

Department of Infrastructure, Planning and
Logistics

COMMERCIAL PASSENGER VEHICLE REVIEW

REPORT

C733 Final Report

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1. EXECUTIVE SUMMARY

1.1. INTRODUCTION

This report sets out a review of Commercial Passenger Vehicle (CPV) regulation and industry operation within the Northern Territory. It covers the impact of the introduction of rideshare, the administrative cap on taxi numbers in Darwin and Alice Springs and issues relating to quality of service, industry fairness, barriers to entry and equity in service to the disability community. The scope is broad and most of the issues that are required to be covered have interrelationships. The report highlights important relationships between issues.

The following sections describe and summarise the research undertaken; describes the current position in its findings; and then draws conclusions which cover all elements within the scope of the Review. Finally, the report makes recommendations for implementation which are achievable and cost effective.

The next section includes a discussion about definitions and meanings of some of the key terms used in the Summary and throughout the document. This Definitions section should be consulted to understand the significance of words and terms used in this section.

1.2. RESEARCH

Five forms of research were undertaken.

1. Seven previous studies, undertaken over the past 25 years, were considered.
2. Fivenines Consulting spoke to five of the seven other Australian jurisdictions, seeking information and advice on interstate experience in the key matters covered by this Review.
3. The Department provided extensive, detailed data and analysis from which Fivenines Consulting was able to derive supply, demand and service profiles.
4. True North Strategic Communication, who undertook a Mystery Shopper Programme in 2018, were again engaged to run a comparison survey in Darwin and Alice Springs.
5. Fivenines Consulting undertook an extensive programme of direct consultation with individuals and groups in person in Darwin, Alice Springs and Katherine, and nationally by telephone and video.

1.3. FINDINGS

The findings are presented in five groups, covering industry capability; passenger modal choices; how a trip is commenced; the experience on the trip; and industry sustainability. The section includes extensive detail on current and historical industry operational models, passenger and industry feedback and views, and data about operations.

1.4. CONCLUSIONS

The scope of work posed three groups of questions. The first required us to draw conclusions about the impacts of rideshare and the taxi numbers cap as well as service options, quality, reliability, affordability, fairness, access to the market and equitable access for disabled passengers. We identified 29 elements and drew conclusions about each.

The first question focused in particular on rideshare and the taxi number cap. We concluded that rideshare has had a material impact on taxi trip numbers in Darwin but not in Alice Springs. The evidence for service quality decline across able bodied passengers was limited and

driver satisfaction had increased, but that there was a material decline in service to disabled passengers. We concluded that the cap on taxi numbers has been broadly appropriate to meet demand but that it creates a barrier to entry for aspirant licence holders and appears to lead to some fare money being paid by passengers to licence holders for the licence value rather than the service provided.

The second question asked whether work is required for sustainable delivery of that element. Of the 29, 14 required action while we concluded that the remainder were satisfactory, had not deteriorated, or did not require action. The conclusions are both narrated and tabulated in the report.

1.5. RECOMMENDATIONS

The third question asked how necessary change could be achieved ‘easily and cost effectively’.

Given the complexity of the issues covered, we make seven groups of recommendations which, together, address the conclusions which we believe merit some action in the 14 groups.

1.5.1. Recommendation Group 1 - Taxi supply and market entry

Major Recommendation 1 - We recommend that the cap on taxi numbers in both Darwin and Alice Springs be relaxed in a controlled manner over the medium term and removed in the longer term.

Minor Recommendations - Three minor recommendations cover placing a limit on the number of new licences issued during the transition period, requiring taxi and minibus licence holders to provide service for a set proportion of available hours, and requiring licence applicants to attend an industry briefing as part of their application.

Discussion

We accept the proposition that the cap does deliver a stable numbers of taxis in Darwin and Alice Springs. We also note that no other category is capped in the Territory and that rideshare in Darwin, in particular, appears to have significantly eroded taxi demand there.

We do not believe that the cap will preserve the business of existing licence holders in the longer term as other categories are uncapped and will further reduce the market share of taxis, nor that Government has any obligation to maintain these existing businesses.

We do believe over the longer term that the market will adjust to demand, as is happening in other jurisdictions.

Finally, we believe that the loss of fare box money to investors will continue to be a cost that provides no benefit to active industry participants and that the removal of the cap is the only sustainable way to overcome this.

If it is important to prevent short term “market failure” through rapid growth in taxi numbers and to allow efficient industry players time to adjust, the key to lifting the cap is to do so in a gradual, managed and fair way.

In the medium term (one to five years) we believe that the market should have the opportunity to adapt gradually so that new entrants can acquire annual licences while not flooding the market with so many vehicles that the viability of all operators is jeopardised and unacceptable quality outcomes result.

Bearing in mind that, although total trip demand has not declined in Darwin or Alice Springs, the response to falling demand for taxis in Darwin has been for owners to drive their taxis in the daytime and garage them at night. As a consequence, the rank and hail market, which is

restricted to taxis and minibuses, is not being well serviced in anti-social hours or lower demand periods.

A number of unsuccessful applicants in past licence ballots have complained that the lottery approach produces random outcomes rather than either 'fairness' or best service outcomes. We see the ballot system as a means of making an arbitrary rather than an optimal decision. NSW has introduced a tendering system for new licences and the concept could provide for the market to set a price and for competition to award each licence to the applicant who sees the greatest value in it.

As a condition of holding a privileged licence to take rank and hail work, we propose requiring a proportion of total hours for each taxi in a given year be worked during night periods. The detail of this will need to be carefully designed, but will place pressure on licence holders to find drivers or drive night shifts themselves.

The risk of unacceptable deterioration in service quality that might arise from more taxis on the road is also addressed in other recommendations.

Practical implementation

The number of new licences to be issued in each centre should be notified to industry no less than one year in advance to allow industry to adjust.

New licences should be allocated on an auction basis rather than a lottery.

The number of licences issued should be based on a detailed analysis of demand and wait time data.

The hours of operation requirement should be based on analysis of demand and wait times and seek to encourage delivery of service in anti-social working hours.

Individuals interested in applying for a new taxi or minibus licence should be provided with an entrepreneur briefing on business models, costs and obligations.

1.5.2. Recommendation Group 2 - Equity and disabled access

Major Recommendation 2 - We recommend that the KPI for dispatched MPT jobs be enforced and sanctions applied for breaches.

Minor Recommendations - Six minor recommendations cover: addressing the high occupancy¹ tariff incentive, maintaining the current proportion of MPT to standard vehicles, requiring large rideshare networks to provide WATs, providing a capital subsidy to equip new WAT vehicles, requiring demonstrated training in wheelchair securing and providing additional information for disadvantaged passengers on their rights and responsibilities.

Discussion

There appears to be an increasing gap in the quality of service between able bodied passengers and passengers living with a disability.

Additionally, it appears that taxis have shouldered more of the burden of carrying disadvantaged and Aboriginal passengers during the pandemic and since the introduction of rideshare in Darwin. It is important that all passengers are aware of their rights and responsibilities.

We believe that the current high occupancy tariff, particularly for longer trips, encourages drivers to preference such trips over wheelchair trips and that reducing or removing this

¹ The term 'high occupancy' is used throughout this report to refer to tariffs 5 and 6 which provides a 50% higher per kilometre rate where 5 or more passengers are travelling in one taxi.

incentive would make the lift incentive relatively more attractive, hence increasing disability access.

Draft Information Bulletin CPV45 provides measures for dispatched jobs completed by MPTs each month for both Darwin and Alice Springs. The specific targets should be reviewed periodically to reflect actual demand and monitored through KPI reporting. Financial sanctions should be imposed on licence holders and/or networks which do not accept sufficient offered jobs, perhaps lifting the MPT licence fee for the period to that of a standard taxi.

The significant reduction in annual licence fees for taxis has reduced the differential advantage for MPTs. It is no longer clear that the additional cost of fitting wheelchair ramps and securing devices, together with higher running costs, are now recoverable from the annual licence fee saving. This is a disincentive for potential MPT applicants and may lead to a lower level of service for wheelchair passengers.

Training in how to secure a wheelchair in a WAT is not onerous but, in practice, the current arrangement allows drivers to operate an MPT without training. Requiring every driver of an MPT to be trained in securing wheelchairs will require only limited organisation and training by licence holders as well as some compliance oversight.

Limited additional information in vehicle, in public places and through media would deliver a higher level of understanding amongst disadvantaged, Aboriginal and disability sector passengers, some of whom have important misconceptions about their rights and their responsibilities.

Practical implementation

The enforcement of booking acceptance will need to take account of demand variations. Networks, operators and drivers will require a mechanism to show that there was no demand in the period.

Consultation will be required with the taxi sector to determine how to address the high occupancy tariff issue. This, in conjunction with quantitative modelling, would be intended to lead to its reduction or removal and, possibly a compensating adjustment in tariff 1 and 2.

Rideshare platforms should be required to provide WAT vehicles in their fleets in a similar proportion to that within the taxi fleet. This should apply once a network manages more than a set number of vehicles.

The proposed capital subsidy for WAT equipment would need to be carefully configured. We propose that the payment would be subject to the selection of a single industry-agreed wheelchair restraint method, the use of that restraint in the vehicle seeking the subsidy, and the continued use of that vehicle over a set period.

1.5.3. Recommendation Group 3 - Safety and compliance

Major Recommendation 3 - Mandate in-vehicle cameras where there is a foreseeable risk that no passenger on a trip can be identified.

Minor Recommendations - Two minor recommendations cover extending compliance activities outside normal business hours and a greater compliance focus on trip refusal.

Discussion

The absence of cameras in rideshare vehicles is just one difference between that category and taxis. There is no reason to require rideshare vehicles to be fitted with cameras to satisfy a perceived levelling of the playing field.

The nature of rank and hail makes it essential for driver safety that every taxi has a camera.

Provided rideshare networks can trace one passenger on a trip through their booking system, there should be no requirement for a camera to be fitted. However, the taxi industry observes that not all rideshare passengers can be identified through booking systems. Hence the recommendation that rideshare demonstrate through process and performance that their businesses are generally able to identify one passenger.

Compliance activities are currently concentrated in office hours. While surprise will rarely be achievable, regular presence will mean that compliant behaviours will be required across industry for some of the time, and the vital educational and informative role of compliance officers with night shift drivers should raise standards.

Practical implementation

The operation of the recommendation will require compliance oversight of booking processes, perhaps through process review and audit to ensure that anonymous or untraceable bookings are hard to make.

Trip refusal will most likely be constrained by complaint management and on-road enforcement as well as the monitoring of the acceptance of notified wheelchair or special needs jobs.

The recommendation about out of hours compliance would see more officers working shifts in anti-social hours in both Darwin and Alice Springs.

1.5.4. Recommendation Group 4 - Driver professionalism and identification

Major Recommendation 4 - Upgrade training requirements for all drivers.

Minor Recommendations - Four minor recommendations cover the driver training syllabus and funding for drivers while undergoing; network issue of ID cards in the shorter term replaced by biometric identification of drivers by networks in the longer term.

Discussion

While feedback about taxi drivers is largely positive (and broadly improving) there are drivers who do not deliver satisfactory service. In some cases, this is conscious on their part and compliance activities should remove them from the industry. In other cases, lack of detailed training is more likely to be the cause.

The delegation of training to networks by providing a skeleton topic list has resulted in significant differences in the duration and quality of training. The challenge of training applies to all categories and the ability of drivers to move between categories means that there is virtue in ensuring that all Point to Point drivers undertake comparable training.

While we do not propose that the Department should intervene directly in training content. We gather that the best industry training in the Territory is very good and the purpose of these recommendations is to raise the standard of all training to that level.

Drivers and taxi networks (or licence holders) fund driver training at present by way of paid labour for trainers and unpaid labour for trainees. Some payment to taxi drivers to cover living costs, subject to satisfactory completion, might attract some drivers who could otherwise not afford to commence the training. It seems reasonable for the taxi industry to bear the cost of delivery as this is a strong motivator for careful selection which subsidies might otherwise undermine.

We note that rideshare has similar challenges in identifying and on-boarding drivers. The inclusion of rideshare businesses in industry-wide training would eliminate a potential and

unjustified inter-category distinction while supporting rideshare businesses of all sizes in assuring driver standards.

Identification of drivers is important for passenger safety. The process of issuing driver identity cards at present is problematic for industry and is not fraud proof as it relies on passengers matching the driver to the picture. Networks and licence holders are better placed to correctly identify the actual driver of a vehicle at a point in time and this then allows the passenger and compliance to trace the driver through the vehicle registration and then the network. Hence we propose a short term solution of requiring networks to issue their own cards while instituting mechanisms to reliably identify drivers at all times (with material penalties where this is not done) together with longer term planning to introduce biometric solutions across all categories.

Practical implementation

An industry task force should be formed to consider training options and propose a best practice framework.

Network issued identity cards would need to comply with specified formats. The Department would need to develop a policy to deal with drivers working for more than one network.

The requirement for all networks to reliably identify drivers of all vehicles at all times means that each network would need to propose an auditable identification procedure. In the longer term, a technology based biometric system is most likely to deliver this affordably and effectively.

1.5.5. Recommendation Group 5 - Vehicle regulations

Major Recommendation 5 - Introduce core 'cosmetic' requirements for CPVs.

Minor Recommendation - Review and relax vehicle age limits.

Discussion

Territory CPVs operate in some of the harshest conditions in the world yet, in many cases, are immaculate. Issues raised with vehicle regulations relate to a minority of vehicles.

Neither industry nor passengers consider it reasonable for Point to Point vehicles, perhaps other than private hire cars, to be in showroom condition. However, passengers have a reasonable expectation that their vehicle will not have litter, torn or damp seats, or significant private belongings in luggage space that they require.

Current vehicle condition requirements focus on passenger, driver and third party safety. We propose that additional, basic cosmetic requirements that are focused on passenger comfort should be developed, introduced and enforced.

The application of an age limit to Point to Point vehicles is common in other jurisdictions but it is only an indicator of the state of a vehicle.

Practical implementation

We propose that, while a general upper age limit should be maintained, two changes should be considered.

Firstly, while taxi and rideshare networks are increasingly national in operation, there is no consistency in vehicle age limits. For example, South Australia sets an eight year age limit while Queensland has no specific age limit. We propose that industry be consulted to determine a preferred age limit that continues to meet satisfactory safety standards and which takes account of business operations in other jurisdictions.

