

14 October 2015

On-demand Transport Reform Green Paper
Passenger Services Business Unit
GPO Box C102
PERTH WA 6839

Dear Sir/Madam,

On-demand Transport Reform: Green Paper

Please see below the Committee for Perth's response to your request for comments on the On-demand Transport Reform: Green Paper – A discussion paper for future innovation (Green Paper).

The Committee for Perth is the leading think tank focused on the future growth and development of the Perth and Peel regions. We take an evidence based approach to examining and advocating for action to reshape, reform and revitalise the metropolitan region to ensure it remains highly liveable today and in the future.

This submission has been prepared by the Committee for Perth with assistance from members of our Reforming Working Group. Our response has been informed by briefings from representatives of the on-demand transport industry, the Economic Regulation Authority and the Department of Transport.

Our thanks to the Department of Transport, firstly for allowing us the opportunity to comment on the Green Paper, and secondly for providing our Reforming Working Group with a briefing on the document.

We congratulate the Department of Transport on preparing the Green Paper as we believe that reform is critical to respond to the rapid changes influencing the on-demand transport industry. Should you require any additional commentary, please do not hesitate to contact me.

Yours sincerely,



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Comments – On-demand Transport Green Paper

The comments provided below are in response to specific concerns or provide feedback in regard to certain sections of the On-demand Transport Green Paper.

Section 3 – A Simpler Approach

Making it simpler

The Committee for Perth (the Committee) agrees that the system for regulating on-demand transport would be much simpler if all services were regulated by a single Act (page 20). However we are concerned that the process of creating a new Act would take upwards of 18 months plus time for parliamentary review. Given that reform of the transport industry is critical and overdue, the Committee believes that significantly amending the existing legislation as a first step would be a faster and more efficient process that would allow industry to operate in a regulatory environment that reflects its requirements today. Once these amendments have been carried out the Committee believes that a new single all-encompassing Act would be the next step in this process.

Section 4 – Service Improvement

Supplementary ALVs

Whilst the Committee believes that the supplementary ALV is an important addition to the on-demand transport industry that allows for new services and innovation, we have some concerns regarding the proposed regulatory environment for this category (page 25). We believe that it would be more appropriate if a number of industry experts were responsible for determination of whether a supplementary ALV is issued, rather than a single representative (the Director General). In addition, the industry experts responsible for issuing supplementary ALVs should represent a broad cross section of the industry to avoid dominance by particular groups or sections of the industry.

Licence fees

During the reform process the Committee believes that it is important to ensure that those who have invested in taxi plates are not put at an unfair disadvantage as a result of the reform process. The paper proposes that owners of taxi plates won't be subject to ongoing fees or that the fees be waived for an extended period (page 27). As the owners of plates currently have the ability to sell or lease these plates, the Committee believes that this should still be possible for those who do not wish to stay involved in the industry for an extended period of time, as the 15-20 years proposes.

In addition to the above, the Committee believes that the cost of licensing should be reasonable and should not restrict new entrants into the on-demand transport market.

Quantity regulation

The Department of Transport has identified two options for removing quantity restrictions within the Taxi Control Area (page 27). The Committee supports option 2, whereby quantity restrictions will be removed on all license types including taxis and allow businesses to select the type of services they want to provide.

Improving service standards – license conditions

The Committee agrees with the Department of Transport in that licence conditions should be less prescriptive and shouldn't define seating or luggage capacity requirements (page 29). In addition to this, the Committee believes that licence conditions should not focus on vehicle age but rather roadworthiness, vehicle quality and mechanical service specifications as set by the vehicle's manufacturer.

What are the options for surveillance cameras in the future?

Pages 40 and 41 outline four different options for the use of camera surveillance systems in on-demand transport. The Committee believes that either option two or four would benefit the on-demand transport system the most, however we would also caution against overcomplicating future legislation through the inclusion of such features. In addition, if the final legislation mandates the requirement for camera surveillance units in certain or all types of vehicles, we support funding source option 2, whereby the cost of providing camera surveillance units is incorporated into the cost of regulation and recovered through licensing fees (page 41).

Additional Comments

In addition to the above response to specific sections within the Green Paper, please see below additional comments related to the Green Paper more generally.

In conducting a reform of the on-demand transport industry, the Committee believes that it is essential that the outcomes have a consumer focus and priority is given to enabling industry innovation that will deliver consumer benefits rather than protecting the status quo.

It is also essential that consideration is given to how on-demand transport could integrate with other forms of transport (walking, public transport, cycling, driving) and improve mobility in Perth and Peel. There is currently no mention of the potential for service integration in the Green Paper, which is a concern of the Committee.

Finally, the Committee believes that, as part of the reform process, it is essential to examine the legislative framework being applied in other cities in Australia and overseas. This will help to ensure that decisions made in regards to regulating on-demand transport are consistent with international best practice and will assist in supporting competition, service delivery and innovation while also ensuring the safety of both users and providers.