



On-demand Transport Reform

Frequently Asked Questions

What is on-demand transport?

On-demand transport involves a customer requesting a driver and vehicle to take them on a journey for a fee. Unlike public transport, the customer nominates where they want to be picked up and dropped off and when and how they want to travel.

Why is the State Government introducing new legislation?

The current legislation governing taxis and charter vehicles is out-dated and imposes unnecessary regulation on an industry that is trying to innovate and modernise to meet the growing expectations of customers.

The proposed legislation will bring taxis and charter services under a single Act for the first time and places greater responsibility on industry for the safety of the services they provide.

Who has been consulted in this process?

The Minister for Transport and Dr Tony Buti, Member for Armadale, have met with and listened to a range of key industry representatives to understand the current operating environment and the potential impact of any legislative change.

What are the main changes?

In 2016, some simple changes were made that allowed the existing charter industry to offer low cost fares to customers. The same has not occurred for taxis, which continue to be hampered by restrictions on when and how they can operate.

Under the reformed industry there will be:

- three types of recognised passenger transport services: On-demand passenger transport, Regular passenger transport and Tourism passenger transport;
- a single annual authorisation to drive for hire and reward, regardless of whether it is a taxi or charter vehicle, with monitoring of medical and character suitability based on risk;
- a single on-demand vehicle authorisation, with a requirement for inspection and appropriate compulsory Motor Injury Insurance;
- a requirement for entities dispatching or booking work for on-demand passenger trips to be annually authorised;
- no restrictions on the number of vehicles that can operate as taxis;
- no restrictions on where and when Perth and country taxi vehicles can or need to operate;
- vehicles that are authorised based on the type of work they wish to engage in – booked only or booked plus anonymous rank and hail;

- legible and visible identification of all vehicles' status as a hire and reward vehicle when operating;
- all taxi vehicles doing rank and hail work having additional passenger safeguards in the form of livery, security cameras and meters;
- transparent fares for rank and hail, and pre-booked work;
- a chain of accountability for safety, with booking services having a primary duty of care to provide safe vehicles and drivers to the customer;
- service quality standards that will be determined and managed by industry;
- mandatory reporting of serious safety incidents to Government;
- offences, penalties and regulator enforcement responses that are commensurate with risk;
- continued Government support for accessible and affordable on-demand transport services for people with a mobility disability or inability to use other transport modes; and
- a buy-back of owned plates offered to the Perth taxi plate owners, to support the transition to the new regulatory environment, funded by a levy on Perth/Peel passenger fares.

What is a passenger transport service?

Three types of passenger transport services are proposed:

- *On-demand passenger transport*: the transport of passengers for hire or reward where the passenger or hirer determines the locations for the beginning and end of the journey, as well as the time of travel. For example, services provided by taxis, charter sedans, limousines and buses and ride-sourcing vehicles.
- *Regular passenger transport*: the transport of passengers for hire and reward that is conducted according to regular routes and timetables. For example, bus services provided in Perth, regional WA and intra-town.
- *Tourism passenger transport*: the transport of passengers for hire and reward that is conducted according to regular routes and timetables, specifically for the purposes of tourism. For example, this includes tours to the Pinnacles or the Margaret River wine region.

Community transport and courtesy transport are not classified as passenger transport services.

Can a provider offer more than one type of passenger transport?

Yes, individuals and businesses may provide any or all of these types of passenger transport. If they take any on-demand passenger transport bookings, including directly from the customer through taxi rank and hail, they will need to become an on-demand booking service.

What is an on-demand booking service?

An on-demand booking service is:

- a provider, taking or communicating passenger requests for an on-demand trip and connecting the customer with a driver; or
- a driver, making arrangements directly with the passenger for an on-demand trip, you are providing an on-demand booking service.

All individuals and businesses that take bookings for an on-demand trip from a customer and arrange a driver and vehicle to service that trip will be required to be authorised as an on-demand booking service.

Drivers who take bookings directly from a customer through taxi and rank and hail do not need to be authorised as an on-demand booking service themselves if they have an association arrangement with a booking service who is authorised (i.e. taxi driver affiliated with authorised dispatcher).

Heavy penalties will apply for services operating without a booking service authorisation or association.

How will the reform affect regional taxi and charter operators?

The proposed legislative changes will apply across the entire State, ensuring there are no restrictions as to where taxi and charter vehicles can operate within WA.

The same service requirements will apply to vehicles in all areas. There will be a period of transition for taxis operating rank and hail in regional areas to meet the new requirements for internal security cameras.

Taxi and charter trips starting or finishing outside a defined Perth/Peel area will not be subject to the levy.

How will the public benefit from the reforms?

The paying public expects assurance from Government that the driver and vehicle they are getting for their taxi or charter trip meets minimum safety standards. The Department of Transport will continue to have oversight of the medical and character suitability of drivers and the roadworthiness of vehicles specifically for hire and reward.

