

## **RESPONSE FORM: *FUTURE OF SMALL PASSENGER SERVICES – CONSULTATION PAPER***

There are no questions for Sections 1, 3 and 6–10.

You do not need to fill out every section.

### **How we will use your submission**

We will consider your responses, along with other responses from the public, the small passenger service sector, and other interested organisations, to develop recommendations for the Government's consideration.

A summary of submissions will be published on the small passenger services page on [www.transport.govt.nz](http://www.transport.govt.nz). This summary may include the names of the organisations or individuals that made submissions. It will not include their contact details.

### **Your submission may be made public**

Once you make your submission, anyone can ask for it under the Official Information Act 1982.

If you don't want anything in your submission released, you should let us know what material you want withheld, and why, at the time you make your submission.

Under the Official Information Act, we decide whether to release or to withhold material and can only withhold information in accordance with the provisions set out in that Act. Further information is available at [www.legislation.govt.nz](http://www.legislation.govt.nz).

### **Request to withhold material**

I request that the Ministry consider withholding the release of some or all of my submission:

Yes

No

If yes - describe the reasons why:

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## Your details

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What is your interest in future of the small passenger services sector? Are you:

☐ A private individual

☐ Part of the small passenger services sector

☐ Your name (optional): Chris Clarke

☒ Your address (optional):

Your email (optional):

If your submission is made on behalf of an organisation, please name that organisation here:  
Taranaki Regional Council

Would you like us to email you with the results of the consultation process?

☐ Yes – transport@trc.govt.nz

☐ No

## Section 2 – The need for change

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**Question 1** – *What are the important factors driving the need for change for the small passenger services sector?*

Tick the factors below you think are driving the need for change

- ☐ Technology is changing the transport sector
- ☒ The current rules are no longer fit for purpose and flexible for the future
- ☒ The need for a more innovative sector that delivers improved customer service

If there are other factors you think are important, enter them below:

## Section 4 – Features important in the future sector

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**Question 2** – *What are the important features you would want to see from the small passenger services sector in the future?*

Tick the features below you think are important for the future sector

- ☒ Responsive to supply and demand
- ☒ The compliance burden is as low as it can be while achieving regulatory objectives
- ☒ Transparent fees and charges
- ☒ Effective choice so people can travel where they wish in a timely manner
- ☒ Incentivises improved customer services
- ☒ Mitigates safety risks for passengers and drivers

If there are other factors you think are important, enter them below:

A sector that recognises and ensures vulnerable members of society such as the young, elderly and people with impairments are fully protected.

## Section 5 – Summary of options for the future

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**Question 3** – *Which of the five options do you think will be best for New Zealand's small passenger services sector in the future?*

The Ministry of Transport's review team concluded that option 4 would be best for New Zealand's small passenger services sector in the future. Do you agree?

☒ Yes                      But there are concerns over some aspects. Refer general comments

☐ No – If you do not agree, tick the option below that you think would be best

☐ Option 1 – status quo – modified

☐ Option 2 – reinforce separate taxi/private hire markets and their regulatory burdens

☐ Option 3 – drivers responsible under new single class system (reduced regulatory burden)

☐ Option 5 – existing taxi requirements apply to all operators (higher regulatory burden in new single class system)

Why do you prefer this option over option 4?

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## Section 11 – Definitions for exemptions

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### Carpooling would be exempt under all options

**Question 4** – *Do you agree the exemption for carpooling should apply where:*

- the people in the vehicle already know of each other (for example, they are friends, members of the same sports team or work for the same company). The driver and passenger may agree to share the responsibility of driving or the passenger will contribute money towards the driver's costs for the trip (that is, the operating costs of the vehicle such as petrol and depreciation, but not any payment for the driver's time).

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Yes

☐

No – if you disagree that carpooling should be exempted in the above circumstance, please explain why

and –

**Question 5** – *Do you agree the exemption for carpooling should apply where:*

- the people in the vehicle (who may not know each other) are travelling to similar destinations at similar times and use a third party to connect them. The passenger(s) will contribute money towards the driver's costs for the trip (that is, the operating costs of the vehicle such as petrol and depreciation, but not any payment for the driver's time).

