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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): Anne Redgrave

Your address (optional):

Your email (optional): anne.redgrave@hbrc.govt.nz

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

Hawke's Bay Regional Transport Committee<sup>1</sup>

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

☒ Yes – please provide email address

☐ No

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<sup>1</sup> Excepting the Police advisor to the Committee, as the NZ Police are making their own submission.

## 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:

Private hire is used for Total Mobility in our region and is currently fairly unregulated. While we have not had significant problems, there is potential for these. Improved safety measures will be welcome.

## 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:

Could improve competition. Will make services more accessible and cost-effective for more passengers.

## 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

Due to the ease with which a private hire registration could be obtained, a number of small private hire operators have started up in our region and in other parts of the country. This has been a concern for regional councils, who have been required to assess whether they should be allowed to join the Total Mobility scheme. The approved transport organisation requirements may reduce the number of individual operators with whom councils must liaise, and the tightened safety requirements are welcomed. These will provide a measure of security for our vulnerable Total Mobility clients.

We do not believe that the existing stringent requirements for taxis should be extended to all operators. This would have the effect of reducing competition and making the provision of services difficult in small towns with limited markets.

We also don't support making drivers responsible, as in Option 3. The cost of monitoring and compliance would be considerable and significant extra resources would be required to undertake this effectively. The sheer number of drivers means that safety/rule breaches would not be easily monitored.

☐

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)

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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?

## 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).



Yes. As there is no money made in such transactions, they should not be included with other service providers. Including them would be a minefield and impossible to monitor.



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).



Yes - as for Question 4.



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 - such a company provides booking services only and is removed from the operation/control of the transport service.

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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 - the company has a financial involvement and drivers are registered with that company, which therefore should carry responsibility as an approved transport operator also.

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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.



Yes - We agree with the removal ( from the P endorsement) of the requirement to re-sit the full driver’s licence every five years and with the rational given for this.



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.



Yes. As it seems that this has worked well for taxis, there’s no reason why this regime shouldn’t be extended to other operators.



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. However, it is essential that the NZ Transport Agency's compliance division is properly resourced to investigate such complaints.



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.



Yes - this was lacking for private hire drivers, and we agree that it should be added, to provide the same measure of protection.



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.



Yes - we agree as long as a minimum standard is set.



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.

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Yes - It appears that this exemption rule has been developed with Uber in mind, as Uber requires passenger registration and meets the other requirements for exemption. On the face of it this seems sensible as the identity information which a camera provides would have already been gathered. However, for other companies which apply for exemptions (such as those which, for example, do special education (SESTA) contracts), it would be necessary to monitor whether that vehicle was doing other work in between its registered runs. Exempt vehicles should therefore be closely monitored.

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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.

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Yes . These rules have been sufficient for taxis until now.

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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 - this has always been a requirement for taxis and private hire vehicles and should continue.

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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.



Yes. In principle, we agree that knowing and agreeing the price of the journey upfront is advantageous to the passenger and is consistent with most other services, where a quote or a set price is known before the service takes place.

However, the potential for over-charging of Total Mobility clients is possibly increased under this method. Some TM users may be unable to agree fares or may not have a good understanding of what should be a fair price for their journey. A taxi meter at least provides proof of the charge, although there is still potential for over-charging by taking longer routes etc. It is likely that support people, Total Mobility coordinators and TM agencies will need to be vigilant to ensure that customers are not overcharged and that they are aware of which companies offer the best prices.

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No – if no, please explain why

**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).



Yes

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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

☐

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.



Yes. We understand that, in practice, this rule is not always complied with and existing consumer protection law should be sufficient.



No – if no, please explain why

**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.



Yes



No. For protection of vulnerable customers, such as Total Mobility users, there should be a requirement to have at least the name and contact details of the company/approved transport operator displayed externally, where there is no requirement for pre-registration. This will provide an efficient means for passengers or other road users to get contact details for complaints, and will also reassure potential customers that this is a genuine operator.

**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.



Yes. Technology has surpassed this.



No – if no, please explain why

**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.



Yes. It appears that this requirement is not currently working. ATOs will soon realise that clients require good communication skills from their drivers and will lose business if they do not provide this.



No – if no, please explain why

**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).



Yes



No – if no, please explain why

**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.



Yes. The proposed Approved Transport Operator status amalgamates the necessary requirements.

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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.



Yes. We do not believe this will affect the level of service provided in towns where there is already some competition among operators, with some electing to step into the breach to take night fares. In most small towns with only one operator, there are already exemptions in place from the 24 hour rule.

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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.



Yes. Removing these restrictions will promote competition which should benefit users. The definition of pre-booked was nebulous; in effect a hailed cab is also pre-booked. Private hire services have used this lack of clarity to their advantage, and removing the restrictions will provide a level playing field for all. However district and city councils will need to be prepared to cater for increased numbers of vehicles for hire at taxi ranks or other stopping points.

☐ 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.



Yes. The fit and proper person test necessary for gaining the P endorsement covers a range of factors, including transport related offences, so this would pick up any concerns about driving safety. The P endorsement also requires holding a driver's licence for at least two years.

☐ 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 small passenger service rules have been long overdue for change, especially in relation to private hire services, as these have been able to operate as quasi-taxi services with the minimum of regulation and without many of the safeguards of a taxi service. The preferred option for change strikes a reasonable balance between regulation and promotion of healthy competition and should provide passengers with greater choice and reasonable fares.