate rideshare and legally introduce services like Uber to Canberra.
- These reforms were an acknowledgement that the taxi industry is evolving, and that consumers were looking for broader travel choices and experiences.
- The reduction in taxi licence fees have endeavoured to level the playing field for the taxi and hire car industry to ensure a more competitive and accessible service.
- Over the reforms the fees have reduced from \$20,000 to \$10,000 during late 2015, to \$5000 as of 31 October 2016 (per licence per annum).
- On-demand transport services are rapidly expanding and innovating to create new ways for Canberrans to get from A to B, creating valuable opportunities for private businesses to enter the market.
- Our first priority is always to ensure safety of our residents and we will continue to review and monitor new business models as they commence operations in the ACT. As part of this approach, we are currently conducting a two-year period of monitoring and evaluation of taxi and rideshare reforms.

BACKGROUND/SENSITIVITIES (not for distribution):

- Since the commencement of taxi licensing in the ACT (in 1949), the number of taxi licences has been controlled by government.
- Currently, a maximum of 358 ACT taxi licences are permitted – this includes standard and wheelchair accessible taxis (26).
- The cap is not changing. When the government commenced its new regulatory framework in August 2016, it did not immediately allow a backlog of unleased government-owned taxi licences (50 standard licence taxis) be placed into the market.
- In announcing its reforms, the government indicated the potential to make available further licences under the cap and also to consider the cap itself after a reasonable time.
- The government has listened to stakeholder views throughout the second phase of its reforms and examined available market data.
- We consider that a graduated return of supply up to the regulated cap will continue to promote competition (ultimately for the benefit of consumers) and meet a strong demand within the industry for taxi licences.
- Consumers will see new suppliers of taxi services enter the ACT. This will add to the services introduced through the reforms such as ridesharing (Uber), and complement new taxi booking services (ACT Cabs, goCatch and Glide taxis) and familiar taxi booking services (Aerial/Elite taxis, CabXpress).
- The on-demand transport industry is experiencing a period of substantive change. Traditional participants are experiencing greater competition from new services and entrants. This creates points of strain that are being managed over the transition period for the reforms.
- More taxi licences will mean a further increase in competition for existing service providers. With this also comes the opportunity for new entrants to contribute to the ability of the taxi industry to adapt and provide quality service.

Action officer: 2.2(a)(ii)

Cleared by (Business Unit Head):

Date: 25 May 2017

Chief Minister, Treasury and Economic Development Directorate

SENSITIVE

To:	Minister for Regulatory Services; Minister for Justice, Consumer Affairs and Road Safety	Tracking No.: CMTEDD:2017/1089
CC:	Head of Service	
From:	Deputy Director-General, Policy and Cabinet, CMTEDD Deputy Executive Director, Legislation, Policy and Programs, JACSD	
Date:	4 July 2017	
Subject:	Taxi reform – Conduct of a taxi fare review in 2017	
Critical Date:	18 July 2017	
Critical Reason:	To determine whether a taxi fare review is to align with the 2017-18 evaluation of taxi industry reforms.	

Purpose

To determine the strategy for undertaking a review of taxi fares this year.

Recommendations

That you:

1. **agree** to the conduct of a taxi fare review in 2017-18; and

 Agreed / Not Agreed / Please DiscussGordon Ramsay MLA  7.7.17Shane Rattenbury MLA  14.7.17

2. **agree** to the alignment of the review with the taxi reform evaluation (with findings of the review being considered with the evaluation, rather than being implemented for a 1 July 2018 commencement).

