

# Point to point transport

## NSW Government reforms

Since 2015, the NSW Government has delivered customer-centred and outcome-focused reforms to enable a more adaptive, innovative and competitive market for the point to point transport industry, resulting in both customer and safety benefits.

The changes in response to the Point to Point Transport Independent Review 2020 will deliver more choice for customers by freeing the supply of taxi licences and supporting cheaper taxi fares. They will help to level the playing field for all parts of the point to point transport industry and also help to deliver the NSW Government's *Future Transport Strategy 2056* by enabling point to point transport services that are customer-focused, safe and accessible.

To help support taxi licence owners impacted by these reforms the NSW Government is making additional industry assistance available and will consult with the point to point transport industry on the design of the scheme. These funds will support taxi licence owners most impacted by the transition to these new arrangements.

The changes will be introduced in stages. The initial focus will be on setting up a new scheme to provide further financial assistance to taxi licence owners affected by the changes.

### Why do we need more changes?

The NSW Government's 2015 reforms legalised rideshare services and modernised regulation for point to point transport services to provide more opportunities for drivers, along with stronger safety measures, better competition and choice for customers. However, some restrictions, including on the number of taxis and maximum fares for rank and hail trips, were retained. In line with the recommendations of the Independent Review, the NSW Government will free the supply of taxis and taxi fares to provide operators with more flexibility to respond to changing customer needs.

Point to point transport services should be available to all customers who need them. A provider neutral approach to Government subsidies and incentives will enable more point to point transport services to be available for

customers with a disability. There will be a focus on meeting the transport needs of people living in regional areas at risk of losing services, in particular wheelchair accessible services. New approaches to enable safe and accessible pick up and drop off points for all point to point transport services will be explored.



### Freeing the supply of taxis

A taxi licence will still be required for anyone wishing to offer rank and hail services. However, the NSW Government will amend legislation to remove limits on the number of taxi licences that are available. Vehicles offering rank and hail services will still need to comply with all relevant safety, security and signage requirements.

In the future, taxi licences will be available on application to the Point to Point Transport Commissioner, for an administrative fee. Changes will also be introduced to remove operating area restrictions so that taxis can offer rank and hail services anywhere in NSW.

### What will happen to ordinary licences?

Anyone who currently uses an ordinary taxi licence to provide a taxi service, and wants to continue to provide taxi services, will be able to do so. When these changes take effect, licences will no longer be able to be bought and sold. The NSW Government will provide financial assistance to taxi licence owners affected by this change.

### How will changes to taxi licences assist customers?

Removing the remaining costs associated with taxi licences and lifting restrictions on the supply of taxis, other than requirements to ensure safety standards, will enable taxis to better compete with other types of point to point transport services. Eventually, all taxis will be able to operate anywhere in NSW. More taxis will be available where they are needed and customers will benefit from increased choice.

## **When will changes to taxi licences start and will the industry have time to adjust?**

Changes to taxi licences will not start straight away. The NSW Government will introduce a bill to Parliament, amend current regulations and set up and implement a new financial assistance scheme, before licensing changes commence.

Transport for NSW and the Point to Point Transport Commissioner will work with existing taxi service providers and licence owners to help them transition to the new arrangements and will work with new entrants into the taxi market to help them understand their obligations. This will include expanding the Commissioner's educational and compliance activities in regional areas.



## **What about fares?**

There will be no immediate changes to the regulation of maximum rank and hail fares.

All point to point transport service providers can already set their own fares for booked services. To provide taxi service providers with greater flexibility, the NSW Government will no longer regulate maximum rank and hail fares in NSW, in most cases.

The impact of the changes to the supply of taxi licences on competition will be considered before any changes to fares are introduced. The Independent Pricing and Regulatory Tribunal (IPART) will be asked to establish an indicative fare schedule to guide taxi service providers when setting their own fare schedules and to enable customers to compare fares. Service providers will be required to advertise their schedules on their websites and vehicles.

The best way to protect customers in certain situations will be considered, including those travelling through Sydney airport (and the future Western Sydney airport), along with customers who are eligible for the Taxi Transport Subsidy Scheme.

