Taxi and hire car licence holders FAQs

Why have these changes been made?

The Point to Point Transport Taskforce found that the taxi and hire car industry is facing fundamental challenges from changing customer expectations and new technologies. Decades of increasing regulation have increased costs and restricted the industry’s ability to innovate.

Taxis and hire cars remain a crucial part of the NSW transport system, but it is unviable to keep things the way they were.

These changes were recommended by the Taskforce to bring the legislation for the taxi and hire car industry into the 21st century and to free up the industry so that it can compete more effectively in providing a great service for customers.

How will the changes affect taxi licence owners?

The legal rights of taxi licence owners will not change. As is the case now, only the driver of a licensed taxi will be able to “stand or ply for hire”. That is, only taxis can accept a customer at a taxi rank or when a customer flags them down in the street. Taxis will continue to be able to take customers with bookings, like other point to point transport providers.

What is changing for hire car licensees?

A hire car licence is no longer needed to provide a hire car service, nor are they issued – meaning that Sydney based hire car operators no longer need to pay the annual fee of $8,235 in Metro Sydney, and approximately $3,000 in regional NSW.

From 18 December 2015 RMS will not be issuing new ‘HC’ plates. If you have existing plates and they are damaged or stolen you can apply for replacement plates.

Geographic boundaries for booked services have been removed meaning hire cars can provide booked services anywhere in NSW. An adjustment assistance package will be available for perpetual hire car licence owners in recognition of this change.
What is being done to support the taxi and hire car industry?

The reform package the State Government is largely adopting aims to enable the taxi and hire car industry to compete fairly by:

• Preserving the taxi industry’s exclusive access to rank-and-hail market, which is about 70 per cent of taxi work in Sydney.
• Removing up to $30 million a year in red tape and regulatory costs.
• Providing $250 million in industry adjustment funding to lessen the impact of change.
• We are working with the Taxi Council to finalise how the industry adjustment package will operate in detail. The Government is also examining ways to make Compulsory Third Party Insurance more flexible.
• In recognition of the key community role that taxis in particular play, the Government will provide an additional $15.5 million each year for services for people with disabilities to improve accessibility. This includes doubling the Taxi Transport Subsidy Scheme cap (from $30 to $60 per trip) and increasing the wheelchair accessible taxi (WAT) driver incentive payment (from $7.70 to $15 per eligible trip).
• In addition to the adjustment assistance package, the NSW Government is providing $3 million for the Office of the NSW Small Business Commissioner to provide a range of business advisory services to the taxi and hire car industry, to help industry participants adjust to the new operating environment and make the most of new opportunities.

When will adjustment assistance be available?

We are working with the Taxi Council to finalise details of how the industry adjustment package will operate. A Transitional Assistance Panel, with representation from the NSW Taxi Council, will be established to determine how the funds should be distributed. Transport for NSW will contact licence holders with further information closer to its establishment.

How can I find out if I am eligible to receive adjustment assistance?

A Transitional Assistance Panel, with representation from the NSW Taxi Council, will be established to determine how the funds should be distributed. Transport for NSW will contact you with further information closer to its establishment.

Can I still sell my licence?

Yes. Taxi licence owners can still sell their licence, but they may not be eligible for the adjustment assistance announced by the Government.

Can I still lease out my licence?

Yes. Taxi licence owners can still lease their licences to another person who provides the taxi service.
How will this affect Sydney annual taxi licence holders, and short-term taxi licence holders outside Sydney?

In Sydney, the Government has accepted the Taskforce recommendation for a four-year freeze in the release of new “growth” licences for taxis (other than wheelchair accessible taxis). Only replacement licences will be issued.

However, people who have secured taxi licences in previous tenders will still be able to hand them back and bid at a lower price for another licence in regular tenders to be run by Roads and Maritime Services (RMS), or seek to lease a licence from someone else.

There will be no immediate change for holders of short-term taxi licences outside of Sydney.

Once Parliament passes the reform package in 2016, it is intended to issue a small number of annual licences for taxis (much like those issued in Sydney) that may be used anywhere in country NSW.