 Agreed / Not Agreed / Please DiscussGordon Ramsay MLA  7.7.17Shane Rattenbury MLA  14.7.17

SENSITIVE

Ministers' Office Feedback

Background

1. The maximum taxi fares that can be charged are determined by the Minister for Justice, Consumer Affairs and Road Safety under section 60 of the *Road Transport (Public Passenger Services) Act 2001*.
2. The practice for determination of the maximum fares has previously been for the taxi industry (in this case typically represented by the Canberra Taxi Industry Association (CTIA), taxi networks and ACT Taxi Alliance) to undertake an annual review of its cost base and submit a proposal to the ACT Government for any fare adjustments.
3. The industry's analysis and recommendations have then been reviewed on behalf of the Justice and Community Safety Directorate (JACSD) by an independent consultant.
4. It has also been the usual practice to align fare changes with the commencement of a financial year.
5. With the announcement of taxi industry innovation reforms in September 2015, the Government decided to put a hold on making changes to maximum taxi fares, initially for 12 months. The Government committed to monitor the competition effects on pricing of taxi and other on-demand transport modes.

Issues*Taxi fare review*

6. Traditionally, the taxi industry has been proactive in reviewing its cost base and seeking a fares adjustment to account for cost movements (usually upwards) in the items set out in the Taxi Cost Composite Index (TCCI). The TCCI was established as an appropriate cost base for determining changes to maximum taxi fares following the Independent Competition and Regulatory Commission's *Determination of taxi fares for the period 1 July 2004 to 30 June 2007*.
7. The CTIA did not seek a taxi fare review in 2016-17 – consistent with the Government's indication that it would initially seek to maintain existing fare arrangements, following the introduction of taxi industry innovation reforms.

8. 2.2(a)(xii)



SENSITIVE

c. 2.2(a)(xii)

Evaluation of taxi reforms

9. Improving consumer outcomes, such as pricing, has been a focus of the Government's taxi reforms. The Government undertook to evaluate the impact of its reforms.
10. The community consultation component of the Evaluation was announced by the Minister for Regulatory Services on 5 July 2017 (see detailed briefing CMTEDD:2017/27) and will include consideration of:
 - a. the extent to which the reforms have generated or influenced price competition; and
 - b. any pressure on driver/operator incomes from the release of taxi licences.
11. Evaluation findings on these matters will be relevant to consideration of:
 - a. whether there is scope for taxi fare deregulation;
 - b. the impact on driver and operator incomes of any changes to the current fare arrangements, including any adjustment of maximum fares; and
 - c. the impact on consumers of any changes to current fare arrangements, including any adjustment of maximum fares.
12. In order to deal with the outcomes of the evaluation and any fare review holistically, it is proposed that any fare review outcome be considered in conjunction with the evaluation findings.

Financial Implications

13. JACSD funds the independent review of any industry submission for a fare adjustment from internal resources.

Consultation

Internal

14. Nil.

Cross Directorate

15. CMTEDD (Regulatory Reform) and JACSD co-authored this brief. The Taxi Reform Evaluation Committee, which oversees the evaluation, was consulted in the preparation of this brief.

External

16. The taxi TBS are being consulted.

Benefits/Sensitivities

17. The taxi industry may be sensitive about any fare changes on top of other reform actions. The proposed combined consideration of changes to fares and evaluation of the reforms will ensure that factors affecting the industry can be considered holistically.

SENSITIVE

SENSITIVE

Media Implications

18. Consumer outcomes from the ACT's reforms, such as taxi fare pricing, may attract media coverage.

Signatory Name: Adam Stankevicius
Karen Greenland

Phone: x50468
x76244

Action Officer: 2.2(a)(ii)

Phone: 2.2(a)(ii)

SENSITIVE

**Chief Minister, Treasury and Economic
Development Directorate**

SENSITIVE

To:	Minister for Regulatory Services	Tracking No.: CMTEDD2017/2651
Date:	1 September 2017	
From:	Director, Government and Regulatory Reform	
Subject:	Taxi Reform – Taxi Licence Release Stakeholder Letters	
Critical Date:	As soon as possible.	
Critical Reason:	To support the announcement of taxi licence releases for September and December 2017.	
• DDG	.../.../...	

