

**EXECUTIVE SUMMARY of
On-demand Transport Green Paper Consultation Report**

KEY FINDINGS

The On-demand Transport Green Paper was released on 20 July 2015 as the start of a broader discussion between Government, industry and Western Australians on how best to deliver safe, flexible, and innovative on-demand transport in an increasingly changing operating environment.

A 12-week consultation program to gather a wide range of views about the sector and the proposed reforms – based on the areas and issues raised in the Green Paper – commenced on Friday 24 July 2015 and closed at midnight Friday 16 October 2015.

Analysis of the feedback and input from the consultation program showed there are disparate, strongly held views within and outside the sector in relation to many of the fundamental issues raised in the Green Paper.

THERE IS **BROAD SUPPORT** FOR:

- ✓ reform in the Western Australia on-demand transport sector
- ✓ a single Act to govern all on-demand transport
- ✓ mandatory minimum driver standards/training
- ✓ greater accountability from all parts of the industry
- ✓ greater self-regulation of the industry through a Code of Practice
- ✓ increased powers for the Department of Transport in a range of areas
- ✓ the sharing of administration costs
- ✓ new regulations to facilitate driver removal from the industry

THERE IS **SUPPORT FROM SOME SECTORS** FOR:

- ✓ compensation payments and/or plate buy-back by the State Government
- ✓ fee adjustments in recognition of taxi plate owners' existing investment
- ✓ the proposed licensing framework outlined in the Green Paper
- ✓ a level playing field that is enforced, ensuring all parties comply
- ✓ Uber and other ridesharing app-based services to be part of the on-demand transport sector
- ✓ mandatory camera surveillance
- ✓ the use of distinct licence plates and other identification on on-demand vehicles
- ✓ upfront agreement of fares when booking or ordering an on-demand transport service
- ✓ the removal of quantity restrictions to allow taxis to operate whenever and wherever
- ✓ greater competition between dispatch services
- ✓ an open system where anyone should be able to apply for a taxi plate
- ✓ thorough research of the response of governments to Uber nationally and internationally
- ✓ taking learnings from the process and impact of the deregulation of the taxi industry in other relevant jurisdictions

THERE IS **OPPOSITION** TO:

- ✗ the proposed licensing framework (from metropolitan taxi drivers, passengers, plate owners and vehicle owners)
- ✗ mandatory camera surveillance (from ridesharing and regional drivers)
- ✗ the use of distinct licence plates on on-demand vehicles (from the ridesharing sector)
- ✗ the same licence fees for all on-demand sectors (from the SCV and ridesharing sectors)
- ✗ the removal of quantity restrictions (from metropolitan taxi drivers, plate owners and vehicle owners)
- ✗ licence fees being the same in regional and metropolitan areas (from country drivers, plate owners and vehicle owners)

- ✘ upfront agreement of 'rank and hail' fares (from most sectors) and to upfront agreement of fares at any time/location (from drivers)
- ✘ giving the Department of Transport the power to seize and search technology devices
- ✘ Uber as an on-demand transport operator

THERE IS **UNCERTAINTY** ABOUT:

- ? maximum vehicle ages
- ? area boundaries for country licences
- ? whether Mandurah should be considered regional or metropolitan
- ? who should fund camera surveillance units
- ? the level of oversight required for the on-demand transport sector

EXECUTIVE SUMMARY

Analysis of the results of the 12-week consultation program with industry and community, seeking responses to the On-demand Transport Green Paper, provided one overriding conclusion – there is broad support for some kind of reform but no common voice or consensus on exactly what form that should take.

The consultation also underlined the strength of emotion and concern among the taxi industry in relation to the entry of (“illegal”) ridesharing services which are not constrained or compliant with the existing regulatory regime, and with the impact it is having on their viability. Even respondents who wish they could ‘turn back the clock’ to the previous market environment have a begrudging acceptance of the need for reform of some kind.