Secondly, the Department should set an inspection regime to allow vehicles in excellent condition to continue to operate for an additional, limited period. This would entail additional cost for the vehicle owner, including one or more inspections, and would most likely mean that the exemption would only be sought in exceptional circumstances.

1.5.6. Recommendation Group 6 - Regulatory

Major Recommendation 6 - Strengthen data gathering and apply sanctions to KPI model.

Minor Recommendation - Review role of Department as service regulator, sector advocate and facilitator of economic development through the Point to Point industry.

Discussion

The Department receives comprehensive data from the taxi, minibus and private hire networks as part of the data collection for KPIs. Informed and considered use of this data is vital for enforcement and also for industry monitoring. We believe that the data sets are, perhaps, 90% complete and accurate based on our analysis of some data extracts and that limited work would be needed in most cases to rectify current data issues.

The KPI framework provides meaningful performance targets for networks, licence holders and drivers. The current framework is not backed by sanctions for non-compliance. We believe that industry would support the gradual introduction of mandatory standards as this would reduce the incentive to lower quality and strengthen the 'level playing field' within and between categories.

Our general discussions during the consultation work suggest that the role of the Department is largely seen by industry and passengers as rule making and enforcement. The Territory Government has an interest in promoting the use of public transport, including Point to Point, for social, environmental and economic reasons. In practice, Departmental staff see themselves as advocates for Point to Point transport and for its use to support economic development. The Department actively assists businesses in the sector and, through its work, supports general economic development in the Territory. These roles are not clear to many stakeholders.

Practical Implementation

We propose that the Department undertakes or commissions a review of data collection to identify aspects that need improvement including local and national consistency, data definitions, data collection methods, data accuracy, data consolidation and reporting. This is vital if data is used to underpin sanctions.

We propose that the Department progressively introduce financial or other penalties for failure to deliver KPI outcomes. This will need to be done sensitively and in close consultation with industry to ensure that the performance standards are reasonably achievable in practice and to avoid the creation of perverse incentives.

We propose that the Department review its strategic and operational role in regulating and supporting the Point to Point industry as well as its relationship with other parts of Government. The outcome of this should be clearly communicated to stakeholders.

1.5.7. Recommendation Group 7 - Chain of Responsibility

Major Recommendation 7 - Investigate a Chain of Responsibility legal model across the Point to Point sector.

Discussion

Most breaches of regulations are detected at the point of delivery which means that the compliance interface is with drivers and drivers typically bear the penalty. We appreciate that this is not universally the case, but also note that often the driver has limited control over the state of the vehicle they are provided with and may be put under financial and other pressure by the licence holder or the network to do things that lead to breaches of regulations.

We note the adoption of a Chain of Responsibility model for legislation within both the National Heavy Vehicle Law and Rail Safety National Law. Such a model would allow all parties to have some responsibility for any regulatory breach and, vitally, provide an incentive for those not directly delivering on-road service to be held accountable for their negligence or wilful misconduct.

Practical Implementation

The adoption of this recommendation would be relatively long term and would require extensive consultation with industry as well as detailed advice from legislative drafting experts, perhaps informed by experience in national transport legislation.

The transition to a chain of responsibility model would then require industry education as well as reviews of departmental processes, industry training and KPIs so that responsibility is appropriately attributed and perverse incentives are not created.

2. INTRODUCTION

2.1. SCOPE

Fivenines Consulting was engaged by the Northern Territory Department of Infrastructure, Planning and Logistics to undertake a:

...review of the implementation of ridesharing services and the administrative cap on taxi numbers in the Northern Territory and provide analysis of the effect of the current regulatory regime to provide Government evidence based recommendations to ensure:

- the public is receiving a transport service which provides options, quality service and is reliable and affordable;*
- a level playing field exists for each industry sector in the Point to Point passenger transport market;*
- barriers to entering the market as a transport provider are minimal;*
- the disability community is afforded an equitable, convenient and quality service; and*
- any proposed changes to the regulatory framework are able to be easily and cost effectively implemented by Government and industry.²*

The contracted scope of work comprised:

...a detailed review into whether the regulatory changes, made in 2017/18 by the Government relating to the introduction of ridesharing services, have achieved the anticipated outcomes and whether further work is still needed to ensure the CPV industry is delivering sustainable, quality transport services to the travelling public.

Detailed discussion with the Department identified specific issues which should be addressed in the Review. These topics are [explained](#) in the Appendix and summarised here:

- Taxi cap - future requirement for a cap
- Driver training - industry or Government led
- Standard taxi licence to wheelchair taxi licence conversion
- Annual licence fees - structure
- Passenger Service Levy - appropriateness to fund regulation of industry
- Vehicle age limits - appropriateness
- Impact of ridesharing - impact on sustainability of industry and on service
- Advertising on rideshare vehicles - appropriateness of current restrictions
- Rank and hail - appropriateness of current regulatory framework
- Taxi fares - fare setting and impact on passengers, particularly on the disadvantaged
- Vehicle condition and safety - effectiveness of current regulations
- Rideshare vehicle signage - merits of provider identification

² REQUEST FOR QUOTATION Transport and Civil Services

RFQ NUMBER Q20-0340

RFQ TITLE ALL REGIONS - CONSULTANCY - 2020 COMMERCIAL PASSENGER VEHICLE (CPV) REVIEW

Quotation is Section 3.2 Project Objective Overview and the first paragraph of Section 4 Scope of Work.

- ID cards - simplification of current regulations while achieving purpose
- Amalgamation of the Point to Point industry - viability of consolidation into a single licence category

2.2. BACKGROUND

2.2.1. Definitions

Commercial Passenger Vehicles

A Commercial Passenger Vehicle (CPV) is a vehicle, with driver, that is used to carry passengers for hire or reward. A number of vehicle and service types are covered by the term CPV, including taxis, private cars offering paid journeys as well as small and large buses.

Point to Point

Point to Point travel takes passengers from an agreed pick up point to an agreed drop off point. This contrasts with mass public transport which conventionally operates between set locations such as bus stops or railway stations.

This Review covers the regulation and oversight of the Point to Point sub-sector.

The scope also includes trips where groups travel together, whether known to each other or not. There are specific situations where this occurs.

- Where the group collectively books a vehicle
- Where the driver invites the first passenger to share with others unknown to them (multi-hire), typically on an exceptional basis where there are insufficient taxis to meet demand at a surge location
- Where the Point to Point is delivered by a minibus (having more seats than a typical private vehicle) and the route between the points is determined by the driver and this is the business model for that vehicle

Buses

The scope focuses on point to point services and excludes other CPV services such as route service buses, tourist vehicles, Limousines and community buses although the latter have functional similarities with some group Point to Point services.

Journey and trip

Throughout this report the words 'journey' and 'trip' are given specific meanings. A passenger seeks to make a 'journey' from a starting point to a finish point. From a transport provider perspective, the passenger takes a 'trip' between two points.

In mass transit, the journey may involve a walk to a station, multiple trains and buses and a walk at the end.

The concept of Point to Point is to provide a service that potentially makes the trip and the journey the same, though it is the choice of the passenger whether to divide their journey up into component trips - perhaps only catching a taxi at the end of a bus trip.

The term 'journey' is used to describe where the passenger is going from and to.

The term 'trip' is used to refer to the pick up point to drop off point travel undertaken in the CPV.

Licences, plates, categories and distinctions within categories

There are four regulatory categories of Point to Point operation, excluding Motor Omnibuses (buses), Tourist Vehicles, Limousines, Special Function Vehicles and the general category of Special Passenger Vehicles. These four are:

- Taxi
- Minibus
- Private Hire Car
- Rideshare

To operate a vehicle in any of these categories, a licence is required. This is allocated to a vehicle which displays a registration plate unique to each category except rideshare, where a general issue plate is used. Colloquially, the taxi industry often uses the term ‘plate’ interchangeably with ‘licence’.

Some vehicles are equipped with a platform or ramp and a lifting mechanism by which a wheelchair can be loaded into a vehicle and then secured so that the passenger can remain in their chair. Taxis so equipped are called Wheelchair Accessible Taxis (WAT)³.

WATs are treated differently under the regulations, including through a lower annual fee. For regulatory purposes, they are described as Multi-Purpose Taxis (MPTs).

A taxi with a licenced carrying capacity of six seats or more and is not wheelchair accessible, is treated as a standard taxi. However, such vehicles have access to the high occupancy tariffs (tariffs 5 and 6) when carrying five people or more.

Rideshare

Rideshare is a type of CPV business which emerged in the early 2010s. The initial concept was for private motorists who were making a trip to carry a paying passenger so that the costs were shared. However, rideshare now almost invariably refers to paid trips offered by individuals in their own vehicles, booked through an intermediary, where the driver is not making a journey for their own purposes. The term rideshare has been used in this report though alternatives are preferred by some industry participants.

Level playing field

Much is made by industry and passengers about the concept of a ‘level playing field’ and this concept is picked up in the scope of this Review.

This sporting metaphor is intended to imply that the same rules should apply to all players so that anyone can compete without a regulatory disadvantage.

In practice, it is the purpose of regulation to place limits on what can be done. Indeed, the purpose of the CPV categories is to create different regulations. Where more than one set of regulations applies (one, say, for taxis and another for minibuses) the playing field is most unlikely to be strictly ‘level’ in that different rights and responsibilities will necessarily apply. Alternatively, the playing field may be level, but different groups of players are playing different ball games (vehicle categories) on it at the same time (competing in the same physical and temporal space), sometimes with the same ball (passenger), sometimes not.

We understand that the intent of the level playing field in this context is twofold.

³ Some Minibuses are also equipped to carry wheelchairs. Licence holders pay a concessional annual fee of \$300 fee in place of the standard \$3,000 (Darwin) with the obligation to provide priority service to passengers travelling in wheelchairs

1. It should allow different types of CPV to operate in the same market without one being so attractive to participants (passengers or operators) that one or more of the others is unviable. This might be called competitive fairness between categories.
2. It should also allow different types of operator within a regulatory category to be able to run viable businesses in sustainable competition with each other.

It is important to note that the success of these intents is ultimately judged in the market. It would be easy for an inefficient, ineffective or otherwise badly run business to blame differential regulation when a better operator might compete effectively.

In practice, industry considers matters such as licence fees, the \$1 levy, vehicle standards and network approvals as being areas where unfairness within or between categories affects them.

The market

A number of stakeholders talked about ‘market failure’ during consultation. It is important to explore the significance of this in the context of the Review. The particular concern for industry is that where supply (the number of vehicles on the road) increases, fixed demand will be spread more thinly, meaning that earnings from trips will be less for each driver, licence holder and vehicle. While demand is likely to be affected by the supply of vehicles and price of trips (as well as quality and other factors), it does appear that overall demand does not vary enough to maintain earnings as the fleet size grows. This is usually referred to as demand inelasticity.

Conventional market theory suggests that as returns diminish due to increased supply and inelastic demand, the least profitable suppliers will exit the market, restoring the supply to a level that is viable for the remaining players.

The proposition of market failure is that this automatic adjustment can fail, at least in the short term, and that oversupply then leads to an extended period of unsustainably low earnings and an unacceptable decline of standards across all providers as they strive for a lower cost base. For some, this kind of market failure potentially also envisages the majority of suppliers (licence holders, networks, drivers) exiting the market at some point leaving a subsequent lack of supply to meet demand.

The extent to which there is evidence that this has or might occur in the Territory is explored further in later sections.

The Disability Community

The scope of work refers to “the disability community”. We appreciate that disability takes many forms and that the focus within this review is on equitable access for all passengers, regardless of any disability that they might have. Unfortunately, the term ‘disabled’ is often used loosely and this can mask important issues for real people, as well as resulting in a degree of insensitivity to the challenges they have when travelling.

Three types of disability were considered in preparing this report.

Some passengers need to travel with or in a wheelchair that does not fit in a standard taxi and therefore require a non-standard vehicle. Most of the interviews, and most of the narrative within this report, cover this group as the different service is both considerably more complex than a standard service yet reasonably consistent within this type of disability. In practice, this means that any Wheelchair Accessible Taxi or Minibus should be able to carry almost any wheelchair and any trained driver should be able to provide this service.

Some passengers have a disability which requires some form of non-standard service, but does not require a Wheelchair Accessible Taxi or Minibus. The group may have a wide variety of disabilities, including physical or intellectual disabilities, whether permanent or temporary. While some of these disabilities are apparent to a driver, some will not be. The complexity of this group precluded a detailed examination of the issues, but the subject was covered when talking to peak bodies.

Some passengers have a disability which does not require a non-standard service. This group can for practical purposes be treated as standard passengers as they do not require a materially different service. As an example, this group might include someone with an artificial leg who is ambulant but able to call for and get in and out of a standard taxi normally⁴.

2.2.2. Industry origins

The history of regulatory change and industry reform has been documented exhaustively in a series of past reviews which are referenced later. The most comprehensive, recent summary of the industry and regulatory background can be found in the Legislative Assembly, Public Accounts Committee (PAC) Inquiry into Taxi Licensing and Subleasing of November 2017.

Rather than repeat past documents, this section provides a high level summary.

Traditionally, single Point to Point journeys were provided by the taxi industry which comprised network providers (who matched bookings to taxis/drivers), taxi operators who provided the taxis, and drivers who drove them. Every vehicle required a licence and over decades these generally acquired a financial scarcity value in markets where licence numbers were limited and transferable.

The most significant change to regulation, which is a key to understanding the current situation, was the 'buy-back' of licences in 1999 and the concurrent (though temporary, in the event) lifting of the limit (cap) on taxi licences.

The Territory had been the first Australian jurisdiction to respond to the Council of Australian Governments commitment to the National Competition Policy. The Northern Territory Government applied this policy by removing the limit on the number of licences issued (the 'cap') and compensating licence holders by buying back taxi licences in 1999 at the same time aiming to eliminate the 'scarcity' value from the licence.

Once it became possible for any suitably qualified individual or business to acquire a licence, there was a 35% increase in the number of taxi licences on issue. However, the Public Accounts Committee Inquiry reported that total numbers of Point to Point vehicles changed little overall as minibus and private hire licences were converted into taxi licences. The Department submitted to the 2017 PAC Inquiry that after this happened: "critics of deregulation cited a decrease in vehicle standards and safety, as well as poor incomes for owner operators and taxi drivers. Sectors of the industry lobbied the Government to intervene".⁵

A temporary cap was reimposed in 2002 in Darwin and Alice Springs which has remained in place since, though some small changes have been made to licence numbers.