Purpose

To advise key stakeholders of the outcome of the the Government's decision on the release of taxi licences for September and December 2017.

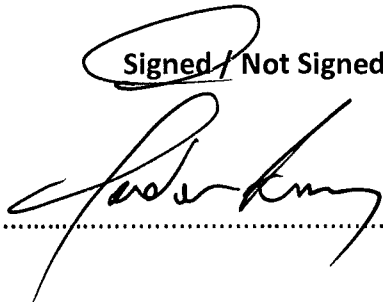
Recommendations

That you:

1. **Sign** the attached letters to key stakeholders regarding the release of taxi licences at Attachment A.

Signed / Not Signed / Please Discuss

Gordon Ramsay MLA


6/9/17

Minister's Office Feedback

SENSITIVE

Background

1. The proposed arrangements for the upcoming release of ACT taxi licences include making available five licences this month and no licences in December 2017 were agreed by you in August 2017 (briefing CMTEDD2017/3390 refers).

Issues

2. The attached letters provide details of your decision to key stakeholders. The content has been discussed with your Office.
3. A media release making a public announcement of the decisions will be drafted with your office.

Financial Implications

4. Nil.

Consultation

Internal/Cross Directorate/External

5. Not required. (Refer to CMTEDD2017/3390.)

Benefits/Sensitivities

6. Industry stakeholders remain at odds on the appropriate arrangements for the release of taxi licences. Disaffected parties may raise public comment – for example,

2.2(a)(xii)

Media Implications

7. A draft media release for the announcement of the Government’s decision will be provided to your Office through CMTEDD Communications.

Signatory Name: Adam Stankevicius

Phone: x50468

Action Officer: 2.2(a)(i)

2.2(a)(i)

Attachments

Attachment	Title
Attachment A	Letters to key stakeholders <ul style="list-style-type: none"> • 2.2(a)(x) • ACT Taxi Plate Owners’ Association • 2.2(a)(ii) • [Redacted] • [Redacted] • [Redacted] • [Redacted] • [Redacted] • [Redacted] • [Redacted]



Gordon Ramsay MLA

Member for Ginninderra

Attorney-General
Minister for Regulatory Services
Minister for the Arts and Community Events
Minister for Veterans and Seniors

Mr Phil Button
Chairman
ACT Taxi Plate Owners Association (ACTTPOA)
23 Booth Crescent
COOK ACT 2614
[Via email philbutton@grapevine.com.au]

Dear Mr Button

I am writing about the arrangements for the scheduled September and December 2017 releases of ACT Government-issued taxi licences, in line with the announced staged release of taxi licences.

In making its decision on the arrangements, the ACT Government has carefully considered the input of stakeholders on a range of relevant issues, as well as current and expected market conditions and factors in different segments of the market for both consumers and suppliers.

Given analysis of the above, the ACT Government has decided to release five standard taxi licences in September 2017, and no licences in December. The overall regulated cap of 358 taxi licences will remain the same.

Information and supporting analysis for the release is provided on the Access Canberra website, www.accesscanberra.act.gov.au. On-demand transport industry reform Implementation Working Group members will again be consulted prior to the scheduled taxi licence release, next due in March 2018.

I understand your ongoing concerns with the trading values and leasing fees of your members' taxi licence interests. I am advised that, to date, only one perpetual licence has traded this year; however, demand remains for the lease of these licences. These issues will be considered as part of the Government's formal two-year evaluation of the reforms, which is currently underway.

Thank you again for your representations.

Yours sincerely

Gordon Ramsay MLA

06 SEP 2017

AUSTRALIAN CAPITAL TERRITORY LEGISLATIVE ASSEMBLY

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Gordon Ramsay MLA



On-demand Transport Industry Reform – Taxi Licence Release

Supporting Analysis

September and December 2017

August 2017

Background

On 7 February 2017, the ACT Government announced it would make available for lease, through a staged process, government-owned taxi licences that were previously unallocated. From 1 March 2017, up to 10 additional licences would be released each quarter up to the regulated cap of 358, subject to ongoing consideration of market conditions.

