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A NEW TRANSPORT ECONOMY: CONSUMER CHOICE, COMPETITION AND DOWNWARD PRESSURE ON FARES

Minister for Transport and Infrastructure Andrew Constance today announced from midnight tonight, consumers will have more choice, more competition for their business and experience downward pressure on fares with ride-sharing to become legal.

The landmark reforms put taxis and ride-sharing services such as Uber on a more even playing field and pave the way for thousands of new and cheaper service options for customers.

Mr Constance said with more people than ever buying goods and services on their smart phone – it’s time NSW updated its out-dated transport regulations to give customers the services they’re calling for.

“Customers, taxi and hire car operators, drivers and new entrants have all made clear they want change and today we are making it happen,” Mr Constance said.

Today’s changes comprise four main components:

- Ride-sharing services will become legal, with a driver authority required in a transition period
- The immediate repeal of more than 50 taxi and hire car regulations, expected to generate $30 million in benefits each year for the industry
- Safety will be boosted, with a new regulator and Commissioner to oversee the industry
- Establishment of a $250 million industry adjustment package for taxi and hire car licence plate owners

Under the new model, taxis will continue to have exclusive access to rank and hail jobs, but customers will have the choice to book taxis, hire cars or ride-sharing services on their smart phone, along with many other services yet to come to Australia.

“These reforms are expected to blow the doors of innovation wide open for ‘booked’ services, where customers can track their driver, provide direct feedback, hold them more accountable and choose from accessible price points,” Mr Constance said.

“All up the reform package equates to $30 million each year in reduced regulatory costs for the industry.

“By taking regulatory and cost pressure off the industry and unlocking more point to point services, we expect to create hundreds of new jobs over the next few years.”
The changes will be rolled out over two stages, including the establishment of a stand-alone regulator and Commissioner to crack down on customer safety and ensure the industry is abiding by the rules.

From midnight tonight, more than 50 pieces of red tape for taxi and hire car drivers will be repealed, creating a more level playing field in the point to point transport market.

“Safety measures are being maintained, to ensure we have strong and enforceable standards across drivers, vehicles and the companies providing the service,” Mr Constance said.

“Once Parliament resumes, I will introduce legislation to provide for the full reform package including a new regulator and Commissioner to hold all point to point services to account, with significant power and penalties.

“These include the ability to name and shame companies, seek court imposed fines of millions of dollars and in the worst case scenario a two year prison term for their company personnel.

“For the first time the buck will stop with the company making profit from the services – not just the driver.”

In recognition of the potential impact these changes will have on existing taxi and hire car licence holders, the NSW Government has set aside $250 million in a structural assistance fund to help licence owners adjust to the new regulatory framework.

“It’s important that we don’t forget those who have poured their savings into taxi licences over the past decades and ensure they get equitable assistance as this industry adjusts to changes in our economy,” Mr Constance said.

The cost of this reform package will be met from consolidated revenue, along with a temporary levy on all point to point transport providers, equivalent to $1 per trip for a maximum of five years. It will be up to service providers to decide whether or not they choose to pass on this cost to their customers. At the same time, costs for taxi and hire car operators are being reduced with lower license fees and other cost heavy regulations removed, equivalent to $30 million a year in red tape savings for the industry.

Today’s reforms are part of the NSW Government’s response to the Sturgess Point to Point Transport Report, which handed down its findings last month following more than 5,000 submissions from industry and the public.

For more information go to www.transport.nsw.gov.au/pointtopoint

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