Following the buy-back of leases in 1999, the law now intends that licences cannot be transferred or operated by a third person. In practice, additional drivers are engaged by most licence holders and these individuals enter a financial arrangement to use a taxi. This allows the taxi owner to make full use of the 24/7 licence and for the industry to provide a full

⁴ For some ambulant disabled passengers, a sedan is more accessible than a Wheelchair Accessible vehicle due to the lower step and seat of the former.

⁵ PAC Inquiry report p22, citing DIPL Submission No 15, 2017, P.6.

service. This is a legally acceptable agreement but other arrangements started to emerge where the licence holder stepped back from direct involvement and received a payment by a third party.

By 2008 specific issues had arisen involving formal attempts by licence holders to make licences transferable. The Fivenines Consulting review in 2008-9 considered this and was also driven by wider changes in society, transport and the industry as well as changes within the sector in the Territory.

At the time of this review, Darwin and Alice Springs still both provided a classic example of the traditional point-to-point CPV model with taxis and luxury vehicles providing Point to Point services. The Territory also illustrated how other models could be successfully developed to meet particular needs. The Minibus category provided a combination of Point to Point with small scale mass transit while there was a ‘bush taxi’ service out of all major centres and a number of owner drivers in major centres. In combination, this mix provided street (hail) service, rank based service and booked service through networks.

The Public Accounts Committee Inquiry in 2017 was partly driven by continuing concerns about sub-leasing, which was believed to be widespread despite regulatory conditions on licence holding, and the related enforcement efforts of the Department.

During this period traditional Point to Point public transport models were being challenged globally by the advent of rideshare businesses. The Territory undertook a measured and widely consulted programme between 2016 and 2017 leading to regulatory change which was designed to accommodate rideshare businesses in legislation and regulation.

Regulations were commenced in 2017 (completed and effective 1st February 2018) to accommodate rideshare⁶. The definition of rideshare requires a vehicle to be part of a network and not receive direct payment from the hirer. Rideshare vehicles are required to display a rideshare label but not identify themselves as available for hire and reward.

Concurrently, the annual licence fee model was radically changed. The fees for categories in Darwin before and after the reform are shown below⁷:

Category	Before reform	After reform
Taxi	\$20,240	\$5,000
Taxi (Multi Purpose)	\$10,120	\$300
Minibus	\$17,600	\$3,000
Private Hire Car	\$6,600	\$300
Limousine	\$2,200	\$300
Special Passenger Vehicle	\$165	\$150

Table 1: Licence fee reform 2018

Finally, a levy of \$1 per trip was introduced. Unlike other jurisdictions which are using this to fund a buyback of licences, that is not necessary in the Territory as a result of the non-

⁶ <https://dipl.nt.gov.au/strategies/commercial-passenger-vehicle-reforms/ridesharing> retrieved 30 May 2021

⁷ From <https://dipl.nt.gov.au/strategies/commercial-passenger-vehicle-reforms/ridesharing/new-licence-fees> retrieved 30 May 2021

transferability of licences. The levy, less the GST component, is used to fund the regulatory oversight of the industry and the Transport Subsidy and Lift Incentive schemes which assists Territorians with accessing the community through point to point transport.

2.3. PURPOSE OF POINT TO POINT REGULATION

Government oversees Point to Point provision through the Passenger Transport Directorate which administers the regulations for Commercial Passenger Vehicles. The Passenger Transport Directorate sits within the Department of Infrastructure, Planning and Logistics. The current Departmental Strategy identifies the purpose of its regulatory frameworks and delivery of customer services as being:

“...to ensure safe, efficient and sustainable land, building, development, planning, and transport and logistics systems”

Regulating Point to Point transport appears to provide four important outcomes for the Government, though these are not explicitly stated elsewhere.

1. Passenger safety
2. Availability of transport, beyond public or social transport services, for those without their own vehicle
3. Equity of access to transport regardless of ability or social advantage
4. Support for the economic growth of the Territory, both through a sustainable industry and through facilitating business and economic activity via travel

The first of these is generally recognised as paramount and non-negotiable but the remainder reflect aspects of Government policy across portfolios.

2.4. ABOUT POINT TO POINT TRAVEL IN THE NORTHERN TERRITORY

Fivenines Consulting has undertaken transport projects across Australia, including detailed work on CPV regulation. It is our view that the Territory is unusual, if not unique, in the passenger profile of CPV industry. Industry participants from all segments, as well as passenger representatives, consistently reported that the majority of non-rideshare passengers are from Aboriginal settings.

We are exceptionally careful not to stereotype passengers on any dimension as everyone is an individual with their own particular needs and behaviours. However, it is clear that there are specific travel attributes that characterise a significant proportion of the passenger base for CPVs in the Northern Territory.

It was not the nature of this Review to examine the social or societal nature of this passenger group and we have had to rely on information from consultation, which was both consistent and non-judgemental. Throughout this report, where we have referred to this group, we use the word Aboriginal, though racial origin is neither a predictor nor a deterministic label in regard to travel requirements.

Stakeholders report that around two thirds of all taxi and minibus passengers in Darwin are Aboriginal. The proportion is higher in other centres: Alice Springs perhaps 90% and Katherine and Tennant Creek close to 100%.

The characteristics of Aboriginal passenger travel are significantly different from CPV passengers in most urban and large regional settings interstate. The characteristics of Aboriginal passengers appear to be that:

- Passengers often travel in family groups, and these may exceed the capacity of a sedan.
- Passengers may have a mobile phone but more often than not do not have apps installed which can interact with booking services.
- Where passengers do have a mobile, these are usually not connected to a bank account, preventing them from using a pre-paid service.
- Unlike urban passengers, many Aboriginal passengers pay for their trips using a Basics card.
- Similarly, many Aboriginal passengers pay for their trips with cash.
- Many passengers place a high level of trust in the CPV provider or driver to provide a good and honest service.
- While passengers are typically willing or keen to travel in groups with their own kin, they may not be willing to travel with groups from outside their own circle.

3. RESEARCH

3.1. PREVIOUS REVIEWS

Point to Point transport regulation has been subjected to a considerable number of reviews across Australian jurisdictions in the last three decades. The Northern Territory has initiated its share of these.

Most of the Territory documents have summarised previous reviews. Rather than repeat that pattern, this document refers to the most recent and perhaps the most authoritative of these: the Legislative Assembly, Public Accounts Committee Inquiry into Taxi Licensing and Subleasing of November 2017.

The table below identifies the main reviews that have been undertaken and the key focus of each.

Review	Date	Focus
Taxi Number Assessment in Darwin and Alice Springs - Ernst & Young,	May 1996	Taxi licence numbers
Review of the Commercial Passenger Vehicle Discussion Paper - Department of Infrastructure, Planning and Environment	May 2002	Licence numbers, licence categories, driver training and the CPV Board
The Impact of Deregulation on the Northern Territory Commercial Passenger Vehicle Industry - Professor Des Nicholls, Australian National University	February 2003	Impact of removal of the taxi cap
Commercial Passenger Vehicle Review - Fivenines Consulting Pty Ltd	2008 -2010	Broad review of CPV future regulation and transport options
Come along for the ride - Commercial Passenger Vehicle Industry Review Report - Department of Transport	February 2014-2016	Safety, infrastructure, industry issues and regulatory simplification
Ridesharing Steering Committee Position Paper - Department of Infrastructure, Planning and Logistics	February 2017	Rideshare
Public Accounts Committee Inquiry into Taxi Licensing and Subleasing	November 2017	Subleasing

Table 2: Previous CPV and Point to Point reviews

3.2. INTERSTATE EXPERIENCE

Fivenines Consulting spoke with relevant representatives of most⁸ interstate jurisdictional regulators to identify regulatory and market changes since the advent of rideshare. The jurisdictions consulted are listed below together with the most relevant observations about the current situation and alternative approaches.

⁸ Tasmania and the ACT were approached for information but were unable to respond within the timeframes.

Jurisdiction	Significant observations in relation to the Northern Territory
<p>New South Wales Transport for New South Wales (TfNSW)</p>	<p>Traditional (ordinary) licences are grandfathered with new licences leased. TfNSW determines numbers of new licences based on demand models and auctions these. The winning bids are those offering the highest annual fee for a maximum of 10 years. Leases can be traded.</p> <p>Rideshare commenced in 2012 but the UberX model (drivers not making the trip for their own purposes) emerged somewhat later. It is believed that more rideshare than taxi trips are now made.</p> <p>Similar operating requirements apply to both taxi and rideshare drivers and operators and some former taxi regulations have been relaxed.</p> <p>Taxis retain a monopoly on rank and hail.</p> <p>Wheelchair taxis do not incur a licence fee and interest free loans are available for fit out in addition to a lift incentive and subsidised fares.</p>
<p>Victoria Commercial Passenger Vehicles Victoria</p>	<p>Simplified regulatory model with low barriers to entry. Regulator has comparatively low visibility of industry.</p> <p>No taxi licence cap but Covid-19 has reduced demand and many licences not being operated.</p> <p>Rideshare limited to booked services only.</p> <p>Metro taxis must have camera and operate set fares - country taxis have neither. \$1 levy plus GST collected by State Revenue Office.</p> <p>Focus on safety duties rather than industry oversight in managing standards and compliance, though taxis must be inspected and have a taxi plate.</p>
<p>Queensland Transport and Main Roads</p>	<p>Rideshare implemented in 2017 for booked services only. 3 categories - booked, taxi and limousine. Transferable taxi (and limousine) licences currently all grandfathered but legislation in place for future non-transferable licences. Booked hire licence annual, non-renewable and non-transferable.</p> <p>Taxi licence cap based on areas, reviewed based on demand and supply in the context of other transport availability.</p> <p>No vehicle age limits and no evidence of an increase in defect notices as a result.</p> <p>Government financial support is being provided to replace older WATs.</p> <p>Transport Subsidy Scheme for WAT trips only for taxis.</p> <p>WAT drivers required to have WAT training and to accept WAT jobs, but the industry finds it very difficult to recruit drivers.</p> <p>Fares reviewed on cost model but no change since 2014. There is a \$2 levy between midnight and 5am to encourage drivers to work these times.</p>
<p>South Australia Department for Infrastructure and Transport</p>	<p>Licence categories distinguish taxis from small passenger vehicles. Rideshare (private licence plate) is effectively defined by the central booking method, whereas direct booking requires a chauffeur plate while only taxis can rank and hail. Many operators combine a taxi and rideshare fleet.</p> <p>Booking services pay a service levy.</p> <p>While a taxi licence cap still exists, as some licences are currently unused, this might be considered notional.</p> <p>Differences in compulsory insurance premiums between categories are a cause for taxi industry concern.</p> <p>Vehicle standards: 8 year age limit across all categories as a result of industry compromise. Safety oversight of vehicle standards but including where trim could damage or soil a passenger.</p>

Jurisdiction	Significant observations in relation to the Northern Territory
Western Australia Department of Transport	<p>Increasingly simplified and deregulated market with 4 categories distinguished by type of trip.</p> <p>No cap on taxi licence numbers.</p> <p>Growing integration of categories into consolidated businesses.</p> <p>Regulatory focus on chain of responsibility and moving away from compliance being primarily a driver responsibility.</p> <p>Fares unchanged since 2015 but set via basket of costs previously.</p> <p>Vehicle standards safety only.</p> <p>Centralised Disabled Booking Service not entirely effective as many passengers work direct through drivers.</p>

3.3. QUANTITATIVE DATA

This review was provided with extensive industry data by the Department.

Information about Point to Point licences and drivers is collected by the Department as applications are approved and details changed.

Data is also collected from industry as part of a requirement to report Key Performance Indicator (KPI) data⁹ and to support the collection of the \$1 trip levy.

Together, these data sets provide extensive information that can, in many cases, identify trends over time and differences between and within locations and categories. While this data is not perfect, we believe it is broadly of a high quality both in terms of sound data definitions and in terms of confidence in the data gathering methodologies. However, the data issues that surfaced during our analysis suggest that material further work would be needed to progress from the current ability to use the data to identify trends to being able to monitor performance for licensing purposes.

Additionally, the data available does not cover all dimensions that are important in providing regulatory oversight. A specific concern is that data about demand for wheelchair trips appears to be incomplete or inconsistently collected.

This quantitative data provides objective evidence to support many of the findings made in later sections and, in conjunction with other evidence, has allowed us to draw evidence based conclusions and develop recommendations.

3.4. MYSTERY SHOPPING

The Review incorporated a Mystery Shopping survey.

Mystery Shopping is a method of testing service delivery in practice without the service provider being aware that they are being observed.

Mystery Shopping of CPV service is undertaken by engaging a cross section of the public to undertake CPV trips. The participants are chosen to be representative of the community and travel a representative array of trips, across a variety of distances and times of day.

⁹ KPI data collection commenced in 2016 and allows the Department to monitor service standards and vehicle availability. The data collected is extensive and allows for sophisticated modelling of industry operations. Much of the data in this report comes from KPI reports. While the KPI schedule sets ‘measures’ such as “80% of passengers picked up in 5 mins or less”, these standards are not enforced and no sanctions are in place should industry fall below the measures. The requirements are set out in Commercial Passenger Vehicles Information Bulletin - CPV45.

The results of the survey can include qualitative responses describing the experience and quantitative responses which may provide an opinion-based rating for an aspect of the service or a factual record of, for instance, waiting time.

Analysis of the survey results is typically intended to provide insight into how well the service providers deliver their service across a range of factors. Where the survey is repeated at intervals, Mystery Shopping can also reveal trends over time. Trends enable the analyst to conclude whether aspects of service are getting better or worse.

A Mystery Shopping survey was undertaken in 2016. The Department then engaged True North Strategic Communication to undertake a fresh mystery shopping exercise in 2018. That survey was in a different format from the 2016 survey, though some important questions were common to the two.

The Department required Fivenines Consulting to engage True North again in 2021 as part of the Review and the 2018 questionnaire was repeated with the addition of a rideshare group. This decision was made because the previous questions covered the essential elements being researched in the 2021 scope and because keeping the questions the same would allow for comparison over time.

As with the previous survey, passengers were grouped by location and by whether they self-selected as 'able' or 'disabled'¹⁰. This distinction was critical as it determined the vehicle type required and tested all aspects of equitable access including vehicle availability, dispatch reliability, vehicle suitability and driver performance.

The True North Mystery Shopping survey was conducted from mid February to early March 2021.