The ACT Government is taking a comprehensive approach to the consideration of market conditions. In addition to community consultation, all measures outlined below are used to determine whether or not market conditions would support the allocation of additional licences consistent with the Government's stated intention.

There is no single, definitive measure that determines market conditions; rather, there are a range of factors considered which ensure that the industry is there to provide the services consumers want, at a level of price and service that makes them safe and accessible to the community.

In making the decision to release, there are a range of matters that have been taken into consideration, including:

Consumer outcomes

- price competition – advertised fares, average fares
- service quality – consumer perceptions, waiting times (average, traditional performance benchmarks, geographic), complaints/service ratings;

Market demand

- hirings – booked, rank and hail
- service preference/take up – hirings across companies and service types
- hirings over peak and off peak periods (daily/monthly/annually)
- general – population, economic conditions, business and community interests; and

Market supply

- number of licensed of service providers (including taxi cap and availability)
- potential market supply – for example, waiting lists
- distribution and allocation
- impacts on participants – including market incentives and viability.

The ACT Government is committed to reform that supports consumer outcomes with a regulatory framework, designed to promote safe, reliable, sustainable and efficient transport services. The Government is continuing to monitor the Territory's on-demand transport industry as part of the two year evaluation of its reforms, which commenced in October 2015.

The following outlines the ACT Government's view of market conditions and factors considered with the scheduled September 2017 and December 2017 licence releases.¹

CONSUMERS

Price levels for taxis have remained unchanged since the commencement of reforms in late October 2015. The ACT Government is not aware of any taxi fares being offered below the regulated maximum.

Rideshare prices in the ACT are now varied and subject to competing pricing arrangements. On 9 June 2017, Uber increased charges in the ACT (and nationally). In July 2017, goCatch entered the ACT rideshare market with an alternate pricing schedule.

Uber advises average rideshare waiting times of under five minutes in the ACT. Data, to 30 June 2017, indicates that waiting times for booked taxi services continue to be subject to some variation as the market adjusts to new entrants and services but have improved since from the previous quarter. Waiting times tend to be longer the further away parties are from the city centre due to the logistics involved.

Consumer perceptions are being surveyed as part of the reform evaluations. Initial indications, from consumers through the *Your Say* website indicate:

- 87% of respondents find it easier to get around Canberra using on-demand transport – such as taxis, rideshare and hire cars – since the reforms began
- 89% of respondents think rideshare and related reforms are a good thing for Canberra
- 82% of respondents are now using on-demand transport, now that rideshare services like uberX are an option.

As part of the broader, two year evaluation process, industry and community stakeholders are being asked for their input regarding the impact of the reforms until 5 September 2017.

MARKET DEMAND

Overall indications are unchanged from May 2017 suggesting an overall net increase in on-demand transport services.

There is no update to analysis for rideshare services, which were last indicated to involve over 70,000 active riders.

Use of taxi services has decreased compared to immediately prior to the reforms, with stakeholders citing a 13 per cent decrease in trips per taxi between 2015 and 2016² to a level understood to be consistent with that in 2013.

Reporting from Transport Booking Services for taxis over the first half of 2017³ suggests that

¹ This analysis should be read in conjunction with supporting analysis for the taxi licence release strategy and earlier releases available from the Access Canberra website (see [link](#)).

² Demand for taxi services in the ACT during 2016 may have been affected by factors other than the reforms, for example the conduct of the federal election.

³ 2017 TBS first quarter reporting includes Aerial Capital Group, ACT Cabs, CabXpress and goCatch.

the decline is abating with the numbers of booked services being comparable to those for the first half of 2016. Advice from industry continues to point to an impact of new rideshare services on taxi services – with impacts primarily affecting services on weekends and nighttimes.

