

TAXI INDUSTRY BOARD

TAXI TERMS OF REFERENCE for LITERATURE REVIEW

1. The consultant is to identify six (non-Australian) cities which are **similar** to Perth in terms of population, size, car ownership, geography, public transport system, socio economic status but with **different** taxi regulatory regimes.

It is important that the different taxi regulatory regimes represent a full spectrum of regulatory approaches from a highly regulatory approach, such as in Perth, to a lesser regulatory approach adopted in other cities.

The identified cities are to be approved by Department of Transport before proceeding to step 2.

- 2 The consultant is to undertake a short literature review of the latest thinking in regard to best practice taxi regulation.
3. The consultant is to contact regulators in each of the 6 cities, and identify the regulatory approach taken in relation to points (a) to (m) below.
 - a. Overall regulatory regime: the Consultant is expected to provide for each of the cities that is to be examined, a simple short paragraph explaining the general regulatory approach taken in each of those cities – i.e. Perth would represent an example of a highly regulated taxi industry whereby regulatory decisions are based on performance data.
 - b. Level of competition in various segments of the market: the Consultant is to examine, for each of the cities selected for assessment, the level of competition which exists both within the taxi market between the various taxi companies, as well as from outside the taxi market from other passenger transport companies.
 - c. Management of long term changes in demand: the Consultant is to determine how the regulator in each of the selected cities manages changes in demand and allows the industry to change in size as demand changes.
 - d. Short term changes in demand (different demand for different days of the week / areas of the city): the Consultant is to determine how each of the regulators in each of the selected cities manages differing demands during different days of the week and in different areas. In Perth, for example, peak period taxis and outer area taxis are used to manage varying demands both during the week and in different geographical locations.
 - e. Setting and regulation of taxi fares: the Consultant is to determine how the regulator in each of the selected cities sets and modifies taxi fares.
 - f. Licensing arrangements (including plates): the Consultant is to examine whether the regulator's licensing arrangements focuses on the individual driver and plate owner, or if the regulatory arrangements focus on the taxi companies. The Consultant is also to examine whether each of the cities

have transferable or non-transferable plates and whether the taxi plates are owned or leased in each cities selected. The cost of obtaining a taxi plate is also to be identified.

- g. Regulation of plate and or shift lease rates – the Consultant is to examine whether plate and shift lease rates are regulated in each of the cities selected.
 - h. Requirements placed on taxis to be affiliated with Taxi Dispatch Services: The Consultant is to examine whether there are any requirements placed upon taxis to affiliate with Taxi Dispatch Services in the selected cities.
 - i. Capacity of Taxi Dispatch Services to direct taxis to do “non economical” jobs: the Consultant is to examine whether there is any specific regulation put in place in the selected cities, to provide a direct legislative basis for directing taxis to non-economical jobs. In Perth, there is no such legislation in place.
 - j. Rank-and-hail v phone (Taxi Dispatch Services) markets: In some cities the regulator is choosing to regulate differently between the rank-and-hail market and the Taxi Dispatch Service market. Regulators have identified that there are dis-benefits from having large numbers additional taxis operating in the rank-and-hail market and flooding onto popular ranks (such as the airport rank). In such circumstances, some regulators are choosing to regulate the quantity of plates in the rank-and-hail market but not regulate the number of taxis in the Taxi Dispatch Services market. The Consultant is to examine, in the cities identified, whether the rank / hail and phone markets are regulated differently.
 - k. Provision of range of taxi related services: In Perth, at present, there is essentially one type of taxi service and one price point for that taxi services. The Consultant is to examine, in the selected cities, whether there are a range of taxi service types and a range price point offerings by the taxi industry to its customers. In particular, the Consultant is to examine whether any of the taxi companies do offer a guaranteed transport service, whereby the customer can book a taxi service for a particular time and there is a guarantee that the taxi will turn up at that time.
 - l. Monitoring and enforcement of standards (driver, car, performance): The Consultant is to identify the level of monitoring and enforcement of standards that exists in the selected cities.
 - m. Employment arrangements for drivers: The Consultant is to examine what employment arrangements exist for taxi drivers in the other selected cities. In particular, the Consultant is to examine whether all taxi drivers operate on a contractor model in the selected cities, or operate on some sort of employment-type model. As part of this examination, the Consultant is to identify whether taxi drivers are paid a percentage of the fare takings or paid a shift-rate and then all their takings are accrued to the taxi driver, as occurs in Perth.
4. The Consultant is to provide a short assessment of relative merits of the regulatory approaches taken in the six cities.

Please note that as part of this review, there are particular areas which will not be examined. These areas include (i) driver standards, (ii) vehicle standards, (iii) safety issues, (iv) environmental and sustainability issues and (v) wheelchair

taxi services.

The focus of the Literature Review is on the economic regulation which occurs within the various taxi industries of the selected cities.

It is noted that this Literature Review is an initial phase of the Regulatory Review.

The objective of the Literature Review is to provide an assessment of the taxi regulation in cities which have similar socio / economic characteristics to Perth. This examination will provide guidance to the Regulatory Review Sub-Committee about actions that could be taken to improve Perth's taxi industry regulatory framework.