

Towards a new commercial passenger vehicle transport system for Victoria

OVERVIEW



The Victorian Government is introducing Australia's first fully open and competitive commercial passenger vehicle regulatory model, which will put passengers first.

Taxi, hire car and rideshare services will operate under an aligned set of rules for the first time, creating a truly level playing field for all industry participants that will drive competition and innovation.

This will drive greater consumer choice, better service, and will place downward pressure on fares.

The safety of passengers will be strengthened by the accreditation of all drivers including rideshare drivers, which involves police checks. Industry will be held to account for driver training and education.

Operating a taxi or hire car will be simple and more affordable, with annual licence fees of up to \$23,000 removed.

A \$2 levy on the industry will help support a fair and reasonable transition package, as well as the ongoing provision of accessible point to point transport services.

Reform will be delivered through two sets of legislative change

Stage 1

Early 2017, initial amendments will be made to the Transport Act to facilitate ride-share services and introduce the \$2 levy framework. The levy will fund the comprehensive financial assistance package for the existing industry.

Stage 2

Mid 2017 the final legislative framework will be introduced for implementation by early 2018.

Once fully implemented, these changes will provide a level playing field for the commercial passenger vehicle industry by lowering barriers to entry and removing excessive licensing requirements — no other jurisdiction has gone this far. Safety outcomes will continue to be a key focus, and will be supported by laws that hold the industry to account.

The changes are complex and require substantial legislative change, so they will be introduced over a two year period, because we want to make sure we get this right for the taxi and hire car industry, the ride-share industry, and for the entire community.

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More information

Visit www.transport.vic.gov.au/ride-share



What you need to know



Simpler vehicle licensing requirements

In early 2017, the price barriers to entry to hire cars and taxi will be removed by lowering licensing fees. This transition will allow the entry of rideshare and begin the adjustment of the taxi and hire industry. During this stage, all commercial passenger vehicles will be required to operate under a valid taxi or hire car licence. Ride-share vehicles will need to obtain a hire car licence, permitting them to undertake booked work through accredited Network Service Providers.

In the second set of changes, legislation will be introduced in 2017 to provide a simpler registration process. This will make it more affordable and easier for service providers to enter and compete in the market. More competition means:

- more choice
- shorter wait times
- better value
- improved service standards.

Vehicles providing services that are booked on the phone or via an app will be required to meet the same basic safety requirements expected of all passenger vehicles on our roads. Vehicles engaging in rank and hail work will be required to meet additional requirements such as installing cameras, and having an approved fare device. This recognises the anonymous nature of rank and hail work.

To make it easier to transition to the new system, from early 2017 new hire car licences will be available for a small administrative fee. Ride-share vehicles will need to obtain a hire car licence, permitting them to undertake booked work through accredited Network Service Providers.



More accountability for Network Service Providers

Providers of commercial passenger vehicle services booked on the phone or via an app, including taxi networks, hire car businesses and ride-share booking companies, will be made responsible for safety and service delivery.

The Taxi Services Commission will require all Network Service Providers to be accredited, so they can be held to account for these responsibilities.



All drivers must be accredited

The Taxi Services Commission now requires that all drivers, including ride-share drivers, be accredited, which includes passing police, medical and driving history checks, and being subject to ongoing criminal data matching. Some additional requirements for taxi drivers will remain, such as having a valid identification card.

The Government will continue to work with Victoria Police to ensure the safety of passengers.



Removing the Knowledge test

The Knowledge test has been removed and will be replaced with a system of industry accountability for driver training and induction.

In the interim, drivers of wheelchair accessible vehicles will need to complete a revised assessment module delivered by the Taxi Services Commission to ensure important safety standards are met. This requirement will be reviewed as part of a broader review of accessible point to point services.



Flexible fares

Fare structures will be opened up to allow the industry to charge passengers differentiated prices that reflect the type of service they provide.

Competition between service providers will help to keep fares as low as possible and additional consumer protections will be put in place to enable passengers to make informed choices (for example, requiring accurate fare estimates to passengers up front). Protections will also be put in place to ensure passengers using rank and hail taxis are charged a fair price.



Support package

Fairness Fund

The Fairness Fund will provide targeted financial support for taxi and hire car licence owners that need it most. \$50 million has been allocated to the Fund for financial support payments.

The Fairness Fund is now open for applications and closes on 30 April 2017.

The Fairness Fund will also provide an important additional funding source to support the provision of accessible transport services in the future.

Transition Assistance Payments

In addition to the Fairness Fund, licence holders will also have access to an expanded Industry Transition package. This will provide fair and reasonable assistance to licence holders to help them transition to the new legislative framework.

Eligible taxi and hire car licence holders will receive transition assistance payments after the Government's reforms become law.

On 30 November 2016 the Government announced that, following consultation with the taxi and hire car industry, eligible licence holders will receive payments for up to four licences (previously only two). Payments will also be paid to licence owners in full over two years instead of eight years. This will provide more targeted and immediate assistance for all affected licence holders.

Most annual fee paying taxi licence holders will receive a rebate when they renew their licences over the transition period.



Maintaining and improving accessible transport services

The \$75 million Fairness Fund includes \$25 million to ensure the ongoing provision of accessible transport services.

This includes:

- appointing a dedicated Commissioner for disability services to the Taxi Services Commission in early 2017
- providing additional ongoing funding to support the delivery of accessible point-to-point transport services; and
- undertaking a comprehensive review of accessible point-to-point transport services led by the Department of Economic Development, Jobs, Transport and Resources. The review will focus on how to ensure the supply and improve the commercial viability of wheelchair accessible services, in addition to considering alternative models of service provision that could be adopted in the future. This will include consideration of how the Multi Purpose Taxi Program can be expanded beyond taxis to be open to all commercial passenger vehicles.



Per trip levy to support transition

From 2018 all Network Service Providers and other commercial passenger vehicle businesses will be charged a levy equivalent to \$2 on all commercial passenger vehicle trips.

The levy will replace annual licence fees – currently up to \$23,000. Combined with simpler licensing requirements, this should considerably reduce the cost of operating a taxi, allowing cheaper fares for passengers.

The levy will contribute to the comprehensive support package and the provision of ongoing accessible transport services.

More information

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