The report provides comprehensive detail on the methodology, the survey results and resulting findings. The full report is available separately.

The heat map (coloured) tables below, and narrative Table 6 which follows, highlight some of the observations most relevant to the findings of this Review but the report itself should be consulted to understand the full range of service aspects surveyed.

NOTE THAT in the heat map tables (Table 3, Table 4 and Table 5) each box indicates two things:

- The typical **performance** across all trips in that category where green is best and red is worst
- **Improvement or deterioration** (up or down arrow or an = sign) in performance since the previous survey.

The colours provide a coarse, visual comparison based on the values shown.

Wait times are a critical metric of satisfaction for passengers and are quantifiable, in contrast to overall satisfaction scores.

¹⁰ We understand 'disabled' to reference a person who identifies as living with a disability and 'able' to mean a person who has not declared as having a disability.

2021 Median Wait Times					
	Darwin		Alice Springs		Darwin Rideshare
	Pre-booked	Immediate	Pre-booked	Immediate	From booking time
Able	On time =	5 - 10 minutes ▼	On time =	Within 5 minutes =	Within 5 minutes
Disabled	On time =	10 - 15 minutes ▼	7 minutes ▼	10-15 minutes ▼	

Table 3 - Median Wait Times by location, type and passenger category. Mystery Shopping. 2021 and comparison to 2018

Once a passenger has boarded their CPV for the trip, the experience provided by the driver is paramount. The survey asked a number of questions about aspects of the driver’s service and the average response scores are shown in the graphic below.

2021 Percentage of Passengers Satisfied with Driver's Service									
	Friendly and helpful driver	Driver's knowledge of area/Ability to navigate to the destination	Driver's appearance and hygiene	Driver's level of English	Driver's attitude	Driver's knowledge of looking after disabled passengers	Driver's ID card displayed	Driver's ID card same as driver	Adherence to road rules
Darwin									
Able	93% ▲	92% ▲	97% ▲	92% ▲	98% ▲	N/A	97% ▲	93% ▲	-
Disabled	100% ▲	100% ▲	92% ▲	96% ▲	92% ▲	100% ▲	87% ▲	91% ▲	-
Alice Springs									
Able	91% ▼	89% ▼	96% =	94% ▼	96% ▼	N/A	91% ▼	91% ▲	-
Disabled	85% ▲	86% ▼	90% ▼	86% ▼	90% ▲	70% ▲	95% ▲	95% ▲	-
Rideshare									
All	100%	100%	100%	94%	100%	N/A	N/A	N/A	94%

Table 4 - Satisfaction with drivers. Mystery shopping. 2021 and comparison to 2018

Overall customer satisfaction brings together all aspects of the trip experience and is presented in the final graphic below:

The table below summarises the narrative analysis from the True North report which should be consulted for more comprehensive findings from the survey.

2021 Average Customer Satisfaction Ratings (1-10)	
	Overall Satisfaction Rating
Darwin	
Able	7.1 ▲
Disabled	6.4 ▼
Alice Springs	
Able	7.4 ▼
Disabled	6.6 ▼
Rideshare	
All	8.9

Table 5 - Overall average customer satisfaction. Mystery shopping. 2021 and comparison to 2018

Location	Passenger category	Observations
Darwin	Able	Waiting times for immediate or timed bookings increased, though not significantly, from 2018. Driver standards were good and improving. There was an overall perception of trip safety.
	Disabled	Waiting times were longer than for able passengers and also increased against 2018. However, driver standards improved from 2018 and trips were perceived to be generally safe. However, overall satisfaction for the disabled service was lower than for the able service.
Alice Springs	Able	There was a very minor deterioration in wait times and a minor fall in driver standard, though this was still rated relatively highly. 10% of passengers were concerned about safety and 24% had issues with fares.
	Disabled	Waiting times increased significantly from around 5 minutes to almost 15 minutes. Driver standards were mixed and lower than other groups. Nearly one in five trips were perceived to be unsafe and 14% had issues related to fares. Poor securing of wheelchairs was a recurrent issue.
Darwin	Rideshare	Rideshare scored well on all dimensions except booking

Table 6: Mystery Shopping observations

3.5. DIRECT CONSULTATION

Fivenines Consulting undertook an extensive programme of direct consultation. This comprised nine days of interviews and workshops in Darwin, three days in Alice Springs and one day in Katherine.

In addition, individuals and organisations who could not be seen in person were consulted by phone and a number of emails were received from stakeholders.

Stakeholder interests covered:

- General passenger groups via peak bodies
- Passenger groups with particular needs or travel patterns, notably disability advocates and their peak bodies and Aboriginal passengers and their peak bodies.
- Territory and local government bodies including City of Darwin Council and the Territory Police
- Point to Point businesses, including network and vehicle owners
- Taxi licence holders and taxi operators
- Taxi, minibus, private hire and rideshare drivers
- Inter-state Point to Point regulators

Consultations took a number of forms. We spoke to over 60 individuals in one-on-one meetings or in small groups.

We led discussions in consultative meetings (notably the CPV Forums). We facilitated thematic workshops attended by segments of the industry. A listing of the consultation sessions is attached.

The structure of each interaction was specific to the group and their interests, with questions based on a comprehensive topic template (see section 7.3). The wide range of topics covered by the Review meant that no consultation covered all topics but participants were provided with or directed to the topics within the Review scope and invited to provide additional contributions.

A significant number of driver, operator and licence holder submissions were received and each was considered in preparing this Review.

4. FINDINGS

4.1. CONCEPTUAL MODEL

The next three sections are presented in a structure that reflects an end-to-end process model of the Point to Point industry.

The sequence starts with the building blocks that industry must have in place and the decisions that a passenger makes before determining how they will make their journey. It then considers the precursors to the trip, the trip itself and the longer term issues for the industry that follow from having delivered that and all other trips.

4.2. BEFORE THE PASSENGER - INDUSTRY FRAMEWORK

4.2.1. Point to point licence categories

A common observation by industry stakeholders is that the Territory has a large number of CPV categories (not all of which are Point to Point). The incorporation of rideshare into an existing category (Special Vehicles) perhaps supports this view. However, the categories considered in this review all have established service providers and deliver distinct services. Only categories identified by the NT Government as point to point vehicles were within scope of this review, and include the following:

- Taxis provide individual and small group trips from bookings, rank and hail. Maximum fares are set by regulation but in principle drivers can negotiate a lower (but not higher) fare. While multi-hire is permitted, it is only with the permission of the first passenger. The category also provides individual transport for wheelchair passengers in vehicles designed for the purpose.
- Minibuses provide scheduled fares on a multi-hire basis (at the discretion of the driver). Passengers are taken Point to Point for a fare known in advance while potentially sharing the vehicle with other passengers and potentially not travelling directly to their destination. Some minibuses have wheelchair ramps and routinely provided trips to disabled passengers. In centres where minibuses operate, they are provided with ranks. These ranks are physically separate from taxi ranks. Taxis and minibuses therefore do not rank together.
- Private Hire cars provide a booked service which is more personal than a taxi. Private Hire can ply for hire at approved functions and events and these are separate from taxi ranks in designated areas. It should be noted that some of these locations are declared on a permanent or recurring basis, including airports and named special events.
- “Special Passenger Vehicles” is the category under which rideshare operates¹¹. Rideshare differs from other categories in that drivers are not allowed to accept payment in vehicle as passengers must pay via the booking service, which typically means via a mobile phone app to which a bank account is linked. Rideshare is not permitted to rank or hail.

A diverse range of businesses operate vehicles across the categories.

The graphs below show the number of taxi, minibus and private hire licences on issue in Darwin and Alice Springs.

¹¹ Part 8, COMMERCIAL PASSENGER (ROAD) TRANSPORT ACT 1991 As in force at 20 June 2018

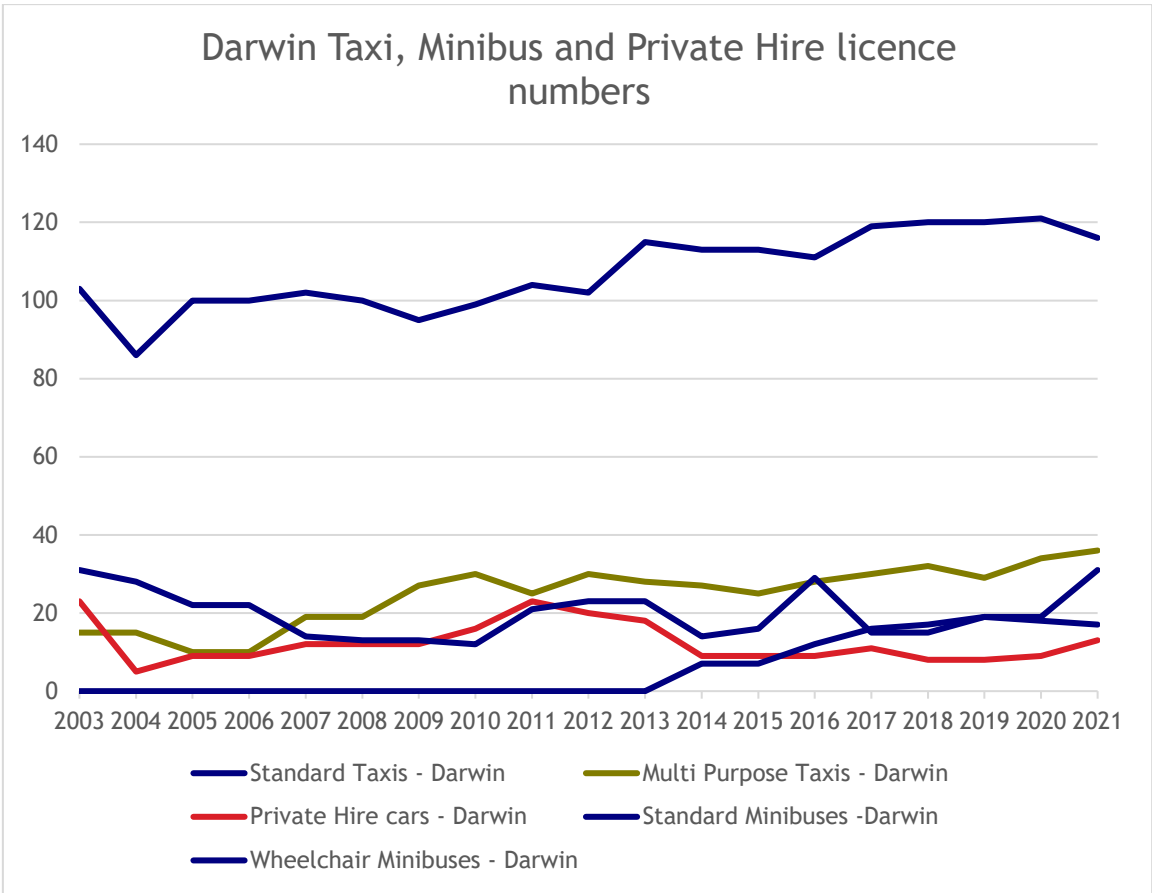


Figure 1 - Darwin licence numbers: taxi, minibus, private hire

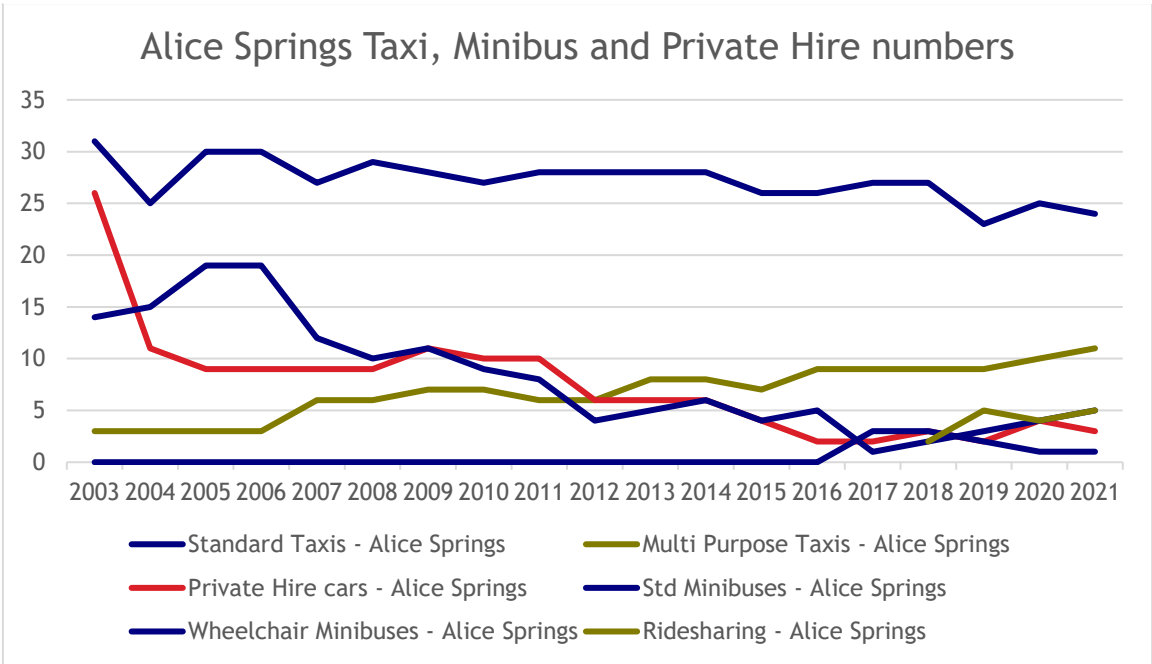


Figure 2 - Alice Springs licence numbers: taxi, minibus, private hire

The annual fees (in Darwin region) for these categories distinguish between taxis and minibuses (at \$5,000 and \$3,000 respectively) and other categories at or below \$300 per annum. MPTs which are intended to prioritise wheelchair service also have a \$300 licence fee.

The taxi and minibus industry both consider that their higher fees constitute a payment for access to rank and hail work. Those who hold this view therefore consider that allowing other categories to rank is unfair and would distort the 'level playing field'.

4.2.2. Licence cap

The issues related to licence caps (i.e. limits on the numbers of licences that can be issued at any time) have been widely canvassed in reports about the Territory CPV market and in other jurisdictions. These findings do not repeat these in detail and the documents cited at the end should be reviewed for a comprehensive understanding of the issues.