Additional air transport services (both local and international) are scheduled at Canberra Airport, with an expected nominal growth in demand for on-demand transport services.

Annual data for taxi services shows a clear and substantive drop in demand for taxi services over the December-February holiday period.

Booked wheelchairs accessible taxi (WAT) services have continued to grow. In 2016-17, booked WAT trips grew by 13.8 per cent. Figures for July 2017 show a further 12 per cent increase on the same time the previous year.

MARKET SUPPLY

Taxi supply

The regulated cap on ACT taxi licences remains at 358. Since the June 2017 release, there have been 323 ACT-licensed taxis available, comprising 292 standard taxis and 31 WATs, but with some still to actually commence on-road operations. The last of the March 2017 batch of licences became operational in the week of 1 May 2017.

From the June release, all WATs are expected to be on the road by October-November 2017. Canberra taxis per head of population increased by approximately 0.025 taxis per thousand people, with each release of 10 taxi licences⁴.

As at 9 August 2017, waiting lists for both government-owned taxi licences comprised 247 pre-approvals for standard taxis and 19 pre-approvals for WATs.

The supply of taxi drivers to service vehicles and consumers has continued to rise since the commencement of the second phase reforms to driver licensing. However, operators cite difficulties in obtaining drivers to work night time and weekend shifts. They attribute this to drivers taking up the opportunity to provide rideshare services instead.

Industry reports that the level of associated lease fees for perpetual plates to be in line with prior levels. Since January 2017, only one perpetual taxi licence has been subject to a market-based transfer.⁵

The number of licensed transport booking services for taxi services has increased to nine but with only five known to be active (ACT Cabs, Aerial Capital Group, CabXpress, goCatch, Glide Taxi). The number of licensed hire car TBS stands at five and while rideshare TBS for is now at six.

⁴ Population source: <http://www.abs.gov.au/ausstats/abs@.nsf/mf/3218.0>; <http://apps.treasury.act.gov.au/demography/projections/act/total>.

⁵ Due to the single transfer a value cannot be provided for privacy reasons.

Rideshare⁶

There has been considerable uptake up of rideshare services. Uber cites just under 1,000 active rideshare drivers are operating in the ACT – many part-time. Licensed rideshare driver numbers continue to increase.

Hire cars⁷

The number of licensed hire car operators and drivers has also increased over the Phase 2 reform period by around 41 per cent and 35 per cent respectively. Since September 2015, the number of licensed hire car vehicles has increased from 38 to 58 (or approximately 39 per cent).

Other

ACTION bus services to the Canberra Airport commenced on 20 March 2017. To 30 June 2017, 10,049 passenger movements (including boardings and arrivals) have been recorded at the Terminal.

STAKEHOLDER VIEWS

Three submissions were received through the Implementation Working Group. Further comments were raised through the consultation process for the two-year reform evaluation process and have been considered as part of the decision-making.

Support for further releases is again mixed. Various parties have made comments on the impacts of reforms on the incomes of taxi operators and drivers. The advised (lack of) availability of taxi drivers over night time and weekend shifts suggest that even with greater taxi numbers there may be difficulty in having them on the road when desired. It also has been suggested that there is no correlation of taxi supply with trip numbers or service response times.

Other parties remain of the view that additional licences are necessary to provide opportunities to expand existing businesses or permit new entrants, and to meet consumer transport needs.

DECISION

On the basis of the above assessment of market conditions and industry consultation, the ACT Government has decided to release five taxi licences in September 2017.

The Government has also decided that due to a known annual decline in demand for taxi services over the December-January holiday period that it will not proceed with a release in December 2017.

The Government acknowledges there are disparate and opposing views on the release of taxi licences, and has adopted an approach which balances feedback and data about operator incomes and driver availability, while also recognising the stabilisation of taxi

⁶ The number of ACT rideshare vehicles is not limited by regulation.