What about wheelchair accessible taxi (WAT) licence holders?

There is no immediate change for holders of short-term WAT licences (that is, WAT licences operating outside the metropolitan areas).

For holders of annual WAT licences in Sydney – and short-term WAT licences in other metropolitan areas – licence fees are being reduced from $1,000 a year to zero (in line with the rest of NSW).

The four-year freeze on growth licences in Sydney does not affect WATs.

Can I still apply for a taxi licence outside of Sydney?

Until the reforms are passed by Parliament, anybody can apply to Roads and Maritime Services (RMS) for a taxi licence anywhere outside Sydney. For more information, contact RMS on 1800 227 774.

What about licences issued by RMS?

Can I get a refund?

Annual taxi licences are issued following tender bidding and are eligible for a maximum of 10 years, renewable annually. A licence holder may choose not to renew their licence at any time.

Under the conditions of the tender, a licensee can surrender a licence but must pay the remaining instalments to RMS. Unfortunately, no concessions or refunds can be granted to licensees.

However, operators who have secured taxi licences in previous tenders will still be able to hand them back and bid at a lower price for another licence in regular tenders to be run by Roads and Maritime Services (RMS), or seek to lease a licence from someone else.

There will be no immediate change for holders of short-term taxi licences outside of Sydney.

Once Parliament passes the reform package in 2016, it is intended to issue a small number of annual licences for taxis (much like those issued in Sydney) that may be used anywhere in country NSW. Keep checking back for information about any future tenders.
Hire car licence holders

How do these changes affect transferable hire car licence owners?

A hire car licence is no longer required to provide a hire car service. Hire car licences are no longer available from RMS, and HC plates will only be available to replace lost or stolen plates already in use.

An adjustment assistance package will be available for perpetual and transferable hire car licence owners in recognition of this change.

How will this affect short-term hire car licence holders?

From the date of announcement, the requirement for hire cars to be licensed will be removed. This represents savings of $8,235 per hire car per year in Sydney, and $3,000 per hire car, per year outside Sydney.

The effect of removing the requirement for a hire car to be licensed is that hire car areas of operation will cease to exist. This means a hire car may pick up or drop off passengers anywhere throughout NSW.

The requirement that hire car services be booked remains in place. Hire car drivers continue to be prohibited from touting for fares or for standing for a fare at a rank or in a street.

Hire car licence holders that have a current annual hire car licence may be entitled to receive a partial refund for any remaining period of the licence for which they have already paid. Further information about refunds of hire car licence fees is available from RMS. For more information, contact RMS on 1800 227 774.

Can I still apply for a hire car licence?

No. Under changes to the regulation, a person who operates a hire car service is exempt from the requirement to hold a hire car licence – and a person who is exempted from this requirement may not apply for a hire car licence or the renewal of a hire car licence.

No new Hire Car (“HC”) registration plates will be issued. Holders of existing HC plates will be able to retain them for a phase-in period, and can replace them from RMS if lost or stolen during that period.

Use of bus and special purpose lanes by hire cars

All current Hire Car plate owners will continue to have access to bus lanes while we work with the industry on the next steps of the reforms.

The Government is committed to working with industry to finalise the next steps on issues like bus lane access before any decision is made.
Access to the Sydney Airport

Sydney Airport Corporation Limited (who controls who can access parts of the airport, including the prearranged can pick up areas) has advised that while a longer term solution is finalised, HC-plated vehicles will still be permitted into the pre-arranged pick up area of the airport.

Advertisements in or on hire cars

Hire cars in metro Sydney, Newcastle, Wollongong and Central Coast can advertise their brand on their licensed hire car. But they may not infer they are offering a taxi service.

For hire cars providing services in rural NSW, that is, outside of Sydney, Newcastle, Wollongong and the Central Coast, there are further restrictions advertising. As is the case now, the driver, operator or licensee of a hire car must not display, affix or install, or cause or permit another person to display, affix or install, any service advertisement within or on the outside of the vehicle.