## **How will changes to fares assist customers?**

Freeing up taxi licences and fares will remove the upward pressure on fares created by the current cost of obtaining a taxi licence and will give service providers more flexibility to set their own fare schedules. Service providers will be able to compete on price, as well as quality and other service features. As a result of these changes, it is expected customers will benefit from lower fares and greater choice. Customers eligible for the Taxi Transport Subsidy Scheme will be protected through a regulated maximum fare based on IPART's indicative fare schedule.

## **How will customers know what fares they will pay for rank and hail taxi journeys?**

Once the changes to rank and hail taxi fares are introduced, customers will be able to refer to the indicative fares schedule to be developed by IPART. Service providers will be required to advertise their fare schedules on their websites and vehicles.

## **Will the NSW Government monitor rank and hail taxi fares?**

Transport for NSW will ask IPART to monitor the effect of deregulation on rank and hail taxi fares.



## **Further industry assistance**

As part of the post 2015 reforms, the NSW Government committed to spend up to \$250 million on transitional assistance for current licence owners. Three assistance programs were established, which paid, or have committed to pay, a total of more than \$145 million in assistance.

The NSW Government will, as part of this reform package, deliver an assistance scheme that will provide further assistance to owners of 'ordinary' taxi licences who are most affected by the latest changes.

## What is the amount of the assistance package? How much will each licence owner receive?

Priority for assistance will be given to the following owners of ordinary taxi licences:

- > those in the regions who are less likely to have received lease income on their licences and in many cases, have used the licence to invest in their future retirement
- > those who have had insufficient time to recover the cost of their initial investment
- > consideration will also be given to providing some further assistance to other owners of 'ordinary' taxi licences who are affected by the changes.

Transport for NSW will consult with the point to point transport industry on the design of the assistance scheme.

## When will assistance payments be available?

The NSW Government will amend legislation followed by regulations, to enable Transport for NSW to establish a new industry assistance scheme for eligible taxi licence holders.

## How will the assistance scheme be funded?

The Passenger Service Levy of \$1 on every point to point journey (or \$1.10 including GST where the levy is included in the fare for a journey) will remain in place until the levy has raised the full amount to fund the assistance scheme.

## What other assistance is available?

NSW Government Business Connect services will continue to be available to provide financial and business advisory services to industry participants to assist them in adjusting to the changes.

## Why provide further assistance to the taxi industry?

Removing the cost of a taxi licence will release this value to be spent on adapting business models to better meet customer needs. It is appropriate to provide some financial assistance to those most affected by the change. An industry levy is a way to fund this assistance from those who will benefit from the reforms.



## How will the latest changes be implemented?

The changes will be staged. Legislation will be amended to enable the proposed changes to taxi licensing, maximum fares and further industry assistance.

The initial focus will be on setting up a scheme to provide further financial assistance to taxi licence owners affected by the changes, before any changes are made to taxi licensing or maximum rank and hail fares.

Transport for NSW will inform stakeholders as the changes are introduced. Information will also be available on the Transport for NSW website. Any questions may be emailed to [pointtopoint@transport.nsw.gov.au](mailto:pointtopoint@transport.nsw.gov.au).



## What has not changed?

All point to point transport service providers, operators and drivers still need to meet the safety requirements established under point to point transport law. The Point to Point Transport Commissioner will continue to regulate the point to point transport industry.



## Supporting transport access and inclusion

The NSW Government is committed to ensuring wheelchair accessible services are available and affordable for customers who need them and will continue its engagement with the disability sector to improve access issues.

A Smartcard will continue to be rolled out to make the current Taxi Transport Subsidy Scheme easier to use for eligible customers with a severe and permanent disability. This tap-and-go card is reducing the time it takes customers to process the subsidy at the trip completion.

This is the first step towards a provider neutral approach to subsidies and incentives to make more point to point transport services available for customers with a disability, including wheelchair accessible services.

### **Supporting access to wheelchair accessible services**

Freely available taxi licences will remove one of the current incentives for putting a wheelchair accessible taxi (WAT) on the road. This is because WAT licences are already available for no fee. In light of this, the NSW Government will explore options to support the ongoing provision of wheelchair accessible services across NSW.