⁷ The number of ACT licensed hire cars is not limited by regulation.

hirings in the first half of 2017 and the calls for greater flexibility in supply to meet industry stakeholder needs.

The overall number of permitted ACT taxi licences remains at 358.

The next scheduled consideration of taxi licence release will be held in the March 2018, subject to further industry consultation and assessment of market conditions.

At this time, the Government may also consider the outcomes of its formal two-year evaluation its taxi, hire car and rideshare reforms which is being undertaken in the second half of 2017.



MINISTERIAL BRIEF

Chief Minister, Treasury and Economic Development Directorate

SENSITIVE

To: Minister for Regulatory Services Tracking No.: CMTEDD2017/4643

CC:

From: Director, Government and Regulatory Reform

Subject: Taxi Reforms – Meeting with ACT Taxi Plate Owners’ Association (ACTTPOA)

Critical Date: 27 October 2017

Critical Reason: You are scheduled to meet with the Mr Phil Button, Chairman and other members of ACTTPOA.

- DDG .../.../...

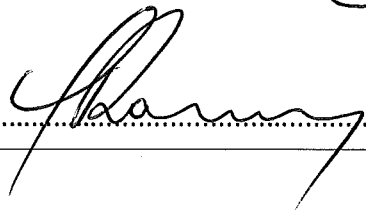
Purpose

Recommendations

That you note:

1. the current policy positions surrounding taxi perpetual plates, assistance issues for plate holders; and
2. suggested talking points for the meeting at Attachment A.

Noted / Please Discuss

Gordon Ramsay MLA  28/10/17

Minister’s Office Feedback

SENSITIVE

SENSITIVE

Background

1. The ACT's taxi industry innovation review and reforms are consumer focused. They have permitted the introduction of rideshare and reduced regulatory costs on the taxi and hire car industry. The ACT Government committed to the two-year period of monitoring and evaluation from the commencement of its reforms in October 2015.
 - a. There are two types of taxi (vehicle) licences available in the ACT: privately held and tradeable – 'perpetual' taxi licences – and Government-owned taxi licences (GOTL). These taxi licences may also be referred to as 'plates'.
2. The number of taxi plates in the ACT market is subject to a regulated cap of 358 vehicles (excluding cross-border taxis). Of these, 217 are perpetual plates, and are held by approximately 185 owners. ACTTPOA are reported to represent the majority of perpetual plate owners.
 - a. Around one-quarter of perpetual plates have been traded since 2010. However, since the reforms the market has become illiquid.
 - b. Not all perpetual plate acquisitions have been via market trading: original acquisitions from government were provided for free; or nominal amounts (e.g. \$250) or substantially lower amounts (eg \$80,000) were charged; or plates changed hands through estate transfers.
 - c. There are no caps on the number of licences for hire cars or rideshare vehicles.
3. Since 1 March 2017, 20 GOTLs have been returned to the market for lease, via a staged quarterly process for 50 previously surrendered licences. The next scheduled release is March 2018.

Issues

4. Suggested talking points for your meeting are provided at [Attachment A](#).
5. ACTTPOA continues to report anxiety among plate holders with the potential erosion of the tradeable value of their perpetual licences and related income streams.
 - a. ACTTPOA argues for a bring-forward of Government consideration of a (partial) 'buyback' of perpetual plates. Its proposal has been referred to the Centre for International Economics for economic modelling and comment as part of the evaluation of reforms.
 - b. The value of plates broadly reflects restrictions on market supply (ie the number of taxi licences available under the regulated cap) and the rates at which plates can be leased to taxi operators (ie a future income stream).