The consultation and research process for this Review highlighted these specific considerations:

- Globally, many but not all, jurisdictions have capped the numbers of taxi licences available for many decades. The origins of these caps often date back to periods where society had different expectations of government intervention in markets.
- Some markets, of which London black cabs are a famous example, do not cap licence numbers but place an alternative "barrier to entry" which effectively limits the number of licences held. In London, "the Knowledge" has for generations imposed a 1-2 year learning programme on new entrants which, combined with a requirement for the licence holder to operate the cab, has restricted the number of new entrants and maintained a stable market without a formal cap.
- Traditional economic thinking has theorised that as supply increases, returns will reduce and that there will come a point where new entrants will no longer be attracted and supply (i.e. licence holder numbers) will stabilise. Such theory suggests that caps therefore make a market inefficient.
- Economic theory also supports an expectation that if a cap allows for fewer taxis than the market would support, then licence holders will make a 'super-profit': a return higher than would be made from alternative investments with similar risk. Where such an excess profit can be generated, the licence therefore has a value. A transferable licence allows that value to be realised. This logic can be used to explain the development of markets for taxi licences which, in Melbourne and Sydney, reached \$500,000 per licence at their peak immediately prior to the introduction of rideshare.
- The key issue with licence value is that where someone needs to buy into the industry, this acquisition cost is ultimately funded from fares paid by passengers. This is sometimes referred to as 'leakage' from the fare box, signifying that money paid by the passenger for the trip is partly consumed by costs that are not related to the provision of service. In the longer term, either the active industry participants earn less or the passenger pays more.
- The Territory Government did not intend to create licence value when licences were first issued, reportedly in the 1940s. However, the cap facilitated that occurring and the Government compensated licence holders for the current licence value in 1999 when the cap was lifted. Unsurprisingly, and according to the theory, the reintroduction of a cap in Darwin and Alice Springs subsequently created a new market for licences. By forbidding transfer of licences, the market was forced to operate via leasing rather than sale. Actions to prevent sub-leasing have had limited success despite enforcement efforts, as the Public Accounts Committee investigation in 2017 found. As a result, every holder of a licence has a vested interest in the maintenance of the cap.

- The Territory experience after 1999 is widely cited by the taxi industry as evidence of the market failing to achieve a natural, satisfactory and sustainable equilibrium¹². During our consultation, taxi drivers and licence holders who were involved at the time noted that the lifting of the cap was followed by a large number of new taxi licences being issued and claimed that, as a direct result, the existing work was spread so thinly that few industry players could make a living. At the same time, they felt that standards fell. However, as explained above, the main impact was a 35% increase in taxi licences and the total number of Point to Point licences changed only slightly.
- It undoubtedly makes sense that the consequence of a rapid increase in the number of licences could be a reduction in income across the market. In hindsight it is not clear why so many additional taxi licences were applied for. The stated intention was for taxi licence numbers to be unrestricted, meaning there should have been no urgency to apply, allowing applicants time to monitor the market before entry. There are a number of reasons why the significant increase might have happened, though these are conjectures:
 - A very low barrier to entry - whether low entry cost, a low administrative burden or low knowledge about the regulatory requirements
 - Poor information about the business opportunities arising from licence holding
 - Poor general business knowledge by applicants
 - Driver frustration that they had until then been prevented from owning a taxi, choosing their shift and controlling the fare box returns
 - Independent and parallel action by applicants who were not expecting so many competitors to enter the market at the same time
 - As a result, an innocent belief that by applying for one licence, supply (number of taxis on the road) would only increase trivially and overlooking the reality that many others were applying so that demand would be spread more thinly
 - Concern amongst larger industry players that loss of market share would reduce their viability, therefore requiring them to acquire licences to maintain share

Once the cap was reimposed, the number of taxis on the road became somewhat fixed as any licence holder surrendering their licence would not expect to recover it later.

While Fivenines Consulting accepts the argument made by a large number of individuals consulted that the 1999 lifting of the cap caused serious market disruption to the detriment of both passengers and industry, we believe the cause-and-effect link was probably quite complex.

- Outside the Territory, global capped markets have delivered stable Point to Point markets but we have not seen research that clearly separates the influence of a cap from market forces of supply and demand: that is, explaining why new entrants would not be deterred from investing in a taxi licence despite the market being oversupplied.
- The arrival of rideshare could have caused even greater disruption than the 1999 deregulation since rideshare licences have not been capped in the Territory, or indeed in any Australian jurisdictions, and it is easier and cheaper to put a rideshare vehicle into service than a taxi. Even though rideshare is generally not allowed to rank or hail and relies

¹² The failure of the market to achieve equilibrium was claimed in a paper commissioned by the taxi industry in 2003 entitled “The Impact of Deregulation on the Northern Territory Commercial Passenger Vehicle Industry” by Professor Des Nicholls of the Australian National University. This paper says “While there was a dramatic increase (35%) in the number of taxi licences on issue following deregulation, waiting times have improved but there has been a serious deterioration in service standards, including safety issues, and driver income.” (p29 Conclusions)

on booking systems and out-of-vehicle payment, the booked journey market for the two licence types is conceptually identical. While rideshare does not compete exactly with the taxi industry, it has more than doubled the numbers of vehicles in Darwin without widespread market failure.

In summary, the different experiences in different jurisdictions and over different timeframes suggest that an increase in taxi licences will not necessarily lead to market failure and that the method and rapidity by which licence numbers are changed will have a strong influence on how well the market adapts.

4.2.3. Vehicle standards

Traditionally, governments have set comprehensive vehicle standards. Both in the Territory and interstate, these standards restricted which vehicles could be used, how mechanical safety was assured, how old the vehicle could be and its cosmetic condition.

As part of the reform process, vehicle regulations were significantly eased. The current requirements¹³ are primarily focused on the suitability of the vehicle for passengers and on vehicle safety through equipment requirements and maintenance. Additional requirements cover cameras in taxis and minibuses, the taxi dome, signage and the meter.

The consultation sessions highlighted three areas of widespread concern.

1. Vehicle age is limited to nine years, after which vehicles have to be taken out of Point to Point service.
 - a) A number of people commented that the removal of cosmetic requirements means that vehicle age is the remaining restriction preventing the operation of decrepit vehicles.
 - b) However, it was also noted that age is a poor predictor of presentation. Alice Springs operators see a particular opportunity for reform through slight relaxation of the age requirement since they are often able to buy low km, good condition older vehicles cheaply and these may continue to be safe and well presented past the nine year point.
 - c) A rideshare company also pointed out that their general standard nationally, guided by other jurisdictions is to set a ten year age limit and achieve the safety standard through the ANCAP/EUROCAP star rating system.
 - d) Departmental officers noted that the star rating systems change over time and that five star vehicles in 2011 might be three star vehicles now.
2. Regulations concerning in-vehicle cameras were raised by many stakeholders for a variety of reasons.
 - a) Camera purchase and installation is a significant cost and is borne by taxi and minibus owners only. The logic for this is that the capacity to take ride and hail passengers means that only these categories have anonymous passengers and the camera makes it easier to find passengers who commit in-vehicle offences. Taxi and minibus owners argue, however, that the absence of a camera in rideshare is not justified because bookings can be made by third parties, can be falsified and often carry passengers other than the booker.
 - b) For privacy reasons, industry does not have unfettered access to camera footage. Footage can only be accessed for an authorised purpose and only by an authorised person, such as a Police officer. Older cameras have required the taxi to be taken off the road, at considerable opportunity cost to the driver and operator. As a result, drivers only request downloads of video when they are sure the police will follow up, and even then they report that they rarely receive compensation. Uploading to online

¹³ These are set out at <https://nt.gov.au/driving/industry/vehicle-standards-for-cpvs>

servers means taxis can stay on the road and this should increase incident reporting. There are also signs that the police are now more interested in following up incidents where the footage is immediately available online.

- c) Not all drivers are convinced that cameras are sufficiently effective as a deterrent, particularly given a history of limited follow up. Some talked about the merits of solid screens or anti-stab plates in driver seats. In group discussions, while individual drivers might be keen for additional protection, a consensus invariably emerged that cameras are the best security and that screens and plates are of limited benefit. The vehicle standards do not prevent operators from installing them, in any event.
3. Cosmetic standards are no longer set by the regulator. It is not an exaggeration to say that in most discussions, stakeholders complained about the presentation of taxis and minibuses. If the stakeholders were owners or operators, they would complain about the standard of their competitors. We believe that these views are sincerely held and based on both extensive observation and a passion for the industry on the part of industry participants.

Fivenines Consulting undertook a structured observation of on-road taxis and minibuses in Darwin and Alice Springs over the consultation period. This observation took account of external but not internal presentation. Our overall impression was that most taxis are in fact well presented and in good external condition, particularly in Darwin. The spate of rock throwing in Alice Springs (and, we understand, in Katherine) means that most vehicles there show signs of panel damage but are otherwise respectable. The relatively rare exceptions in these locations, however, are well below the standards of the worst taxis typically seen in interstate capital cities.

The regulatory position is that cosmetic issues regarding all categories of CPV are a matter for the commercial interests of the industry. This is probably true for booked services where reputation does influence choice of service. For rank and hail this is less true. While passengers can legally choose any ranked vehicle (contrary to the assertion of one taxi operator), only the most stubborn passengers are likely to turn away a hailed taxi once it has pulled up, and the internal state (odour, seat condition, rubbish in footwells) is only apparent on entry.

Finally, two operators commented that the requirement for a taxi but not a rideshare vehicle to carry a fire extinguisher worked against the level playing field. It was suggested that vehicle fires are now very rare, that most drivers would only use the extinguisher once all passengers were clear of the vehicle and that using it might increase their personal risk and reduce their safety rather than the reverse. These operators suggested lifting the requirement for sedan-bodied taxis.

4.2.4. Network, licence holder and operator standards

Few comments were made in consultation about network standards. These booking services are well established and have local reputations and loyalties. There was no evidence that there are issues from passenger, licence holder or operator perspectives. Indeed, our observations suggest that the Territory has some of the better, more integrated network services.

The regulatory model envisages that licences will be operated by the licence holder. Indeed, absentee licence holders can and do have their licences revoked. The interstate concept of a separation of licence holder from operator therefore should not arise.

In practice, however, individuals do sub-lease licences and act as operators. These operators may have a number of licences under their control and, if they drive at all, fill the majority of shifts with other drivers.

There appears to be no entry standard for licence holders or operators and no requirement to demonstrate their standards other than passing the 'fit and proper' test and understanding the regulatory process well enough to apply and maintain the licence. The 'fit and proper' test is intended to remove persons with some criminal history or financial impropriety and does not address skills or performance standards.

While observing that there is no skill or knowledge requirement for licence holders or operators, stakeholders emphasise that it is unusual for someone to acquire the use of a licence unless they have considerable experience as a driver and therefore know how the industry works.

4.2.5. Driver availability

As there is demand for Point to Point travel at all hours of the day and night, vehicles with drivers need to be available at all times. This means that there needs to be a pool of working drivers in addition to those individuals who own a licence and operate their own vehicle.

Driver recruitment is a challenge for the CPV industry nationally and the Territory is no exception. Driving a taxi, minibus, rideshare and even private hire is not generally viewed as a prestigious role, though many people enjoy the lifestyle and flexibility, making long term careers in the industry.

It has always been particularly difficult to recruit and retain night shift drivers for taxis and minibuses. There appear to be a number of reasons for this, even though there is night time demand:

1. Night work is recognised as being anti-social and, apart from those with daytime work or study, where earnings are similar, most drivers will prefer the day shift.
2. If prospective drivers believe there is only night shift work, those for whom this is not suitable will not enter the industry.
3. Steady turnover over of drivers means that daytime shifts, which are typically driven by the taxi operator, are fully staffed and that, as gaps in day shifts open up, drivers move from night shifts.
4. Safety fears discourage many drivers from working nights. We spoke to drivers in both Alice Springs and Katherine who had been assaulted on more than one occasion and either refused to work some or any nights or were very selective in where they would collect bookings from.
5. Drivers also reported that fare evasion can be more prevalent at night, partly because of the different mix of passengers and partly because passengers might believe it is harder for them to be recognised in darkness. Drivers of taxis are often unwilling to require pre-paid fares due to passenger resistance and, as a result, may fall victim to fare evaders¹⁴.

Industry reported that driver recruitment is particularly difficult at present and that more vehicles in both taxi and rideshare categories would be on the road if more drivers were available. While this is an industry rather than regulatory problem, the non-availability of drivers does impact the quality of service. Assuming most operators would be willing to operate their vehicle if they had a driver, times at which fewer than the total number of

¹⁴ Fivenines Consulting notes from our work in other jurisdictions that this is a common problem with pre-paid fare initiatives.

licensed vehicles are on the road suggests that drivers are either not available or do not anticipate sufficient business for them to work.

Driver logons to the various networks¹⁵ show that the number of taxis on the road fluctuates over the typical week as shown below:

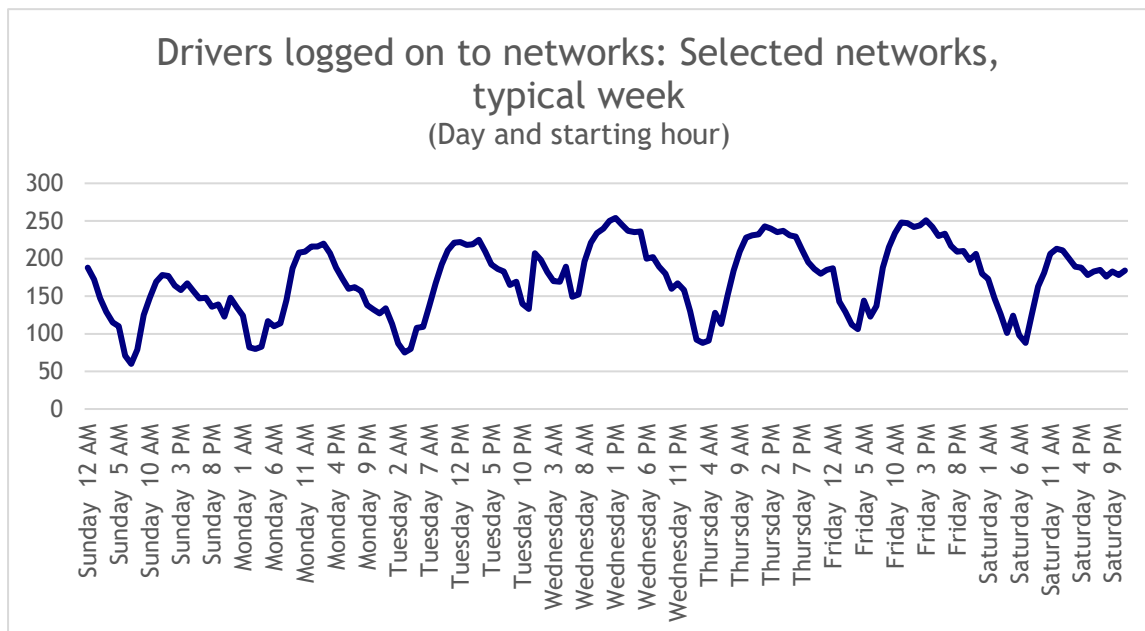


Figure 3 - Drivers logged on to networks by hour January 2020

While operators and networks would like more vehicles on the road and hence are concerned about shortfalls in driver numbers, drivers will only do so if there is passenger demand. We believe that wait times are the best indicators of demand and that where wait times are high but less than 100% of the fleet is on the road, this may indicate a driver shortage or a perceived low demand period by drivers.