The removal of restrictions and freeing up of requirements will also encourage innovation in the industry, which will ultimately lead to a competitive marketplace and increased options for the travelling public.

Will the Taxi User Subsidy Scheme (TUSS) be affected by the reform?

No, the TUSS will not be affected by the reform. The TUSS is being currently reviewed to better meet the needs of customers and minimise misuse.

The Government will also continue to subsidise the installation of ramps and hoists in suitable taxi vehicles and fares to support TUSS users.

Why are Perth taxi plate owners being offered a buy-back?

The proposed voluntary buy-back of owned Perth taxi plates acknowledges that some owners have suffered a loss of investment as a result of market disruption in what was a highly regulated industry at the time their investments were made.

The buy-back offers plate owners the option to recover their loss in investment and paves the way for their continued involvement in the industry.

It is vital that the taxi industry can re-establish itself as a viable and competitive option for the people of WA.

How will the buy-back offers be calculated?

The proposed buy-back offer made to Perth taxi plate owners will vary depending on their particular circumstances.

The offer will reflect the original price paid for the plate, how long it has been held for and how much earnings through lease fees a plate may have earned over time.

Money already paid as part of the Transition Assistance Grant, Taxi Hardship Fund and any outstanding plate administration fees will be factored into the buy-back offer.

The least amount to be paid, before deductions, are:

- \$100,000 for each Perth metropolitan Conventional or Multi-Purpose taxi plate;
- \$40,000 for each Perth metropolitan Area Restricted plate; and
- \$28,000 for each Perth metropolitan Peak Period plate.

If I recently sold or bought a plate, will I be able to participate in the buy-back scheme?

All current Perth taxi plate owners will be eligible for the buy-back offer. Plate ownership transfers occurring between 1 January 2016 and 2 November 2017 will be able to participate in the buy-back scheme, once the legislation is passed.

Can country taxi licence holders participate in the buy-back?

Country taxi licensees will not be offered a buy-back payment.

The trading of country taxi-car licences differs from the trading of a plate as the licence is generally sold together with a business. This means that the business and goodwill are generally traded along with the licence.

The State's finances are tight. How will this buy-back be funded?

The costs incurred by Government in buying back Perth taxi plates will be recovered through a temporary 10 per cent levy on taxi and charter fares starting and finishing within a defined Perth/Peel area.

Where can I get more information on the buy-back scheme?

All eligible plate owners have been notified by mail with their estimated individual buy-back offer and the process to follow.

A dedicated hotline 1300 471 834 is available to take calls from interested taxi plate owners.

Who pays the levy?

All providers of on-demand booking services will be required to pay a temporary 10 per cent levy on the fares associated with on-demand passenger trips carried out in vehicles with less than 13 seats that start and finish with a defined Perth/Peel area.

On-demand booking services who solely offer special event charter services such as weddings and school balls will be able to apply for an exemption from the levy.

The maximum levy payable on any single fare will be \$10. The levy will be in place for approximately four years.

Why is the levy calculated on the fare percentage and not a flat fee?

A percentage of total fare revenue was identified as the fairest mechanism to collect the levy, to reduce the cost of administration and avoid shorter trips being heavily impacted. The maximum levy payable on any single eligible fare will be \$10.

When will booking services be required to pay the levy?

Individuals and companies who book and dispatch drivers and vehicles to customers for taxi and charter trips will be required to pay the proposed passenger fare levy to Government.

Payment of the levy is expected to commence in early 2019, provided the enabling legislation is passed by Parliament and necessary payment systems are in place.

Will booking services pass the levy on to passengers?

As with other business costs, taxi and charter companies will make their own decisions, however with reduced costs to industry and stronger competition, the State Government does not believe there is justification for individual fares to increase by 10 per cent.

Will WA taxi fares be de-regulated?

While on-demand operators will be able to set agreed fares with customers, there will continue to be a maximum regulated metered fare.

Fare safeguards are, and will continue to be, in place for vulnerable members of the community that utilise fare subsidies.

Will surge pricing be capped under the reform legislation?

The proposed changes are intended to simplify the operating environment for all participants. The proposed changes seek to achieve this without imposing additional restrictions on how individual operators conduct their business.

It will be up to individual businesses if they decide to use surge pricing and for customers to be aware when booking a service.

Operators will continue to be prohibited from surging prices in an area under a declared State of Emergency.

Will cameras be required in all vehicles?

Security cameras will be required in all vehicles that undertake rank and hail work state-wide.

Cameras will be optional in vehicles that do pre-booked work where there is a formal link between the customer, the driver and the booking company.

Will vehicles be identified?

All vehicles doing taxi rank and hail will continue to require prominent signage and roof lights.

Vehicles used for pre-booked work will be required to have at least signage that identifies the business offering the service on display in the windshield, while it is operating for hire and reward.