Stakeholders recognised that reforms are needed to address the unprecedented changes in the market, which have flowed from the introduction of app-based ridesharing platform technology and the rapid take-up by many consumers of this new point-to-point service option – a trend which has been at least partly fuelled by discontent with taxi services.

Written submissions strongly advocated that creating a competitive level playing field should be at the heart of any reforms so the taxi sector, which is now struggling to remain viable, is able to compete on an equal footing with ridesharing services. But there were divergent views on what reforms were needed to create a level playing field. Key stakeholders urged the Government to engage in greater collaboration and consultation as it transitions to the new reforms.

“The State Government’s Green Paper...is a welcome attempt at bringing reform to the taxi sector...If the right recommendations are adopted and implemented...benefits will be felt across the community...the overriding principle that should be applied to any and all reform is the development and promotion of a level playing field.”

Western Australian Taxi Association

Some headline findings from the online survey included:

77%	Agreed there is a need for reform
85%	Believe a new single Act should be introduced for all on-demand transport
58%	Support the proposed new licensing framework outlined in the Green Paper
52%	Believe licence fees should be the same for all on-demand vehicles
63%	Believe quantity restrictions should be removed so taxis can operate wherever and whenever the like
62%	Believe anyone should be able to apply for a taxi plate
80%	Support greater competition between dispatch services through allowing multi-affiliation

Interviews undertaken with drivers in Perth and five regional areas as part of the consultation program also revealed strong support for on-demand transport reform in Western Australia (noting that the majority of those interviewed were taxi drivers). However, the specific issues identified by them as being in need of reform reflected more day-to-day operational issues and concerns – such as driver safety, fare evasion, and operating costs and income. Metropolitan drivers voiced strong concerns in the interviews about the industry’s ability to remain viable following the introduction of ridesharing services.

Mandated regulations

Despite broad support for reform, there were a very diverse range of opinions on which areas of the on-demand transport industry regulation should continue to be mandatory in a new era of increased self-regulation. Areas of divided opinion included:

- Training – while there was strong support for minimum driver standards and training there were differing views about what that should involve, i.e., whether drivers would be required to undergo accredited courses, or responsibility for determining and delivering courses should pass to the industry with little or no role for the regulator.
- Vehicle age – a standard of no more than eight years was generally supported but nearly a quarter or survey respondents supported a maximum of five years. Uber submitted there should not be any vehicle age stipulation but only an annual roadworthiness inspection be required.
- Vehicle identification - almost two thirds of online survey respondents believe all on-demand transport vehicles should have a distinct licence plate but this is strongly opposed by the ridesharing sector; there is similar division on signage and branding for all on-demand vehicles.

“...the WA Government should not impose regulations concerned with the service quality of on-demand transport that have a minimal effect on safety. That is not the role for government in a competitive marketplace.”

Chamber of Commerce and Industry of Western Australia

Safety and accountability

There was majority support in the online survey for a range of mandated provisions to ensure continued passenger and driver safety, and industry accountability.

55%	Believe cameras should be mandatory in taxis
60%	Believe camera surveillance units should be funded by Government**
76%	Believe minimum driver standards and training should be mandated for all on-demand transport vehicles
90%	Support greater self-regulation through a mandatory Code of Practice
85%	Support greater accountability for all participants in the on-demand transport industry
84%	Believe regulations should facilitate the permanent removal of drivers from the industry, if required

** While a majority of online survey respondents (60%) believe Government should fund cameras in taxis, the majority of driver interviews (56%) and public questionnaire respondents (61%) believe camera surveillance should be funded by vehicle owners.

One taxi industry peak body, in its written submission, said assertions that app features such as driver and customer identification provided safety and security which made surveillance camera technology redundant, was an “absurdity”. Some written submissions advocated a combination of cameras and app features such as GPS tracking should be mandatory.

The driver interviews revealed strong support for mandatory cameras and broader provisions to ensure driver safety, with a high proportion of drivers in regional areas identifying safety as a key issue of concern.

“...reform of the transport industry is critical and overdue... it is essential that the outcomes have a consumer focus and priority is given to enabling industry innovation...rather than protecting the status quo.”

