

ACT TAXI INDUSTRY INNOVATION REFORMS

NEW SERVICES NEW OPPORTUNITIES



TAXI AND HIRE CAR INDUSTRY

The ACT Government has announced innovation reforms to the taxi and broader on-demand transport industry. The announcement follows a review that investigated how emerging technologies and new business models can contribute to a better on-demand transport system.

WHAT'S CHANGING?

The ACT will be the first jurisdiction in Australia to legalise and regulate ridesharing services, and the first capital city in the world to regulate ridesharing before the service has begun. The ACT will also regulate third-party taxi booking services.

The reforms will ensure that Canberrans have access to safe, flexible and affordable taxi, hire car and ridesharing services while also reducing significant costs and regulatory burden on the existing taxi and hire car industries to ensure they remain competitive and sustainable for drivers, owners and passengers.

WHEN WILL THE CHANGES HAPPEN?

The reforms will take effect on **30 October 2015** and be delivered in two stages:

Stage 1 is an interim phase that allows authorised ridesharing and other innovative booking services to operate subject to safeguards such as criminal history and driver history checks of drivers. It will also deliver an immediate reduction in fees for taxis and hire cars. This stage will start on 30 October 2015.

Stage 2 involves the introduction of new laws into the Legislative Assembly to introduce the full suite of reforms, including driver accreditation requirements for rideshare and reduced regulation for taxis and hire cars. The new laws will be introduced by 30 October 2015 and subject to debate and commencement at a later date.

WHAT ARE THE CHANGES ABOUT?

Safety: public safety will not be compromised – taxi, hire cars and rideshare vehicles will all undergo safety inspections and drivers will be subject to appropriate checks and health assessments. Specific CTP and third-party property insurance will be in place for ridesharing from day one.

Sustainability: the introduction of ridesharing means an increase in travel options for Canberrans, greater competition that will benefit the community and industry overall. The reforms will ensure that taxis and hire cars can compete and remain sustainable, will enable innovative future accessible transport options to enter the Canberra market and slash the cost for taxi and hire car owners and drivers to ensure they remain competitive with new business models.

WHAT DOES THIS MEAN FOR TAXI AND HIRE CAR OPERATORS?

- Taxis and hire cars will continue to be an important way to travel, and reforms will help the industries to remain sustainable.
- There won't be any changes to the wheelchair accessible taxis centralised booking service and the Taxi Subsidy Scheme.
- The Taxi Subsidy Scheme will not apply to ridesharing services.
- Key government fees will be significantly reduced, including for operator and vehicle-license annual accreditation. See the Fact Sheet: Fees and Charges.
- Only taxis will be allowed to pick people up off the street and at taxi ranks. All other on-demand drivers must

arrange pre-booked fares.

STAGE I FROM 30 OCTOBER 2015:

- Significant reductions in costs for operators and owners of taxis – including the reduction of taxi license lease fees by 75 per cent overall. This means current license fees will be reduced from \$20,000 to \$10,000 on 30 October and to \$5,000 one year after the new laws start.
- Hire car license fees will also be significantly reduced from \$4,600 to \$100 per annum. Reduced fees to the taxi and hire car industry represent a major government reform and complements the ACT Government's efforts in leading the nation on tax reform.
- Legal introduction of rideshare under an interim regulated arrangement.
- Drivers will have access to multiple modes of business, from traditional rank and hail work, to ridesharing and third party taxi booking apps.

STAGE 2 AFTER THE NEW LEGISLATION IS PASSED:

- The existing concept of a taxi network will not be retained and will be replaced by a Transport Booking Service (TBS). Existing taxi networks, ridesharing companies and third-party booking services will be accredited as TBSs.
- Existing regulatory requirements will be reduced and unnecessary regulatory prescription and red tape around business standards removed (e.g. around taxi driver uniforms and cleanliness) – these factors being far more appropriately enforced by the TBS; mandatory training through prescribing minimum standards; and facilitating training to be delivered by the TBS if desired.
- Operators and networks will no longer need to demonstrate their capacity to meet service standards and financial viability as part of the accreditation process – again, something best left for business planning.
- Proposed adjustments to workers' compensation laws to ensure all non-operator drivers are afforded workers' compensation, as well as in circumstances where a TBS permits a driver only to accept bookings from itself (rather than from multiple TBSs).