Assistance

6. The Government has not agreed to any payments to perpetual plate holders LPP
LPP
Impacts on stakeholders are to be considered as part of the evaluation of industry reforms.
7. ACTTPOA has proposed a plated buyback program to compensate owners for loss. ACTTPOA suggests that this program gives the Government greater flexibility in future plate release strategies, as it would then control all the licenses for potential issue:

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- a. Based on the 2014 average trading value of perpetual plates (nearly \$245,000), the market value of at buy out would cost in the order of \$53 million.
 - b. Other jurisdictions have varied in their approach assistance but any payments have been well short of pre-reform taxi plate values (refer to CMTEDD:2016/332).
8. The reduction in annual lease rates for GOTLs has been an essential component of cost reduction for existing and new taxi operators by government, so that they may better compete with lower-cost-structure business models such as rideshare. The Government made a clear choice to reduce industry costs to allow for flow-through benefits to consumers.
 9. Any 'maintenance' of perpetual plate values and lease rates which support that value is at the expense of operators (and ultimately consumers).
 10. From the 1995 COAG Competition Principles Agreement through to various industry reviews, Perpetual plate holders have been aware of the associated business risks due to potential deregulation and greater competition in taxi markets.
 11. ACTTPOA had also raised a need for personal/financial counselling for plate holders affected by the uncertainty of the industry reforms. This, too, is being considered as part of the evaluation.

Market supply

12. Access Canberra has provided advice to ACTTPOA on the staged release of licences suggesting limited impact on perpetual plate holders due to the composition of the pre-approved list of applicants. Mr Button, the head of ACTTPOA, noted the advice would provide some relief to the Association's membership.
13. From discussions between ACTTPOA following the September/December 2017 taxi licence release announcement, we understand that they acknowledge that the Government has been considering market conditions as part of the release program.

Market trading

14. Trading activity in perpetual plates remains thin, with only one market-based trade in 2017.
 - a. Average trading values: 2014 (pre-review/reform) – \$244,900 (8 plates); 2015 – \$244,200 (13 plates); and 2016 – \$231,600 (3 plates).

Lease rates

15. Plate holders attribute the potential for declines in leasing rates to the reduction in annual lease rate for GOTL, from \$20,000 per annum prior to reforms to \$5,000 per annum from 1 November 2016.
16. We are yet to receive advice evidencing a substantial reduction in perpetual plate lease rates. We understand fees have been maintained (in the order of \$20,000 per annum and above) despite the GOTL lease rate reduction.
 - a. We attribute the maintenance of lease rates to the continued regulation of taxi supply, and ongoing contracts between plate owners and taxi operators.

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- b. High lease fees represented a barrier to entry. GOTLs offered at lower lease rates present a broadened competitive choice of taxi plates for new taxi operators, and existing taxi operators *if and when* they can exit lease arrangements with perpetual license owners.

Financial Implications

17. Nil.

ConsultationInternal

18. Access Canberra was consulted in the preparation of taxi reform policies and this brief.

Cross Directorate

19. JACSD was consulted in the preparation of taxi reform policies and this brief.

External

20. Consultation ongoing as part of review, reform implementation and evaluation.

Benefits/Sensitivities

21. Disputes over financial assistance to the taxi industry have resulted in industrial action in other jurisdictions, such as Victoria and Queensland.

Media Implications

22. ACTTPOA's concerns are subject to ongoing media reporting.

Signatory Name: Adam Stankevicius

Phone: x73751

Action Officer: [REDACTED]

Phone: x[REDACTED]

Attachments

Attachment	Title
Attachment A	Suggested talking points
Attachment B	On-demand transport licensing history in the ACT



MINISTERIAL BRIEF

Chief Minister, Treasury and Economic Development Directorate

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To: Minister for Regulatory Services
Minister for Justice, Consumer Affairs and Road Safety

Tracking No.: CMTEDD2018/570

CC: Minister for Transport and City Services

From: Director, Government and Regulatory Reform

Subject: Taxi Reform – Taxi licence release for March 2018 onward

Critical Date: 19 February 2018

Critical Reason: The next release of taxi licences is scheduled for March 2018.

- DG .../.../...
• DDG .../.../...