Committee for Perth

Country services

The online survey showed support for both the need for reform from country plate owners (62 per cent), drivers (65 per cent) and vehicle owners (62 per cent); and for a single Act of legislation from country plate owners (69 per cent), drivers 71 per cent) and vehicle owners (62 per cent).

Conversely, in written submissions country taxi companies did not support uniform State wide reform. It was claimed taxis in WA's regions operate under unique and completely different market conditions to Perth, with very high standards of service and none of the issues which have impacted negatively on the industry in the metropolitan area. They argued for maintaining the status quo in regional areas.

Compensation for taxi plate owners

There was passionate commentary across industry sectors on whether the WA Government should provide compensation to taxi plate owners who are experiencing falling fare income while still having to service large debts incurred to purchase their taxi plates – an asset which was now significantly devalued, through what was claimed to be no fault of their own.

The option for Government to offer a plate buy-back scheme was proposed in a number of written submissions, with one group providing a detailed formula for calculating payments.

In the online survey, 67 per cent of respondents believe fees should be adjusted in recognition of plate owners' investment.

Taxi plate owners expressed the fear that Government would provide no compensation, or insufficient compensation and warned of dire consequences for them and their families unless this issue is dealt with as a priority.

“Government...has heavily influenced the value of these plates through controlling supply and as such...cannot wash its hands of this and allow for a major devaluation of plates without some form of compensation for owners.”

Stephen Moir, Chief Executive Officer, Motor Trade Association WA

Powers and enforcement

Stakeholders' feedback during consultation placed a heavy onus on Government to put in place effective enforcement measures to ensure compliance with a reformed regulatory regime. Increased powers for the Department of Transport (DoT) were supported in the following areas:

67%	Stop and inspect a vehicle believed to be operating for hire and/or reward
70%	Require a person to produce records or documents that they are required to keep
76%	Require a person to produce for inspection any licence document that they are required to carry (e.g., driver's licence)
67%	Require a person/entity with information about a driver or vehicle to produce records or documents for admission in court
58%	Exercise entry warrants to obtain evidence of an offence

A majority of respondents in the online survey (52 per cent) did not support DoT having greater powers to seize and search computers, phones and other technology devices that can be used for storing records or communications.

Written submissions highlighted a perception that the State Government and DoT had not been able or willing to police the “illegal” activities of Uber. Flowing from this, there were concerns that Uber would continue to operate under its own self-determined standards, regardless of whatever reforms Government might put in place.

Significantly increased penalties were advocated to ensure compliance. One submission proposed cumulative fines of \$100,000 per offence on corporations and cooperatives; per driver penalties of \$10,000 with companies not allowed to pay fines; vehicle confiscation; private licence demerit points; criminal penalties for company directors and executives that obstruct officers carrying out their duties.

Claims about Uber

Feedback in the written submissions underlined a pervading deep distrust of Uber amongst industry stakeholders with numerous claims being made about the ridesharing platform operator’s alleged global track record of poor corporate and commercial behaviour.

There was a perception expressed in the submissions about Uber’s lobbying campaign influencing Government decision making in its favour. The Green Paper was seen by many taxi industry stakeholders as having been a fait accompli designed to deliver pre-determined outcomes favourable to Uber at the expense of the taxi industry.

It was claimed Uber was not paying taxes such as GST or imposts such as the airport levy for taxis and this gave them their fare price advantage over taxis, plus constituted a free ride on taxpayers. These views were mirrored in 1,315 emails received as part of an e-campaign initiated by the taxi industry.

There were expressions of concern about ‘surge pricing’ by Uber in periods of peak demand and claimed bill shock by passengers, with little or no accountability by the ridesharing operator.

“Uber... has been totally disruptive around the world, it is a corporate bully where the intention is to monopolise the market... Uber’s ethos of civil disobedience means that if govt should legalise it, the govt. will have little or no control over Uber...”