The Wheelchair Book & Ride service will continue to support customers to book an accessible vehicle in the Sydney metro area. Incentives and subsidies will be made available to all authorised point to point transport providers with wheelchair accessible vehicles as they add these vehicles to their fleets.

### **How will these changes assist customers?**

Customers with a disability will benefit from the opportunity to choose between taxis and hire vehicles (including wheelchair accessible vehicles). The new Taxi Transport Subsidy Scheme Smartcard will support new arrangements to monitor the fares charged for these journeys and will support ongoing protection of customers' consumer rights. The NSW Government will also expand the Taxi Transport Subsidy Scheme to other point to point service providers in the future.



## **Sustaining point to point services in regional locations**

Point to point transport services play a key role in connecting residents to regional centres for social activities, employment opportunities and essential services, while also providing transport around local towns for those who need it.

## **How will the NSW Government ensure that point to point transport continues to be available in regional NSW?**

A number of initiatives and programs will support the sustainability of point to point transport services in regional areas:

- > Where regional communities are at risk of losing point to point transport services, Transport for NSW will work with them on a case by case basis to determine how to best meet their transport needs.
- > Existing community transport providers and potential new entrants will be encouraged to become authorised booking service providers and to examine opportunities to make better use of existing but under-utilised transport resources.
- > Point to point transport businesses will be supported through business advice, advice on opportunities to participate in government programs or initiatives to meet transport needs and will be encouraged to partner with other transport providers.
- > The NSW Government's Business Connect services will continue to provide free business advice and support to both point to point transport providers and community transport program participants. Transport for NSW will work with Regional NSW in addressing the transport needs of regional communities.
- > The safety of point to point transport customers in regional areas will be supported by more than \$50 million over ten years in additional funding for the Point to Point Transport Commissioner to increase his presence in regional areas.

These activities align with existing government initiatives such as the Community Transport Program and the Transport Access Regional Partnerships Grants Program, which support initiatives to improve services and outcomes for transport disadvantaged groups in rural and regional communities. Transport for NSW is also supporting community transport providers with a digital uplift to support service provision, rolling out dynamic scheduling capacity and offering mobile booking apps, mobility-as-a-service capability and cloud-based data analytics. This assists providers with the work they do under their contract with Transport for NSW, as well as enabling them to expand their commercial offerings.

## How will these changes assist people living in regional communities?

Most people in regional NSW get around in their own vehicles. However there are people who do not have access to private cars and the local population may not be sufficient to support sustainable public transport services. Coordinated point to point transport and community transport can work together to meet the needs of people in these situations.



## Further levelling the playing field

The NSW Government is committed to further levelling the playing field and reducing the regulatory burden for all participants in the point to point transport industry, while maintaining safety standards and acknowledging the difference between booked services (where it is easier to identify the driver and the vehicle) and anonymous rank and hail services.

## More equal access to roads and related infrastructure

Unequal access to roads, kerbside and related infrastructure for different types of point to point transport service will be addressed. Taxis will continue to have access to bus and transit lanes to assist their efficient circulation for the rank and hail market in high demand locations. However, Transport for NSW will monitor lane usage to ensure that the intended priority of these lanes for high productivity vehicles is not impeded by any increase in taxi numbers.

Most hire vehicles are already excluded from bus and transit lanes. There is currently an exemption permitting vehicles with 'HC' plates to continue using these lanes. This will be extended to 1 January 2022, after which access for these vehicles will be aligned with all other hire vehicles.

Local councils have key responsibility for local traffic issues. Transport for NSW will work with local councils and the point to point transport industry to identify suitable pick-up and drop-off locations for both rank and hail and booked services. Technological solutions, such as dynamic signage that allows flexible but appropriate use of specified kerbside space at various times of day, will be explored.

## Streamlining administrative requirements

Transport for NSW has already streamlined many of the administrative requirements that apply to services covered by both the bus safety framework and the Point to Point Transport laws, particularly in relation to driver medicals. Further opportunities to streamline community transport requirements will be explored.

## Compulsory third party insurance (green slips)

The State Insurance Regulatory Authority (SIRA) is already well-advanced in its move towards fit for purpose compulsory third party insurance premiums for the point to point transport industry. The current systems will continue to evolve in response to industry feedback and the need to incentivise safer driving.