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Yes

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No – if you disagree that carpooling should be exempted in the above circumstance, please explain why below

## Exempting companies providing communications functions only

**Question 6** – *Do you agree the exemption for companies providing communications functions should apply where:*

- a company (for example, a call centre company) providing back office communication functions for a completely unrelated small passenger service company.

And would not include:

- a company providing technology or communications, but actually participates in the small passenger services market in a manner similar to other operators (this company would be required to comply with the relevant rules).

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Yes

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No – if you disagree that communications companies be defined in this way, please explain why

## Applying the rules to ridesharing services

**Question 7** – *Do you agree that the requirement for ridesharing services to meet the same rules as the rest of the small passenger services sector should apply where:*

- third parties (often a technology-based company using apps) connect people who are driving to a destination with other people who want to travel to a similar place. The third party that connects a driver and passenger receives revenue from the transaction, commonly by taking a percentage of the money paid by the passenger to the driver.

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Yes

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No – if you disagree that ridesharing service be defined in this way, please explain why

## Section 12 – Common requirements under options 3 and 4

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**What are the right core passenger safety rules we need for the future small passenger services system?**

**Question 8** – *Do you agree that the core requirements for passenger safety can be achieved through:*

- *P endorsement* – all drivers would have to hold a 'P endorsement' issued by the NZ Transport Agency. A person applying for a P endorsement would have fewer requirements to meet than now. To obtain a P endorsement, a driver would have to pass a criminal record and driving record check, be medically fit to drive, and have held a full New Zealand driver licence for at least two years. A P endorsement identification card would have to be displayed in the vehicle.

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Yes but request clarification of the current assessment criteria which would be removed.

☐

No – if no, please explain why

**Question 9** – *Do you agree that the core requirements for passenger and driver safety can be achieved through:*

- *work time limits* – to ensure that drivers were not fatigued, they would have to comply with work time limits that set a maximum number of work hours and require rest breaks. Drivers would need to maintain logbooks covering all of the time that they worked. All drivers could work to the existing time limits for taxis, of up to 7 hours before a rest break is required.

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Yes

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No – if no, please explain why

**Question 10** – *Do you agree that the core requirements for passenger safety can be achieved through:*

- *reporting serious complaints to the NZ Transport Agency* – to ensure a P endorsement holder remains fit and proper, the person or company responsible for providing the service\* would be required to notify the NZ Transport Agency of any complaints received alleging serious improper behaviour by a driver. The person or company responsible would also be required to support the NZ Transport Agency or the NZ Police in undertaking any regulatory or compliance action.

\*This would be a driver under option 3 or an approved transport operator under option 4

☒

Yes, but have concerns over defining serious complaints. Approved Transport Operators should have to continue to maintain a complaints register for all complaints. Continual small breaches should also be an area compliance officers are checking to ensure a P endorsement holder remains fit and proper.

☐

No – if no, please explain why

**What are the right core driver safety rules we need for the future small passenger services system?**

**Question 11** – *Do you agree that the core requirements for driver safety can be achieved through:*

- *power to refuse to accept some passengers* – this enables drivers to refuse to accept passengers if drivers consider that their personal safety could be at risk.

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Yes

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No – if no, please explain why

**Question 12** – *Do you agree that the core requirements for driver safety can be achieved through:*

- *duty to promote driver safety* – this requires drivers (under option 3) or approved transport operators (under option 4) to make business choices from the range of mechanisms available to them. Such measures would be in addition to the mandated safety requirements.

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Yes, but the Council has concerns with regards to situations where there is only one operator in a small urban centre, what incentivises them to make good business choices about improving driver safety?



☐

No – if no, please explain why

**What are the right core in-vehicle security camera rules we need for the future small passenger services system?**

**Question 13** – *Do you agree that the core requirements for in-vehicle security cameras can be achieved through:*

- *in-vehicle security cameras* – all passenger service (all taxi, private hire, shuttle, dial-a-driver, and rideshare) vehicles would have to meet the existing rules for in-vehicle security cameras that currently apply to taxis.