Taxi plate owner

In contrast, there was strong support for Uber in e-campaigns initiated by the ridesharing service during the consultation period. Cost savings, flexibility, reliability, safety checks and claimed strong service standards of the ridesharing service were highlighted in the 3,188 emails received. This was nearly two and a half times the number of e-campaign emails received supporting the taxi industry.

Insurance protection for drivers and passengers

Questions were raised in submissions from major insurers about whether Uber drivers knew they could be uninsured due to the ambiguous legal status of the ridesharing service. This raised the scenario that neither Uber’s drivers or their passengers were currently protected by the normal insurances cover which taxis must carry.

The major ASX-listed company, Insurance Australia Group (IAG) urged consideration by all governments of the need for a national plan of action in areas such as Compulsory Third Party insurance and workers’ compensation for ridesharing vehicles. The latter, for example, as IAG claimed Uber does not consider its drivers to be employees.

IAG, which owns a stable of large national insurance brands including one of WA's market leaders SGIO, said new insurance products needed to be developed which are tailored to meet the needs of the ridesharing on-demand transport model.

Services for people with a disability

Fifty-five per cent of online survey respondents believe there are sufficient on-demand transport options for people with a disability. However, disabled passengers and private taxi and small charter vehicle operators believe services in this area are inadequate.

Disabilities sector peak bodies submitted there was a lack of clarity related to services for the disabled in the Green Paper and that a targeted review was needed on a range of issues in this area before Government finalised any reforms.

There were also concerns expressed in written submissions that services for passengers with disabilities will deteriorate if the ridesharing model drives taxis from the market. Uber contended that its uberASSIST service would adequately service people with disabilities.

“...the crusade to develop a “universal” taxi to cater for all users including passengers with disabilities is denying those who are unable to use a conventional taxi with solutions from outside the square.”

Stephen Scott, Community (past member Taxi Industry Board)

Further investigation in other jurisdictions

Many written submissions urged Government to inform its development of a new Act and any reforms by fully investigating the many claims being made regarding the operations, track record and impacts of ridesharing platforms in markets around the world; and looking at the responses of governments in other Australian states and comparable countries to regulate the new on-demand transport environment.

This included Government testing Uber's claims about how its proposed regulatory system – the Transport Network Company (TNC) model – was actually working in other markets around the world.

Government was also urged to understand the learnings from what are claimed to have been profound and negative impacts on the taxi industry as a result of ill-advised deregulation in other relevant jurisdictions such as Northern Territory, Singapore and Ireland.

Further consultation with stakeholders

Despite the engagement Government has already had with the industry and other stakeholders, a key conclusion which can be drawn from the results of this latest period of broad consultation was the need for further discussion and collaboration with key industry stakeholders – both before proceeding with new legislation and reforms and then through any transition period.

Written submissions presented the views of key stakeholder groups and organisations that are core participants in the taxi industry and offered specific and detailed insights. These included extensive lists of recommendations which require further more detailed review, including one-on-one discussions with key industry stakeholders.

Timing of action by Government

“Whatever is decided it must be done quickly. The taxi industry is bleeding to death before your eyes. My average number of jobs per day was 11.7 for the month of July 2015. This is approximately half what it was 10 years ago.”

Taxi owner operator

There were concerns expressed in written submissions that uncontrolled market forces were impacting so rapidly on the taxi industry that irreversible change may have occurred before any reforms can be initiated. As a result, Government was urged to consider interim actions to deal with the more immediate situation before the lengthy period required for a new single Act to be drafted and receive Parliamentary assent. One community peak body group advocated Government to consider whether making amendments to existing relevant Acts would be a stop gap fix which could be considered.

“A level playing field for all participants in the taxi industry, including ridesharing services, is essential to protect both drivers and passengers, and to ensure the ongoing viability of the taxi industry.”

“A continuation of the existing regulatory and enforcement regime is fast heading towards serious market failure, as would complete or inadequately considered deregulation.”

“Where there is market failure, the surviving unregulated supplier(s) would be in a position to determine the shape of the new industry. It is unlikely this would be in the interests of drivers or passengers.”

