



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QON No. 61

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

JEREMY HANSON MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), MARK PARTON MLA,
SUZANNE ORR MLA

**Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION ON NOTICE**



Asked by MR COE MLA:

Chief Minister, Treasurer and Economic Development Directorate 2016/17 Annual Report, Government Policy Reform, Output 1.1

In relation to On Demand Transport Industry:

1. Please provide an update on the regulatory reforms relating to the on demand transport industry.
 - a. What engagement has occurred with the NSW Government regarding these reforms given a number of drivers are based in their jurisdiction?
 - b. What feedback has been received from stakeholders and the community?
 - c. How has Uber's reluctance and delay in providing information affected the evaluation and reforms?
2. Please provide a further update on the taxi licence release strategy.
 - a. How has the issue regarding an imbalance of costs between Taxi's and rideshare services been addressed at a regulatory level?
3. How does the mandatory Working with Vulnerable People Registration for all drivers affect the on demand transport industry at a regulatory level?
 - a. What feedback has been received from stakeholders and the community?
4. What reasons have led to the increase in average processing time for a WWVP registration from 13 days to 23 days?
 - a. What effect will this have on the on demand transport industry?
 - b. What notifications and reminders were sent out prior to the deadline and when?
 - c. How could this problem have been avoided or handled better to ensure minimal disruption to the on demand transport industry?



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Minister for Regulatory Services: The answer to the Member's question is as follows:—

1. Currently, the Government is undertaking an evaluation of the impact of the 2015-16 reforms to the on-demand transport industry. The formal stakeholder consultation phase concluded on 5 September 2017. The Government will consider the outcomes from the evaluation in early 2018.
 - a. ACT Government officials have engaged with NSW officials, including with its Point to Point Transport Commissioner, throughout the reform process. Officials continue to work with NSW on cross-border issues related to recent NSW reforms.
 - b. The evaluation process has included a 10 week period (ending 5 September 2017) of public consultation. A broad range of consumer, industry and other stakeholders have contributed. Stakeholders were able to provide input through surveys, written submissions, and discussions with officials. More than 990 full-length surveys, 1,600 'quick-response' surveys and 26 written submissions were returned. Over the consultation period, officials also met with 16 peak bodies and individuals.
 - c. Multiple sources of available data have contributed to understanding market conditions. The evaluation has not been reliant on a single provider or source of market information.
2. Public information on the taxi licence release strategy, including release history, supporting rationale for releases and timelines, is available on the Access Canberra Website.
 - a. As part of its reforms, the Government reduced vehicle licence fees, which represented a significant cost for taxi operators ("operators" own or manage the vehicles they use to provide services), from \$20,000 to \$5,000 per annum. Further, rideshare and taxi-service providers face comparable fees for driver and vehicle licensing and accreditation. Both rideshare and taxi drivers do not pay an upfront or annual fee to drive. As well, rideshare operators pay a one-time \$50 application fee to accredit each of their vehicles. Taxi vehicle owners pay no up-front or annual accreditation fee per vehicle.

Rideshare and taxi-service providers are on a level cost playing field through two safety requirements: both taxi and rideshare vehicles require Government-approved annual inspections, whose fee is the same (around \$65, depending on the inspector). As well, both prospective taxi and prospective rideshare drivers must obtain National Police Certificates through a criminal background check. The policy driver of these, of course, is community safety, but a consequence is identical requirements and costs.

Transport Booking Service fees, perpetual licence annual lease rates, fuel and other vehicle operating costs are subject to market-based pricing.

Compulsory Third Party (CTP) insurance premiums are assessed by the private CTP insurers based on past claims experience and insurance companies' projections of the likely number and cost of claims during the underwriting period for each class of vehicle. Taxi CTP premiums in the ACT have been historically high because of the frequency and average cost of motor accident claims associated with personal injuries arising from taxi motor accidents. If these can be reduced, then the cost of CTP insurance could be expected to fall over time.



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3. The Working with Vulnerable People registration presents a more rigorous review process of the background of drivers who serve vulnerable members of our community. This registration replaces the existing national police check for drivers, and therefore does not create a redundancy in regulation for industry or the Government.
 - a. Comments were received through the evaluation process for the on-demand transport industry reforms from some affected drivers and a Transport Booking Service. Matters raised included the time frames for becoming registered and communications about the new registration requirement.
4. Currently, the processing time for Working with Vulnerable People registration is 11 days and no longer 23 days, as reported. Processing times generally become longer – although briefly – around mid-October, as additional activities typically become regulated around then as per the *Working with Vulnerable People (Background Checking) Act 2011*, and renewals also temporarily rise.
 - a. This will not have a material effect on industry and the community in the short term, for two reasons. First, while not all drivers who applied in November are yet approved, Access Canberra, in keeping with the Government's risk-based approach to regulation and enforcement, is focusing its resources on timely registration of these drivers. Second, all current public passenger vehicle drivers have already undergone a criminal-history background check and therefore hold the National Police Certificate.
 - i. Access Canberra expects the majority or all applications to be processed by the end of November.
 - b. The WWVP scheme was drafted in 2011 after significant consultation with each of the industries involved and has been supplemented with education programs. For on-demand transport, Access Canberra undertook a comprehensive communications strategy that was put in place at the beginning of 2017. This included significant public contact in the form of flyers, backgrounders on government websites and registration days. On 24 August 2017, notification of the WWVP requirements, including the procedure of how to apply, was emailed to all public passenger service operators and Transport Booking Services to further disseminate to their drivers. Reminders were also sent on 19 September and 7 November 2017. Transport Regulation at Access Canberra also took the opportunity to inform drivers and operators when engaging with them on other administrative matters in regards to their public passenger service.
 - c. Drivers in the on-demand transport industry were provided with more than two months of notice from Access Canberra for a registration process that typically takes around 11 days. Notwithstanding, after observing the take-up rate of registration, Access Canberra will consider timing and a wider range of communications options for the future.

Approved for circulation to the Standing Committee on Economic Development and Tourism

Signature:

Date: 29/1/17

By the Minister for Regulatory Services, Gordon Ramsay, MLA