4.2.6. Driver preparation

Drivers are the face of the industry as it is presented to the passenger. Drivers make operational decisions about whether they accept a job, how they treat the customer, which route they take (unless directed) and how they manage the financial transaction.

While the Mystery Shopper report quotes some appalling passenger experiences with drivers, the overall satisfaction ratings are high and (slightly) rising.

Our 2008-9 work identified serious issues with access to driver training, though a reasonable level of satisfaction with the training when delivered.

A CPV ID card is now only issued when an endorsing body has assessed an applicant as having the necessary skills and knowledge to perform the role¹⁶. As part of a less prescriptive approach to regulation, endorsing bodies are given a checklist of matters that must be covered. The syllabus, duration and standards of training as well as metrics on which to assess applicants are left to industry.

¹⁵ Not all networks provided reporting data for this data set and the graph should be viewed as indicative of fluctuations in vehicles on the road through the week rather than an accurate number of operating vehicles.

¹⁶ This is covered in Commercial Passenger Vehicles Information Bulletin - CPV18

In practice, the Department now concentrates on delivery of safe services and regulated fare payment using compliance officers to ensure training outcomes on the ground.

We believe that training varies considerably across operators and networks. One trip undertaken by the consultant was in an immaculate vehicle with an outstanding driver. This driver reported that his training had lasted almost three weeks including supervised trips and that he had been failed and required to repeat two elements of the course. Based on operator and network advice, however, we believe that training is generally much shorter.

As a result, as is demonstrated by Mystery Shopper anecdotes and stakeholder feedback, driver knowledge is patchy.

The conundrum for the industry is that Point to Point driver roles are not prestigious, even at the private hire end of the market. In general, attracting drivers is difficult. The industry is competitive and lean so there is no money for significant training investment. Networks recover their training costs from their levies, operators from bailment or fee, and drivers give their time unpaid. It is essential that drivers are on the road earning fares as quickly as possible.

4.2.7. Fleet mix to meet disabled passenger needs

One of the most intractable problems with Point to Point transport globally is dealing with the different needs of passenger groups. In Australia national legislation and social expectations mean that the privately operated Point to Point sector must provide access for disabled passengers.

The term Wheelchair Accessible Taxi (WAT - typically used to describe the vehicle) was often used interchangeably with Multi-Purpose Taxi (MPT - used to describe the licence type) with both indicating that the vehicle has a wheelchair lift and securing mechanisms for the wheelchair. These vehicles are larger and more expensive than sedans, costing upwards of \$10,000 to fit out. In recent years, these have typically been based on people movers or small buses rather than wagons, and are convertible so that they can carry a larger number of passengers than a standard taxi can. The tariff structure allows a higher per km fee for a large group than for a single wheelchair (as surcharging the latter would not be equitable).

Since Point to Point travel is undertaken individually or in small groups, this means that ensuring every vehicle can carry every passenger would be a waste of resources. As a result, fleets must have a mix of vehicles which, in particular, include wheelchair accessible vehicles.

By contrast, publicly funded transport (buses and trains) are configured at public expense to provide equity of access. Even this often proves a challenge for governments and operators.

Nationally, jurisdictions continue to struggle to meet the need to provide adequate wheelchair service provision through a market driven model. This is partly because licence holders prefer not to make the higher initial investment in a WAT, and incur higher running costs, despite the lower annual fee.

In principle, one consequence of the taxi licence cap is that if an applicant is unable to acquire the use of a standard licence, they may be able to access an MPT licence. Where a licence holder wishes to switch a non-MPT licence for an MPT one, it is hard to see why this would not be approved, though the Department currently does not have the authority to do this. We understand that no licence holder has requested this and presume that the economics make such a switch unattractive.

National disability access requirements for public transport providers¹⁷ place specific requirements on public transport providers. However, unless some kind of subsidy or fare adjustment is provided, the extra capital and operating costs mean that Point to Point providers have little financial incentive to provide equity of access¹⁸.

More broadly, passengers with special needs are not only those who are wheelchair bound. Point to Point transport is relied on for other passengers having a physical or mental disability as well as individuals who are unable to satisfactorily use public transport, where it is available.

Skills in helping passengers get in and out of vehicles, as well as empathetic and other social skills, are essential for the wider group of passengers with special needs. Stakeholder feedback is that a proportion of drivers have these skills - and at a high level.

4.3. BEFORE THE JOURNEY - PASSENGER DECISIONS

4.3.1. Modal options

Passengers can often select between alternative ways of travelling between places. For many journeys in the Territory, Point to Point may be the only mode of transport available. In other cases, the options may range from private cars through to walking. This is important to the industry because it means that the total demand for Point to Point trips is not fixed and depends to some extent on how attractive the mode is by comparison with the alternatives.

This elasticity of demand means that changes in the supply of vehicles and drivers in the Point to Point sector do not necessarily mean that the amount of work each receives will rise or fall in proportion.

The parameters that lead to someone choosing Point to Point are therefore important.

The Mystery Shopping research directed passengers to specific modes within Point to Point and provides no guidance about modal choice. The direct consultation programme was limited in that few passengers (rather than peak bodies) were consulted. Within those limits, we offer the following findings:

- For general passengers, the advent of rideshare has introduced a new type of service. Rideshare offerings still provide Point to Point travel in a sedan (generally) but the services currently available provide a degree of differentiation.
- For disabled and disadvantaged passengers, what is claimed to be a significant growth in community provided transport has created a significant alternative modal option. Passengers who previously used a taxi now take community buses to health appointments, shopping visits and away from harm. Indeed, one community organisation runs a fleet of 40 vehicles covering one million km per annum. These services replace many of the daytime trips that were previously provided by taxis and minibuses.
- Price is a factor in modal choice. In the entertainment precincts, industry and the police observe that price sensitivity may be important in getting to a venue but that, by the end of the evening, safety and time are often more important.

¹⁷ Disability Standards for Accessible Public Transport 2002: "The Disability Discrimination Act 1992 seeks to eliminate discrimination, 'as far as possible', against people with disabilities. Public transport is a service covered by the Disability Discrimination Act 1992." <https://www.legislation.gov.au/Details/F2011C00213>

¹⁸ It should also be noted that it is in principle possible to develop a business model which, though high utilisation, good service and effective marketing, generates sufficient profit to cover the additional costs.

- Rideshare is limited to passengers who have, directly or indirectly, access to a booking app which is connected to a payment solution. This modal option is therefore unavailable to demographics and individuals which do not have access to both of these.
- Covid-19 has introduced a new concern about travel. Perceptions of risks from groups of strangers, or surface hygiene, appear to be affecting travel in unexpected and varied ways. There is no doubt that travel patterns have changed as a result of the pandemic. For most of the industry, the evidence seems to be that overall revenue has been maintained but that the mix of passengers and trips is very different. In contrast, interstate capitals are reported to have seen up to a 50% reduction in demand for Point to Point vehicles.

The choices passengers make are directly reflected in the market share of each category.

The graph below shows trends in demand by category (modal choice within Point to Point) since the introduction of the \$1 levy in 2018.

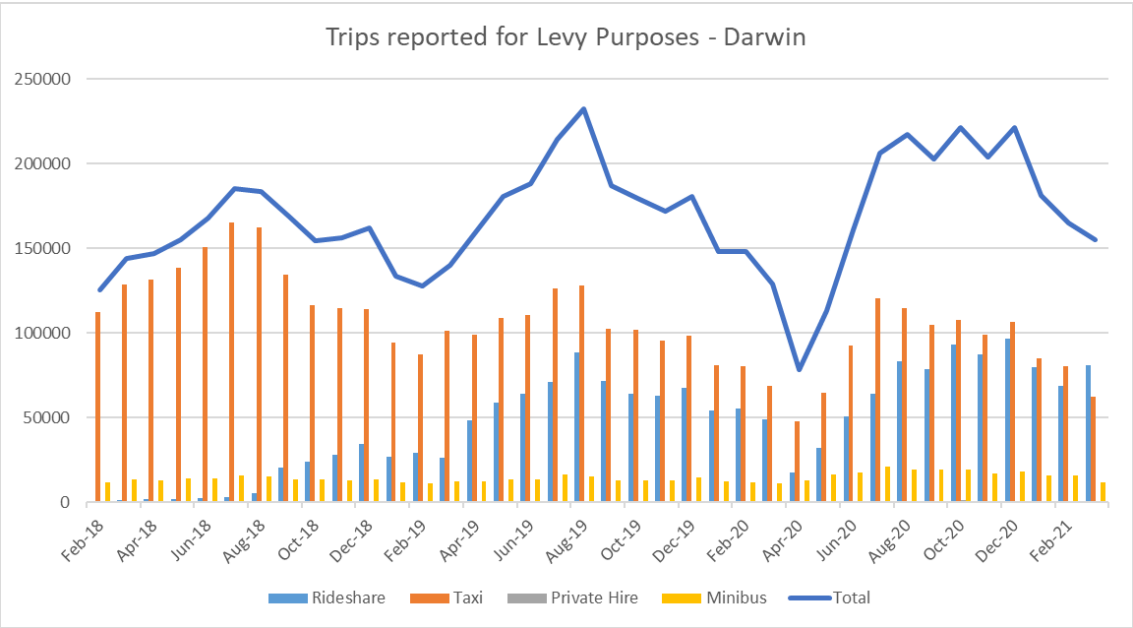


Figure 4 - Total trips by category in Darwin. Source DIPL levy data.

This graph clearly shows the seasonality of the industry and the dramatic impact of, and recovery from, the pandemic. The post Covid-19 period has shown an increase in total trips when compared with prior periods. Significantly, however, rideshare has not only taken up the increased demand, but eaten significantly into taxi trip volumes.

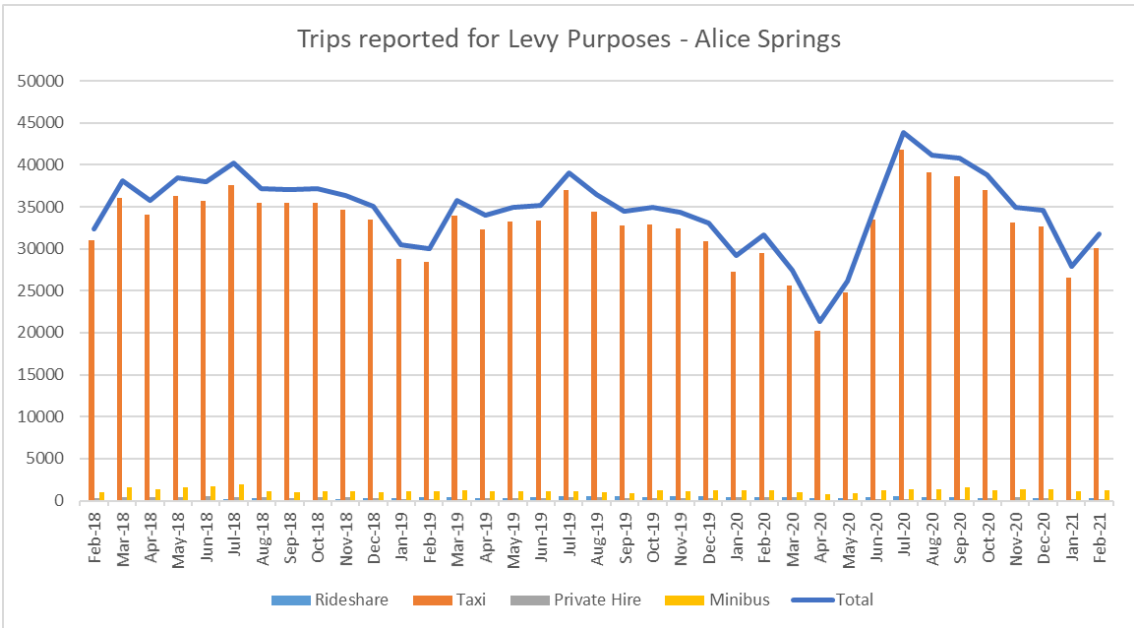


Figure 5 - Total trips by category in Alice Springs. Source DIPL levy data.

The experience in Alice Springs has been similar to Darwin, though the graph shows that there is less seasonality in pre-Covid-19 data. In contrast to Darwin, taxis provide the vast majority of Point to Point trips in Alice Springs.

Overall, rideshare has had a considerable impact on the total Point to Point market in Darwin but has had no serious impact in Alice Springs. By January 2021 rideshare provided 44% of all Darwin trips while minibuses provided a further 4%¹⁹. In contrast, taxis in Alice Springs provided 96% of trips with minibuses providing the remainder. It should be noted that just over 1% of Alice Springs trips a year prior were in rideshare and we understand that the primary operator there operates somewhat intermittently. Even so, it is reasonable to say that rideshare does not have a meaningful presence in Alice Springs

Passengers have at least two other options for Point to Point travel.

- Community buses appear to provide a more significant part of the total Point to Point mix. While these are offered to meet the needs of their clients, there is a bias to provide them at times that also suit their providers business models (especially daytime), leaving Point to Point to fill a larger proportion of antisocial and low demand hours and locations.
- The advent of Neuron scooters and bikes in large numbers in the Darwin CBD and beyond has created an additional option. We had access to little data on the usage of scooters though we understand that scooters have delivered a total in excess of 1 million km so far.

4.3.2. Modal preference

Where a passenger has to balance relatively attractive, alternative modes of travel, additional factors come into play.