Ingogo

METHODOLOGY

Approach

In planning the consultation program, there were considerations which shaped the strategy:

- structuring the survey in such a way that respondents could focus on those areas of most interest;
- shaping survey questions around those matters on which the Green Paper was focused;
- making the opportunity to comment readily available to as many people as possible, including the wider community;
- ensuring industry participants had the opportunity to comment in detail;
- encouraging a broad range of people involved in the industry (not just those in a leadership role) to express their views;
- encouraging customers to have a say;
- ensuring a mix of regional and metropolitan opinion; and
- promoting awareness of the consultation program.

Some aspects of the consultation program were managed by the Department of Transport. These elements included the:

- management and presentation of the industry briefing;
- resourcing and management of phone and email inquiries;
- the uploading and technical management of the online surveys;
- the receipt and logging of emailed 'campaign' submissions; and
- the receipt and logging of written submissions.

Consultation period

The consultation period for the On-demand Transport Green Paper commenced on Friday 24 July and closed midnight Friday 16 October 2015.

Promotion and publicity

There was extensive promotion of the Green Paper's release and the consultation opportunity. This included:

- paid advertising;
- a taxi industry briefing attended by 24 personnel from 20 peak bodies, taxi companies and other relevant organisations (organised by the Department of Transport) on 23 July 2015;
- media releases – issued by both the Minister for Transport and the Department of Transport;
- media interviews;
- media reports – in traditional and social media;
- correspondence with more than 100 groups representing key audiences (including youth, seniors, people with disabilities, etc);
- public comment invited via email, post or an online survey hosted on the Department of Transport website;
- comprehensive information provided on the Department of Transport website, which received 2,785 hits during the period;

- promotional flyers distributed across the metropolitan area and in some regional centres;
- an information sheet;
- a letter to all taxi companies in Perth, and in Broome, Kalgoorlie, Mandurah, Geraldton and Bunbury, to advise of the Green Paper consultation;
- notification of the release of the Green Paper by email to 1,211 recipients;
- direct mail notification of the release of the Green Paper to 5,268 Department of Transport database registrants; and
- SMS notification of the release of the Green Paper to 40,395 people.

Response methods

Comment on the Green Paper from the general community and industry was invited via a number of methods including:

- via email to the Department of Transport;
- post to the Department of Transport; and
- via an online survey hosted on the Department of Transport website.

Interviews based on the Green Paper and online survey were also conducted with a limited number of on-demand transport drivers in Perth and five regional centres (Mandurah, Bunbury, Geraldton, Broome and Kalgoorlie). Members of the community were also invited to complete a public questionnaire in shopping centres in Perth and the same five regional centres.

While the number of drivers interviewed in metropolitan and regional areas, and members of the community who filled out surveys at kiosks, represented a small proportion of the total number of respondents, this consultation method provided an opportunity to gather specific insights and to test or validate other views expressed in broader consultation forums.

The interviews and public questionnaires were conducted from 7 September to 10 October 2015.

RESPONSE

5,831 *total responses*

792
online surveys

271
drivers

57
dispatchers

43
taxi management companies

522
passengers

237
plate owners

211
vehicle owners

103
written submissions

8
companies/cooperatives

36
plate owners

11
drivers

6
industry groups

6
suppliers

11
peak/other organisations

25
community

134
driver interviews

60
metropolitan

16
Geraldton

9
Broome

13
Mandurah

11
Bunbury

25
Kalgoorlie

299
public questionnaires

34
Fremantle Markets

47
Hillarys Boat Harbour

21
Geraldton

18
Broome

63
Mandurah

56
Bunbury

60
Kalgoorlie

4,503
e-campaign responses

3,188
pro-ridesharing campaign emails

1,315
pro-taxi industry campaign emails

7 *pop-up kiosks*

5 *regional centres*

218 *regional public questionnaires*

81 *metro public questionnaires*

74 *regional driver interviews*

60 *metro driver interviews*