

# Commercial Passenger Vehicle Reforms

## Information for Passengers

### 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 taxis, 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>.

### Greater choice for passengers

The reforms will allow Ridesharing services to enter the market. It will also reduce barriers to entry for other Commercial Passenger Vehicles. For example, the rule that a Private Hire Car can only be a luxury vehicle will be removed, and the annual licence fee will be reduced from \$6,600 to \$300. This will allow less expensive vehicles to provide a more economical service and will enable existing Private Hire Car services to continue to serve their current market.

The reforms will now provide an opportunity for new and innovative services to enter the market. The entry of new participants will provide Territorians and visitors to the Territory with greater travel choices and potentially reduced fares through increased competition.

## Why have a levy?

In the past, Government has recovered the cost of regulating the industry and funding various disability subsidies through large, annual licence fees from Commercial Passenger Vehicle operators.

Although it is appropriate that the industry pays its own way, high upfront fees have been a “barrier to entry”, meaning they make it difficult for new, innovative services to enter the market. This has had the effect of reducing competition, depriving passengers of greater choice and potential workers from opportunities to make a living in the industry.

The shift from a large annual fee to a levy means that instead of operators paying a large annual fee up front, they pay a debt monthly, linked to the number of jobs they have undertaken the previous month. This means the industry will continue to pay its own way, whilst also removing the barrier to entry for new services.

Every time an operator’s taxi, private hire car or minibus completes a fare, they will owe the NT Government \$1. In the case of ridesharing, the platform will be liable for the levy.

For most operators, it will be a matter for those operators to determine whether they pass on the \$1 levy to passengers in their pricing. Taxi fares are set by Government, and are reviewed from time to time. The next fare review will take into account the significant reduction in licence fees.

## Why allow advertising on vehicles?

Allowing operators to sell the space on their vehicles for advertising means they are better able to compete on the prices they offer passengers. This should help to reduce the cost of personal transport.

Commercial Passenger Vehicles in other jurisdictions typically have some level of advertising, including the wrap around advertising of the kind often seen on public buses in Darwin and Alice Springs.

Government will retain the ability to make rules around what kind of advertising operators are allowed to display, and will be able to step in if operators allow advertising which is obscene or is likely to bring the industry into disrepute.

## Increased penalties

Penalties which were found to provide an insufficient deterrent in the past have been increased. For example, the infringement penalty for a taxi driver who refuses a fare when parked at a rank (sometimes done if the fare is perceived as being too short) is being increased from \$154 to \$616.

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 a greater incentive for closely monitoring the vehicle's wear and tear and ensuring maintenance is undertaken.

## Passengers with special needs

Despite the significant deregulation being undertaken, Government is retaining all rules around service standards for passengers with a disability.

Further, the Lift Incentive Scheme (which encourages taxi and minibus drivers to provide a service to passengers with wheelchairs) and Taxi Subsidy Scheme (whereby the Government pays 50% of the fare for eligible Territorians with a disability) will be extended to other categories of vehicle, including ridesharing. This should result in more services, greater choice and increased competition for that segment of the market.

Penalties for drivers of wheelchair accessible vehicles who refuse a request for hire from a customer in a wheelchair are being increased from \$154 to \$616.

Government will undertake a focused review on the impact of these reforms on passengers with special needs six months after implementation.