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Yes

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No – if no, please explain why

**Question 14** – *Do you agree that the core requirements for in-vehicle security cameras can be achieved through:*

- *exemption from camera requirement* – the NZ Transport Agency would exempt a vehicle from the camera requirement where a driver (under option 3) or an approved transport operator (under option 4) met all of the following criteria:
  - *providing services to registered passengers only* – the service is only provided where the passenger is registered with company or driver
  - *collection of driver and passenger information* – when registering with the company or driver, a passenger and driver must provide their name, photo, address, and phone number
  - *availability of driver and passenger information* – before each trip starts, the company or driver makes the name and photo of the passenger and driver available to each other
  - *retaining a record of each trip* – the company or driver keeps a record of each trip, including the start and end points.

☒

Yes but excluding bullet point 4. It should be mandatory that companies keep a record of each trip whether a camera is installed or not.

☐

No – if no, please explain why

**What are the right fatigue management rules we need for the future small passenger services system?**

**Question 15** – *Do you agree that the core requirements to mitigate driver fatigue can be achieved through:*

- *work time and log books* – current requirements permit taxi drivers to drive for up to 7 hours before taking a break, and the rest of the sector up to 5.5 hours before a break. The review proposes applying the work time requirements for taxi services to the whole sector under the single class approach.

☒

Yes

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No – if no, please explain why

**What are the right vehicle safety rules we need for the future small passenger services system?**

**Question 16** – *Do you agree that the core requirements for vehicle safety can be achieved through:*

- *Certificate of Fitness* – this is a general safety check. It is more robust than a Warrant of Fitness for private cars and is required every six months.

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Yes

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No – if no, please explain why

## What are the right consumer protection rules we need for the future small passenger services system?

**Question 17** – *Do you agree that the core requirements for consumer protection can be achieved through:*

- *agree the basis of the fare* – drivers would have to agree the basis of the fare with the passenger before the trip starts. This could be a set fare or a per km rate. The fare could also be agreed between the passenger and the company at the time of booking.

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Yes

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No – if no, please explain why

Does not take into account vulnerable members of society who may be unable to comprehend the value of a trip or negotiate a fair and reasonable rate.

This method may also lead to peak-time pricing where the trip cost or kilometre rate may go up subject to higher passenger demand. This may put pressure on Total Mobility clients who in a lot of cases do not have significant financial resources and rely on consistent costs for trips.

The Council does not view that transport costs would be transparent under the proposal.

**Question 18** – *Do you agree that the core requirements for consumer protection can be achieved through:*

- *driver to take most advantageous route* – this would require the driver to take the route that is most advantageous to the passenger (unless agreed otherwise for example where multiple passengers are going to different locations within the same trip).

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Yes but the company must keep a record of the trip, through technology such as GPS tracking. Vulnerable members of society may not be able to confirm that the most advantageous route is taken so trip records need to be kept so these can be checked if a dispute arises.

☐

No – if no, please explain why

**Question 19** – *Do you agree that the core requirements for consumer protection can be achieved through:*

- *Driver to accept first hire offered* – this imposes a duty on the driver to accept the first hire offered (subject to exceptions for driver safety) so a driver could not refuse to take passengers only travelling short distances.

☒

Yes but have concerns that under the proposed fare setting model, that is fares are negotiated at the time of travel, drivers will increase the cost of travel for short

trips. Therefore they could manipulate this rule to their own benefit with passengers refusing to pay a higher cost for short trips.

In a well functioning market where people have a choice of operators the proposed fare setting may be acceptable but in many smaller centres in NZ where only one operator is likely it could lead to groups of people being exploited by higher fares.

