

# Commercial Passenger Vehicle Reforms

## Information for Taxi, Minibus and Private Hire Car Operators

### Background

After an extensive period of consultation with industry and the community, the Northern Territory Government is reforming the way commercial passenger vehicles are regulated. This includes:

- making ridesharing services legal;
- reducing red tape for taxi, minibus, and private hire vehicles; and
- reducing operator licence fees, to be offset by the introduction of a \$1 per trip levy.

Territorians are encouraged to have their say on the draft regulations available at:

<https://dipl.nt.gov.au/transport/transport-strategies-and-plans/commercial-passenger-vehicle-reforms>.

### New Opportunities for Operators

Reducing licence fees with the introduction of the levy will mean the amount collected by Government is directly linked to the number of trips a taxi, minibus and private hire vehicle undertakes, rather than a large, up front annual fee.

Operators will be allowed to sell the space on their vehicle to advertisers, which will provide a new source of income. This change also means operators are better able to compete on the prices they offer passengers.

Although Government will retain the role of ensuring only fit and proper people can drive commercial passenger vehicles, Government will no longer mandate specific training requirements for drivers. The relevant industry sector will be responsible for training their drivers.

Government will be less prescriptive about the types and ages of vehicles that may be used. Vehicles of up to nine years of age may be used as commercial passenger vehicles, provided they are roadworthy.

## Passenger Services Levy

Annual licence fees are being significantly reduced. For example, the annual licence for a taxi in Darwin will be reduced from \$20,240 to \$5,000. Operators who have paid their licence fee will receive a partial refund to reflect this reduction.

This reduced licence will be offset by the introduction of a \$1 passenger services levy.

The levy will be payable for each fare, and is a debt owed by the operator to the Territory. The debt becomes payable at the end of the following month. For example, the debt for the fares in January will be due on the last day of February.

Taxi, Minibus and Private Hire Car Operators will be required to report the number of **passenger services transactions** (the number of times a person or persons is carried for reward in a taxi, minibus or private hire vehicle) each month that their vehicle has undertaken a passenger service transaction.

This reporting will occur through a user-friendly, online system. Operators who have not paid their previous month's levy will receive a reminder through an email message before it is ultimately payable.

It is a condition of every operator licence that operators meet their levy obligations. Failure to pay the levy, or to report on the number of trips taken each month, will result in administrative action being taken against operators, which may lead to the cancellation of the licence.

Criminal offences apply for any operators who mislead the Department in relation to their levy liability, for example where an operator reports fewer fares than their vehicle has actually undertaken. The Department will be regularly auditing operator, driver and network records to ensure operators are meeting their levy obligations.

Further information regarding the levy is available at: [dipl.nt.gov.au/transport/transport-strategies-and-plans/commercial-passenger-vehicle-reforms](http://dipl.nt.gov.au/transport/transport-strategies-and-plans/commercial-passenger-vehicle-reforms).

## Focus on Safety

Some penalties regarding driver behaviour were found to provide an insufficient deterrent and are being increased.

Offences which involve putting people at risk of injury have been significantly increased in order to provide a sufficient deterrent and to reflect the seriousness of offences. Where an operator makes an unsafe vehicle available for hire or reward, they face potential fines of \$2,310 for an individual and \$3,850 for a body corporate.

Increasing the penalties for offences regarding vehicle standards will ensure operators have greater incentives for closely monitoring a vehicle's wear and tear.

Responsible operators who ensure as a matter of good practice that their vehicle is safe will not be disadvantaged by this change. However, operators who have in the past allowed their vehicle to fall into disrepair and become a safety risk will now have a greater incentive to ensure their vehicle is maintained.

## Regulated Taxi Fares

Maximum taxi fares are currently set by the Northern Territory Government, and are reviewed from time to time. The next fare review will take into account the significant reduction in annual operator licence fees.

After consultation with all levels of the taxi industry (drivers, operators and networks), Government has decided to continue to set taxi fares.

Taxi operators remain free to charge the customer *less* than the maximum regulated fare, and are therefore able to compete with expected new entrants to the market.

However, given the expected increased competition taxi operators will face, Government will closely monitor the effect of the reforms, as taxis are the only commercial passenger vehicle which will have its fares regulated in such a way.

## Code of Conduct for Drivers

Consistent with Government's decision to generally focus on regulating to ensure personal safety and leaving service standards to the market, the Codes of Conduct for Drivers have been reviewed and reduced.

This means Government expects industry to take more responsibility for service quality, which will be necessary in light of the increased competition expected from the regulatory reforms.

In particular, Government will not be enforcing things like driver uniforms and dress standards, or specific training requirements for drivers.

Operators may choose to require their drivers to wear uniforms as a condition of employment or bailment agreement; however CPV inspectors will not be issuing infringements against drivers who do not wear uniforms.

Operators are encouraged to review the draft Codes of Conduct and in particular consider whether they wish to include any new terms in their agreements with drivers given the proposed changes to the Code.