Purpose

To advise on the scheduled release of taxi licences from March 2018 onward under the taxi licence release strategy announced in February 2017.

Recommendations

That you:

- 1. agree to ~~the~~ suspend the release of ACT taxi licences pending ^{action} consideration of the Evaluation of the Government's industry reforms;
2. [Minister for Regulatory Services to] sign letters to key stakeholder advising of the decision.

Agreed / Not Agreed / Please Discuss

Agreed / Not Agreed / Please Discuss

Gordon Ramsay MLA

Shane Rattenbury MLA 19/2/18

Minister's Office Feedback

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Background

1. In February 2017, the ACT Government announced a taxi licence strategy to make available for release 50 government-owned taxi licences (GOTL) for standard taxis. The releases were to be staged in batches of up to 10 licences, available quarterly from 1 March 2017, and subject to consideration of market conditions.
 - a. To date, 20 licences have been released – 10 standard taxi licences in March 2017 (CMTEDD2016/375 and CMTEDD2017/75); five wheelchair accessible taxi (WAT) licences in June 2017 (CMTEDD2017/1681); and five standard taxi licences in September 2017 (CMTEDD2017/3390).
 - b. No licences were made available in December 2017 (CMTEDD2017/3390).
2. The regulated cap remains at 358 taxi licences, including 31 WAT licences.
3. The Government's Taxi Industry Innovation Reforms, which commenced 31 October 2015, are subject to a formal evaluation (the Evaluation) following a two-year monitoring period.

Issues

4. The next scheduled release of standard taxi licences is due on 1 March 2018.
5. The formal two-year Evaluation of the Government's taxi industry reforms is due to be presented in February 2018 and it includes consideration of taxi supply related matters.
6. Should the currently scheduled release of standard taxi licences proceed on 1 March, it is likely to cause some confusion in the market regarding the two year evaluation process and the government's position on possible future changes to the industry.
7. In order to ensure that the March 2018 taxi release is not conflated with the Evaluation process, it is proposed that further taxi licence releases be suspended until after the Evaluation report has been considered by Government. At this point, the government may either re-commence the taxi release process or make a different decision arising from the recommendations of the Evaluation.

Financial Implications

8. There are possible revenues from the release of taxi licences, which would be deferred if this decision is taken.
9. There are costs to Government with the release of a WAT licence due to associated subsidies. Each additional WAT taxi will cost the government approximately \$10,000, in driver and operator incentives and in dispatch equipment leases. In addition, if an operator puts on the road a vehicle that is under two years of age, the government pays a grant of \$4,500 per vehicle to assist with necessary modifications to make the vehicle wheelchair accessible.

ConsultationInternal

10. Access Canberra was consulted and agreed the approach on 5 February. (Contact: Kerry Bell, Senior Manager, Transport Solutions and Enforcement, Ext. 76185)

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Cross Directorate

11. Justice and Community Safety Directorate (x75891) was consulted and agreed the approach on 5 February. (Contact: 2.2(a)(ii), Road Transport Legislation, 2.2(a)(ii))

External

12. Industry stakeholders have not been consulted due to priority being given to the finalisation of the Evaluation.

Benefits/Sensitivities

13. Based on previous consultations there is likely to be a mix of responses to the decision, including:
- a. Not supporting release – 2.2(a)(xii)
2.2(a)(xii)
 - b. Supporting release – Canberra Airport, CabXpress, the Sikh Taxi Drivers' Association.
14. Letters to key stakeholders advising of the decision are at Attachment A.

Media Implications

15. No media is proposed. Earlier taxi licence releases have included media releases; however, no media was provided for the September-December 2017 decision.

Signatory Name: Adam Stankevicius Phone: x50468
 Action Officer: 2.2(a)(ii) Phone: x2.2(a)(ii)

Attachments

Attachment	Title
Attachment A	Draft letters to key stakeholders

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