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No – if no, please explain why

### What rules are no longer needed to control specific outcomes, leaving companies to their own business decisions?

#### Question 20 – Do you agree that the following is no longer required?

- *registered fares* – the Ministry of Transport’s review proposes removing the rules governing pricing that require taxis to register their fares with the NZ Transport Agency and charge using a meter. Instead, the Ministry of Transport’s review proposes that all small passenger service drivers should have a duty to agree the basis of pricing with the passenger prior to the commencement of the trip or when the booking is made. This would mean the NZ Transport Agency would no longer have a role to intervene in fare disputes between passengers and drivers, and existing consumer protection law (Consumer Guarantees Act 1993 and the Fair Trading Act 1986) would be relied on.

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Yes

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No – if no, please explain why

Does not provide protection for vulnerable members of society who may be unable to understand the concept and what is a fair deal. Removal could lead to manipulation by drivers in charging higher fares for short trips. Where are the checks and balances if someone is paying in cash that the approved transport provider receives the agreed fare and not just a portion of it.

The Council does not support removal of meters being mandatory across the sector. This proposal needs further consideration.

#### Question 21 – Do you agree that the following is no longer required?

- *regulated signage (including Braille)* – the current rules set out specific signage requirements for taxi services that relate to the operator’s brand, taxi roof sign, contact details, and fares. We propose removing these requirements. Operators would be able to make a choice about what signage they used and the information provided in it. The current rules require information in Braille: the name of the taxi organisation, its contact telephone number and the vehicle’s fleet number. The Ministry of Transport’s review proposes removing this requirement. Blind passengers can use alternative ways to

obtain the information currently provided in Braille, such as enquiring at the time of booking, and using smartphone apps that provide a record of the trip.

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Yes

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No – if no, please explain why

The Council views that a key element of small passenger transport services is for all passengers to recognise an Approved Operator vehicle. Removal of external signage would make it difficult for passengers, particularly those who have impairments, to recognise an operator and hail a passenger service.

Removal of braille signage inside the vehicle assumes that all sight impaired passengers have a smart phone and are able to use smart phone apps.

**Question 22 – Do you agree that the following is no longer required?**

- *area knowledge* – taxi drivers in urban areas are required to have passed an area knowledge test. The purpose of the requirement is to ensure that drivers are able to take passengers on a direct route to their destination. The Ministry of Transport's review proposes removing the area knowledge requirement and leaving companies to make their own decisions. Technology, such as GPS systems, provides alternative means to achieve the objective. Passengers are also able to use this type of technology to track the route that the driver is using.

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Yes

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No – if no, please explain why

The Council views that area knowledge test should remain for large urban areas. Technology can assist drivers but should not be relied on as the sole means of taking passengers on the most direct route. Reliance on technology could lead to drivers being unduly distracted which is a safety concern.

**Question 23 – Do you agree that the following is no longer required?**

- *English language* – taxi drivers are required to have a sufficient knowledge of the English language. The Ministry of Transport's review proposes removing the English language requirement and leaving companies to make their own decisions about the language competency of their drivers. The NZ Transport Agency considers that few drivers are currently tested.

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Yes

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No – if no, please explain why

Again for vulnerable users it can be very distressing not to be able to communicate in English. The Council views that the issue is in the Transport Agency's

compliance of the rule not the rule itself.

**Question 24** – *Do you agree that the following is no longer required?*

- *panic alarms* – currently, taxis are required to have in-vehicle panic alarms. There are no mandated driver safety requirements for private hire vehicle drivers. The Ministry of Transport's review proposes removing the mandatory requirement for panic alarms. Drivers should be able to refuse to accept a passenger where they consider their personal safety could be compromised and passenger service operators should have a duty to promote driver safety. Passenger service operators should make their own business decisions on how they promote driver safety (which could include the use of panic alarms or other technologies).

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Yes

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No – if no, please explain why

The driver refusing to accept a passenger does not remove the threat of personal injury. It's likely the passenger is already in the vehicle before a decision is made to refuse to accept them as a passenger. Panic alarms should remain mandatory.

**Question 25** – *Do you agree that the following is no longer required?*

- *passenger service licence (PSL)* – regulatory compliance is currently managed through a range of mechanisms including approved taxi organisations, passenger service licence and driver obligations. The Ministry of Transport's review proposes requiring all passenger service operators to be an approved transport operator. A key responsibility of approved transport operators would be making sure all of their drivers had a P endorsement, worked within work time limits, and drove vehicles with a valid Certificate of Fitness.