In brief, the feedback from passenger stakeholders is that cost, safety, timeliness, baggage and the mobility of the passenger are all factors.

These choices are no different in the Territory from elsewhere, but the distinctions between categories therefore often steers individual passengers towards one category of service.

¹⁹ Data from Levy returns to DIPL

Passenger loyalty to a mode as well as to a service provider is also important. Many stakeholders (industry and passenger) talked about how individuals make bookings with specific drivers. This creates the potential for providers to breach any requirement for the booking service to be the sole intermediary, but some rideshare providers enable a driver preference to be indicated. This also means that passengers often remain with a provider until incited to look elsewhere, meaning that provider choices made by passengers may change sluggishly.

4.4. BEFORE THE TRIP

4.4.1. Booking processes

We received few comments on booking services, whether adverse or positive. The Mystery Shopping survey quoted some specific instances where booking services were considered unsatisfactory, unhelpful, rude or misleading. However, apart from Tennant Creek, all centres offer alternative booking services and passengers have commercial choices meaning that issues should be resolved by market pressure.

4.4.2. Vehicle availability

Rank and hail

We received no feedback regarding the availability of taxis and minibuses on the street (hailed services).

The availability of vehicles from ranks was more of an issue for some stakeholders. Our consultant discussed the availability of minibuses at ranks in Darwin with a group of Aboriginal passengers. They were of the view that while there was often no minibus immediately available, that drivers called by sufficiently frequently that they could rely on the service.

Darwin taxi ranks also appear well served with short waiting times during the day. The Darwin Police rely on taxis and minibuses to clear late night crowds from outside venues and it appears the situation in the other centres is similar.

The location of ranks is an issue for the industry, which probably means it is a problem for passengers also. While ranks provide convenience for passengers, local property owners and shopkeepers have a perception that they also attract anti-social behaviours. Ranks also take parking spaces and require investment to set up and maintain. As a result, local government bodies have conflicting pressures when considering changes to ranking arrangements.

The Department plays an active part (both in Darwin and in Alice Springs) in negotiating with the respective Councils.

Overall, it appears that taxi rank arrangements appear to be reasonably appropriate in providing access to on-demand vehicles around the clock in these locations, while there are opportunities for fine tuning.

Booked services

TAXI NETWORK DATA

Fivenines Consulting was given access to industry-reported taxi Key Performance Indicator data. We used January 2021 data as that was the most recent period for which a full dataset was available²⁰. The table shows the average (mean) wait times for booked taxi service in January across both centres in minutes. As Soon As Possible (ASAP) jobs are requested immediately while Specified time jobs may be booked minutes, hours or days in advance and are offered to drivers a set time prior to the requested time.

Centre	Type	Shift	Total trips	Avg wait
Darwin	ASAP	Night	15,207	7.0
	ASAP	Day	19,085	6.6
	Specified time	Night	716	8.1
	Specified time	Day	2,871	2.9
Alice Springs	ASAP	Night	7,138	8.4
	ASAP	Day	7,056	12.0
	Specified time	Night	138	-0.4
	Specified time	Day	446	-0.6

Table 7 - Wait times and trip volumes by shift, location and booking type

Total booked taxi trips under these categories for January are 52,657.

It must be remembered that for ASAP jobs, the wait time will be partly a function of there being a vehicle available, and partly the distance from the passenger that the vehicle happens to be. In suburbs with few waiting taxis, the wait time will be longer than in the CBD where there are likely to be more at most times.

The following observations about the data should be noted:

- A 4pm/4am typical shift change²¹ is assumed in classifying day and night, though we understand shift changes are staggered to maintain service.
- It is assumed that all the various classifications of trips by the networks are correct. Their reports are generally consistent but there are differences that might be significant.

²⁰ Fivenines Consulting notes that all data collected and analysed for this Review is recent. This means that the analysis is based on low season demand at a time when there were no international visitors and few interstate ones. Historically-typical peak season conditions have not been experienced since mid 2019 and data from that time does not reflect changes in the industry since then. It is also not yet clear whether former peak season conditions will return in the next 1-2 years or even at any point in the future. Finally, the data in Figure 4 and Figure 5 shows that overall volumes in January 2021 were similar to peak season pre-pandemic.

²¹ In practice, shift changes are staggered to avoid service interruptions. We also understand that traditional shift patterns have become less consistent since Covid-19.

- Rank/hail is not covered as there is no meaningful measure available, though on-street availability is important to passengers.
- WAT and standard vehicles are not separated due to data limitations as some networks don't provide adequate data. Additionally, where data is provided, it is not known whether the passenger was in a wheelchair rather than the network receiving a request for a group MPT or a disabled but ambulant passenger.
- This data excludes rank and hail which is approximately 50% of taxi trips and rideshare which is now approaching 50% of total trips. It seems reasonable to assume that rideshare wait times, however, are no longer than taxi wait times as passengers would otherwise call a taxi.

MYSTERY SHOPPING DATA

A separate view of wait times comes from the Mystery Shopper survey and, while this survey is a small sample and reported by passengers rather than measured by the network, it does provide an insight into perceptions.

This survey suggests that waiting times in Darwin and Alice Springs for booked services (whether immediate or future timed) have increased slightly since the last survey.

It should be noted that the Mystery Shoppers were not instructed to travel at particular times, nor is there sufficient data to establish conclusions about variations through the day or week.

OTHER EVIDENCE

In addition, there has always been a strong variation in demand through the year associated with seasonal fluctuations in the numbers of tourists.

Some passenger and industry stakeholders reported that there are now times when vehicles are simply not available. This was only exceptionally the case in 2008 and it is significant in that being unable to make a journey will have material consequences for some passengers, whereas a long wait time may be an inconvenience. Examples we were given ranged from airport trips in Darwin in the small hours to any service after dark in Tennant Creek.

These factors may therefore mean that vehicles are scarce or simply not available at certain times in a 24 hour period or in different seasons despite the existence of trip demand.

4.4.3. Accessible vehicles

Wheelchair reliant passengers reported particular problems in getting vehicles. The Mystery Shopping survey revealed longer wait times for disabled than able passenger trips and discussion with stakeholders confirmed that networks often have difficulties finding a WAT for an immediate (and sometime set-time) booking.

It would appear that the reasons for these difficulties include:

- Drivers prefer to carry groups for a higher tariff than a wheelchair passenger.
- While the lift incentive (a payment of \$20 to the driver) is considered fair compensation by drivers, wheelchair passengers have a limited supply of these and this causes problems when a passenger runs out of vouchers.
- A variety of wheelchair securing arrangements exist in different Territory WATs. Many drivers have not been adequately trained in how to use them, or do not have a sense of the risk of unsecured passengers. As a result, they either carry them unsecured or avoid picking up such fares.

- The response of booked services is a function of networks allocating jobs and drivers accepting them. While networks are monitored by the Department, drivers are monitored by the networks. We understand from disability stakeholders that neither appears to have much effect on responsiveness to calls for a WAT.

The consequence of these factors is that wheelchair reliant passengers are not provided the same level of service as others. Indeed, some passengers who would prefer to travel in their wheelchair but are able to sit in a seat will do so to ensure that they can travel.

4.4.4. Identification

Vehicle identification

It is vital for both safety and commercial reasons that a passenger can identify a licensed CPV and identify their own booked vehicle where applicable. No adverse comments were made about the identification of any category other than rideshare.

With rideshare, passengers should be notified via their booking service (app) of the registration of the vehicle allowing them to correctly identify it. Booking services typically also provide information such as make, model and colour. Since rideshare is not permitted to accept rank and hail, it would be difficult to argue that identification of the vehicle is important while the current licence conditions apply.

Driver identification by networks and operators

Taxis and minibuses should always be driven by someone whose identity is known to the operator and, generally, the network. In days before digital dispatch, the network radio operators knew their drivers' voices but modern systems have removed this capability.

In our telephone interviews with rideshare networks, we were told that the driver of a vehicle is always known, though other category operators claim that drivers are sometimes substituted. We understand that some rideshare companies are introducing biometric identification to address this issue and presume that they do in fact recognise the issue and its importance.

Generally, driver substitution, which occurs nationally and internationally, is a real problem for the industry, though its incidence is very difficult to determine.

The key to safety through identification is, however, being able to follow up after the trip and correctly identify both driver and vehicle. This identification may need to be strong enough to stand up in court.

It is our view that all categories (including rideshare) are vulnerable to driver substitution.

There is an administrative element to this as well. The Department issues driver identification cards. With the advent of anti-forgery features, these cards now take some weeks to be delivered. While a forged card obviously creates unacceptable safety issues, preventing a driver for working for some weeks is also strongly undesirable. The delay deters drivers from joining the industry, especially drivers who are also attractive to other employers (and who may also be more desirable candidates for the CPV industry).

The Department has canvassed making networks or operators responsible for providing identification cards to reduce the delay in issuing them.

4.4.5. Trip refusal (driver and passenger)

Drivers report a variety of reasons to seek to refuse a passenger. This is complicated for taxis and minibuses as they are required by their licences to accept all passengers under certain conditions. Reasons why drivers would like to refuse a fare vary. Some are legal, others not, but the rationale is very varied and includes:

- Drunkenness
- Violent behaviour
- Carriage of animals, whether support or otherwise
- Destination
- Carriage of objects that the driver objects to, including alcohol or large items
- Visual or other aspects of passenger presentation
- Perceived unreasonable demands or behaviours of the passenger
- Unwillingness to assist the passenger by leaving the driver's seat

Some passengers commented that vehicles are sometimes so fouled or dangerous that they do not want to travel in them. Fouling (smells or wet seats) are usually apparent before the trip starts, but this is not always the case. For instance, mechanical issues don't emerge until the vehicle is under way. It is typically very difficult - and may be dangerous - to attempt to terminate a trip once commenced, especially for disadvantaged passengers of any kind. Follow up after the trip may be too late if things go wrong and this was offered as a compelling argument for some level of cosmetic inspection of all Point to Point vehicles.

4.5. ON THE TRIP

4.5.1. Safety

Safety during a Point to Point trip covers a number of different but generally inter-related aspects. As such, the connections between them need to be considered as changes in one will affect others.

Compliance

Compliance with the relevant regulation is the first step towards passenger safety. Compliance and enforcement are challenging in any regulatory context, but particular issues apply here.

- Point to Point operation is difficult to oversee as trips are generally private and interception on road is particularly unwelcomed by the passenger. This restricts inspection opportunities yet some of the behaviours that would make a trip unsafe can only be observed with the passenger in the vehicle. Drivers and other industry parties know this and behaviours often emerge which are adapted between the 'watched' and 'unwatched' state.
- The Northern Territory is a small jurisdiction and a CPV compliance team sized in proportion to the number of licences translates into a very small number of people on the ground. The Department uses other Transport Inspectors to undertake some CPV inspection, particularly outside Darwin, as well as relying on the police for some compliance functions. This has consequences:
 - CPV regulation is complex and particular. Generally, only the CPV Compliance officers know the regulations intimately and this leads to either incorrect application of the

rules (as some drivers reported in regard to Transport Inspectors, though without suggesting malice or incompetence) or ignoring apparent offences (mentioned in regard to younger police officers).

- The small team knows industry players well and without any improper relationships occurring it would be impossible for working relationships not to be formed between compliance officers and industry players. This phenomenon, seen in many similar situations, benefits both parties because industry becomes unwilling to build up a bad relationship with a compliance officer, and compliance officers gain a deep understanding of what industry is doing. However, there is a risk of ‘compliance capture’ by industry. Our observations are that the current arrangement has produced a largely compliant and supportive industry, although this is less evident with night time drivers.
- The small compliance team, through the close relationship with industry, appears to spend as much time on advice as on enforcement. This is a beneficial outcome.
- As the small team is well known to the industry, it is difficult for them to mount surprise compliance exercises. We were assured that word spreads around the local drivers as soon as a compliance officer appears in centres other than Darwin, and that defective vehicles disappear from the streets and driver behaviour improves. While this is hearsay and perhaps without substance, it is clear that word spreads quickly when inspectors are around. This impairs the ability to enforce regulations and accentuates the ‘watched’ vs ‘unwatched’ mindset.
- Most significantly, the small team, combined with (as we understand it) budgetary constraints means that inspections and checks generally only occur in office hours. This means that at least half of the driver pool is rarely visible to inspectors, and these drivers are usually those working casual shifts, rather than owner drivers. A number of passenger stakeholders commented that daytime compliance is very good, but night time and weekends are very different. This was a particular concern for disabled users, for whom waiting times, driver assistance and on-road safety are greater issues at these times.

Driver Identification

For passenger safety, reliable identification is essential, however this may be achieved.

Only taxis, minibuses and private hire cars are required to display driver identification cards: drivers of other categories must present them on request by an inspector.

A number of stakeholder interviews included casual comments that drivers often don’t look like their photo and that some cards were angled away from them, obscured by a holder, or upside down. Wheelchair passengers generally can’t see the identity card at all because of where the cards are located.

On the trip, passengers can only benefit from the card existing if it is visible or available. It would be natural to assume that a driver who is showing their own card and considers their behaviour compliant would make their card visible to the passenger and that the reverse might apply.

We believe few passengers would want to ask to see an identification card until they believe themselves to be at risk and are then most unlikely to ask. There seems little point in requiring cards to be carried other than for identification by compliance officers when a driver licence and access to the CPV driver database would be sufficient.

Passengers who expect to see a card may not be confident, however, if no card is displayed.

In addition, the need to make identity cards visible to wheelchair passengers is rarely met.

Driver and passenger behaviour

Many drivers expressed concern that there is limited follow up if they are assaulted. They report that cameras in taxis and minibuses are generally both a deterrent and a source of evidence, but that many passengers are not deterred and many are not identifiable from imagery. This was viewed as an inevitable function of an anonymous service and best addressed by stronger support from the Police.

This issue did not arise in feedback from other booked services (rideshare and private hire), perhaps due to the demographic of their customers, though we are aware that rideshare in other jurisdictions sometimes experiences incidents where, after investigation, it is found that the passengers were not known to the booking service.

Cameras provide protection for both driver and passenger, again subject to subsequent identification and follow up. We understand that the new, higher specification cameras offer higher resolution imagery and audio. We also understand from industry and from the police that the ability of these cameras to better identify offenders and provide more convincing evidence of any offence will encourage drivers to report and the police to follow up reports.