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Yes if a more efficient and cost effective assessment system which encouraged new operators replaced it then the Council is supportive of this move.

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No – if no, please explain why

**Question 26** – *Do you agree that the following requirement is no longer required?*

- *24/7 service* – taxis are currently required to provide services 24/7 in large cities. There is no similar requirement for private hire operators (or carpooling or ridesharing). The Ministry of Transport's review proposes removing the regulatory requirement for taxis to provide a 24/7 service, and leaves operators to provide levels of service in response to their understanding of demand.

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Yes

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No – if no, please explain why

**Question 27**– *Do you agree that the following is no longer required?*

- *restrictions on private hire services connecting with customers* – currently, private hire services can only take pre-booked customers. Taxis can take pre-booked or hailed customers. Shuttles can only take passengers travelling between specific destinations. The Ministry of Transport's review proposes removing the restrictions on how passenger service operators can connect with customers. This will promote enhanced competition and improved customer service.

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Yes however external signage and livery should remain mandatory so passengers can recognise passenger service vehicles, allowing them to be hailed.

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No – if no, please explain why

**Question 28** – *Do you agree that the following is no longer required?*

- *driver passed driving test in last five years* – all P endorsement holders have to have passed a full licence test in the five years preceding their applying for their P endorsement. The Ministry of Transport's review proposes removing this requirement. A fully licensed New Zealand driver is deemed competent to be on the road without having to sit ongoing tests (certain circumstances excluded). The existing provision of having passed a test in the last five years imposes a cost on the driver, with little benefit.

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Yes

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No – if no, please explain why

**Question 29** – *General comments on the proposals in the Future of small passenger services — consultation paper*

Please add any general comments here:

The Council supports a single class where all approved operators operate under the same rules. It supports removing rules that present a barrier to new operators however that should not be at the expense of reducing checks and balances or loss of passenger protection. We note that in many small urban centres there is not a “well functioning market” with multiple operators where competition may drive improvements and /or competitive fares. The Council is concerned that ‘gaming’ may occur if operators do not have to register fares.

**Incentives for improving customer services:** the Council does not view that operators will choose to take up new technologies which improve customer service unless they are in direct competition with other providers. If this were so they the requirement to make cameras mandatory would not have been necessary under the existing legislative framework. It is unlikely that sole operators, particularly in small urban centres, will willingly seek improvements because of the likely costs involved.

The Council supports panic alarms and cameras being mandatory for all small passenger vehicles.

**P licence:** The Council requests information on the aspects of the current assessment criteria that will not be checked.

**Compliance:** The Council has serious concern with regard to the Transport Agency’s ability to proactively monitor compliance both currently and in the future under the proposed changes.

The Council has had experience where a serious breach by an ATO did not result in the withdrawal of the operators ‘approved’ status. The Council’s view is that the Transport Agency is unable to actively monitor compliance and act effectively where breaches occur.

The Council is also concerned with the proposal that only serious breaches need be reported and that continual minor complaints may go unreported. The large passenger service is required to maintain a complaints register and these are actively monitored by council’s through PTOM contracts. The Council views the small passenger service sector should also have to comply with similar regulations.

**Total Mobility Scheme:** It is important to ensure the operation of the Total Mobility Scheme is not forgotten in the Ministry’s analysis process. The Total Mobility Scheme caters to people with impairments with door-to-door transport provided by transport operators contracted to councils. The Council does have concerns that this group could possibly fall through the legislative and regulatory gaps should a number of the proposed options be implemented.

The Council wishes to advise the Ministry that should the future see a less regulated small passenger services market then the Council will likely require a higher level of operator compliance such as set rates when contracting approved transport providers to provide transport services for Total Mobility. This will allow



the Council to more accurately budget for the provision of Total Mobility services and give Total Mobility members confidence and surety they are not being over-charged.