Wheelchair and other disabled passenger trips

Passengers in both Darwin and Alice Springs reported that wheelchairs are regularly not secured correctly or at all. While some drivers are clearly well trained and are able to secure the wheelchair quickly and correctly, others struggle and will proceed (sometimes against the direction of the passenger) with the wheelchair unsecured.

Peak bodies also told us about other disabled passengers who were able to travel seated but who were not assisted or were assisted inappropriately.

4.5.2. Fares

Fare levels

Taxi fares are the only fares that are regulated, and these only represent a maximum that can be charged. In recent times, these fares have been adjusted based on changes to a 'basket of costs' for the industry. The baseline fares to which these successive changes have been applied appear to have been based on fares from many decades ago rather than on an objective attempt to optimise supply and demand. There is a general expectation that inflation will be low for some years ahead. Whether a CPI or other index is used, or a detailed basket of costs is resumed, the methodology will probably have little impact on the fare levels.

Perhaps surprisingly, most stakeholders are satisfied with current (maximum) taxi fares. We believe passengers recognise that as fares have not risen for some years, the real cost of a trip has declined. The industry generally recognises that an increase in fares will deter passengers from travelling.

Some drivers hold strong views that fares should be increased, though these were explained in terms of lifting driver earnings rather than suggesting that the level of fares was too low.

Current taxi fares (March 2021) in Darwin are²²:

²² Sourced from NT Government Gazette No. 54 Table 2 dated 30 January 2018

Tariff	Characteristics	Flagfall (\$)	Distance Rate (\$/km)	Waiting Time (seconds)
Tariff 1	06:00 to 18:00 Mon-Fri	5.40	1.54	6.5
Tariff 2	Tariff 1 other times	6.50	1.89	6.5
Tariff 3	Tariff 1 multi hire (shared)	4.05	1.16	6.5
Tariff 4	Tariff 2 multi hire (shared)	4.90	1.42	6.5
Tariff 5	Tariff 1 with 5 or more passengers	5.40	2.31	6.5
Tariff 6	Tariff 2 with 5 or more passengers	6.50	2.83	6.5

Table 8: Maximum fares and charges for Darwin taxi area

Other surcharges apply, including the \$1 levy per trip. Tariffs in other centres as slightly different.

Note that Tariffs 5 and 6 carry a distance rate that is 50% higher than Tariffs 1 and 2. Tariffs 5 and 6 are often referred to as ‘high occupancy’ and that term is used in this report.

Fares for other licence types are offered by the network service or driver and are independent of taxi fares from a regulatory perspective, though taxi fares provide a benchmark for passengers. Passengers do not appear to be universally unwilling to pay more for what they perceive to be a higher grade of service, and this underpins the Private Hire market.

We understand that competition in the minibus market in Palmerston has led to a reduction in set fares. In Katherine, an innovative pricing structure (per group rather than per individual) may have lowered the effective fares for many passengers there.

Trip price and cost

We explored why taxi drivers rarely if ever offer a fixed fare or a fare below the metered fare, even though that might increase their business. This might be attractive to many passengers who want certainty or be attracted by a discount. However, under the standard bailment arrangement the driver payment to their operator is based on the metered amount, rather than the amount paid²³. This means that any discount given to the passenger doubles when calculating the loss to the driver. The fare maxima set by government to provide certainty and limit fare abuse is therefore the de facto market price.

Fare evasion

Many drivers expressed anger that so many passengers refuse to pay their fare. This is to some extent viewed as a civil matter by police and is too low a priority and too resource intensive to follow up generally. However, this has a massive impact on drivers who do not earn the money but still have to pay half the fare to the operator through the bailment agreement. The primary regulatory response is to allow drivers to require pre-payment on Friday and Saturday nights and require proof of the ability to pay at other times.

In practice, customers are often offended by being asked to pay or even prove to pay. One Aboriginal passenger we spoke to considered it an affront to be asked, even if he did not have

²³ We note that in Alice Springs and in some interstate markets including Melbourne and Sydney, some operators charge drivers a fixed amount per shift rather than using a shared fare bailment agreement. This allows the drivers to set their own price below the regulated/ metered fare. This model was not raised by drivers or operators during consultation.

the money to pay. Drivers, in turn, are unwilling to ask for fear of the response at the start of a trip.

Where a pre-payment is made, the adjustment mechanism is difficult. Adjusting a Basics card payment is apparently impossible without breaching the card conditions (which are legally binding on both parties).

4.5.3. Trip experience

The Mystery Shopper survey provides the best indicator of passenger experiences. The full report provides an analysis of passenger perceptions in the two centres covered, across the sub-groups in the survey.

The data in the heat map table below is extracted from the report and shows that passengers are mostly satisfied with trips, though most scores are declining and disabled passengers are less satisfied than able passengers. Rideshare shows the highest level of satisfaction - significantly above any taxi group.

The colours indicate relative satisfaction with each group and the words ‘up’ and ‘down’ indicate the direction of change compared with the 2018 survey.

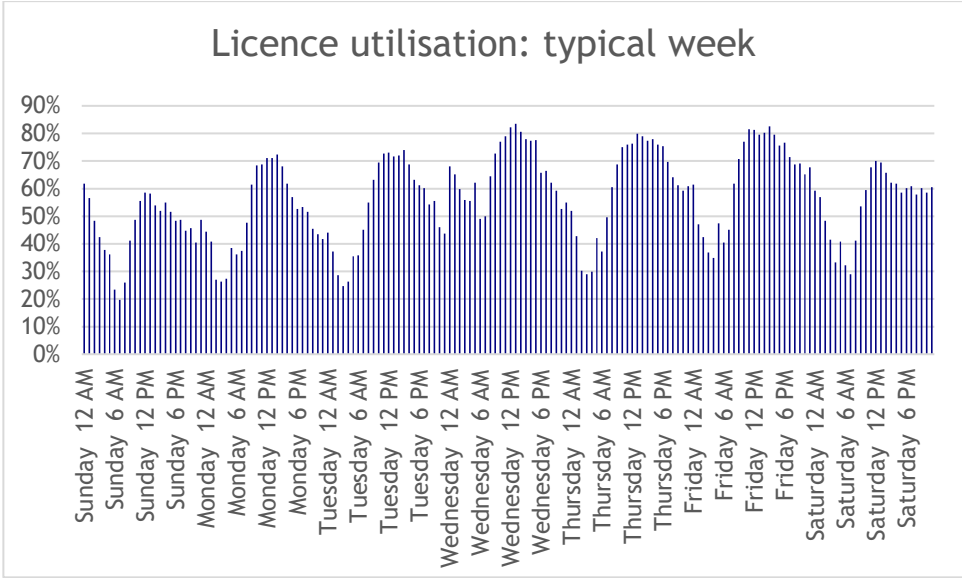
	Overall Satisfaction Rating
Darwin	
Able	7.1 (up)
Disabled	6.4 (down)
Alice Springs	
Able	7.4 (down)
Disabled	6.6 (down)
Rideshare	
All	8.9

4.5.4. Fleet utilisation

Fleet utilisation refers to the percentage of time that a vehicle is on the road with a fare. The higher the utilisation, the higher the income and the more broadly the fixed costs are spread.

Fleet utilisation is a particular problem for the taxi and minibus sector because the higher operating costs, business model and competition put pressure for vehicles to be on the road 24/7. Rideshare exploits lower costs and different driver engagement models by working when there is work and parking up when there isn’t. Licence holders are particularly affected as much of their cost is fixed, whereas drivers are only affected when they are working.

The graph below shows the number of drivers logged on as a proportion of the relevant vehicle licence categories. It should be noted that this is, in effect, the same graph as ‘drivers logged on’ in Figure 3 but expressed as a percentage of total licences. It should also be noted that this data is only indicative as not all networks reported for this period so the percentages are believed to be slightly understated.



While most industry members believe that business has declined in recent years, this, in our experience, has always been a universal complaint across jurisdictions even prior to Covid-19. The trip volumes graphed in Section 4.3.1 show an overall increase in demand, though a significant decline in taxi trips as a result of the advent of rideshare. The reduction in taxi work is significant and it is important to appreciate that the low-margin nature of driver earnings means that a slight reduction in income has a significant effect on drivers.

As in other jurisdictions, it was very noticeable that the most experienced drivers talked more about utilisation (percentage of time they had a fare onboard) than on fare levels or other variables. We believe that some drivers, and therefore operators, are able to make a reasonable living by their on-road decisions even though they are charging the same fares as those who are struggling.

Experienced drivers in the Territory and other jurisdictions typically have strategies to exploit rank and hail as well as bookings offered. Most drivers know how to quickly accept a booking, while the more experienced have additional strategies on where to cruise while waiting, as well as ranking preferences. Interstate experience suggests that drivers who rely on airport work or avoid short trips because they are 'not worthwhile' are less successful than those who take a more analytical view of opportunities.

This does not mean that if all drivers were as smart as the smartest that they'd all make a reasonable income, but it does suggest that regulations should not be changed purely to support the drivers who are least skilled at finding work.

It is also possible that smarter choices by taxi drivers might capture fares from passengers who might otherwise not make the trip or instead make it on foot, public transport, via a lift from a friend, or via rideshare.

Rideshare does not have the same opportunity as it relies on bookings, but the booking services have the opportunity to make their services more appealing to passengers and, as numbers of vehicles available increase, wait times will fall. This will place further pressure on taxi services.

4.5.5. Equity

Both the Mystery Shopper survey and our direct consultation with passenger peak bodies and representatives of disadvantaged groups highlighted issues with trips for these passengers. We

believe these issues are not unusual for any Point to Point sector but the fact that they are common does not mean that they should not be fixed.

- Aboriginal passengers often do not understand the fare regulations or structure. Our interviews with passengers and with drivers included a number of claims that the other party was ‘wrong’ but it is impossible to tell whether drivers are overcharging passengers or whether passengers are misunderstanding the fare.
- Disabled passengers reported that the lift incentive process has some unintended consequences. The incentive is strongly supported by industry, especially as the whole payment goes to the driver. However, where the passenger does not have vouchers left, or is ineligible, drivers are less willing to take time to help the passenger even if the meter is running.

4.5.6. Covid-19

The impact of Covid-19 was widely discussed.

In our discussions with other jurisdictions, we were told that the number of taxis on the roads has reduced, in some centres by as much as 50%. We understand that some interstate licences have been returned, even if they held a resale value, because the cost of operating was seen as too high to justify retaining them.

In the Territory, there is a consistent view that the complete absence of overseas tourists, the dramatic reduction of domestic tourists (as at March 2021) and reduction in business travel has significantly reduced the number of trips made and, often, the average fare.

Taxis and rideshare, in particular, have seen a significant drop in airport traffic. In Alice Springs only 55% of pre-Covid-19 flights were operating in March 2021 and a larger proportion than normal of the passengers had local connections with their own vehicle at the airport or a private vehicle collecting them.

Set against this was the impact of stimulus funding, particularly from the Commonwealth. Cash injections across the economy and an increase in disposable income for disadvantaged groups may have led to many people making trips that they would not have otherwise been able to.

In particular, we understand that many remote communities took their stimulus payments to larger centres - Darwin, Alice Springs and Katherine - to buy large consumer goods and supplies to take home. While in these centres, they travelled, consumed and socialised, using Point to Point vehicles to travel around while the cash lasted.

It is not possible to calculate to what extent these two opposite factors balanced out but the increased proportion of local passengers in taxis suggests that both were significant.

4.6. AFTER THE TRIP

4.6.1. Driver careers

Many drivers appear to be happy to work solely as drivers and not take on the responsibility of running a small business (by holding a licence and owning a vehicle). While we did not interview any drivers specifically about their careers, a number made comments suggesting that where they had supportive operators and good networks providing bookings, that they were satisfied with the lifestyle. The ability to work shifts when they wanted, to leave and return to the industry, and make their own decisions without direct supervision all appealed.

Some drivers commented that they expected to get support by way of training and development, as well as recognition from their operators or networks. We note that one network (Blue Taxis in Darwin) has a long-service recognition programme which appears to build on this opportunity to raise standards and increase driver loyalty.

4.6.2. Entrepreneur opportunities

In both Darwin and Alice Springs, where licence numbers are capped, there is a high level of frustration amongst vocal driver groups that their only opportunity in the industry is as bailed or shift contracted drivers. Progression to owner of a taxi business is closed unless the driver is successful in a future ballot.

There is a perception amongst these drivers (i.e. those who have not been successful in the ballot) that the ballot is 'unfair' as it does not reward service, skill or performance. Drivers appreciate that they require five years of service but that otherwise they just require luck. These drivers are of the view not only that they are being excluded unreasonably, but that the industry is missing out on vibrant new businesses. Their view is that 'the system' locks them out as part of a deliberate policy to reduce competition.

It is difficult to determine why these ambitious drivers do not pursue other, uncapped licence options. After some lengthy discussions it is apparent that these drivers see the taxi service and business model as materially different to the other categories - whether minibus, rideshare or private hire. We believe that this is largely a result of the rank and hail monopoly on top of a reliable baseload of network bookings, but also because these individuals have years of taxi experience and have been brought up in places with a traditional taxi model.

4.6.3. Industry structure and business sustainability

The Point to Point industry responds to the opportunities presented by the Point to Point market as constrained by government legislation and regulation. As such, government policies and actions shape the industry rather than industry structure shaping policy. However, there are important findings about how industry has organised itself which have a bearing on the four purposes of regulation in Section 2.3.

Darwin

A small number of large operations provide taxi and minibus services in Darwin. It is noticeable that, since 2008-9, these businesses have diversified and now offer a wider range of vehicle types and a much more sophisticated service offering. We believe that while these businesses are not in direct competition and seek to differentiate themselves, they are intensely competitive.

Darwin also hosts smaller operations which include operator only, operator and dispatch and rideshare services. Some of these are run locally, others (notably rideshare and 13Cabs) are largely interstate but with a local presence.

Darwin also has a number of small businesses and individual owner-operators across most licence types.

Darwin Point to Point services compete with disabled and Aboriginal community bus services, some of which operate at a significant scale.

Alice Springs

While Alice Springs is smaller than Darwin, the same broad description applies, though on a smaller scale. It is our impression that the Alice Springs market is less fluid and that competition is more direct between the larger businesses.

Alice Springs also has numbers of community buses as well as being a hub for bush buses and other vehicles which operate over long distances between remote communities and the centre.

Katherine

We ran workshops in Katherine with operators and drivers. Katherine has a minibus business with up to five vehicles and a number of taxi operators with one or two taxis each (to a total of 29 taxis). Local community buses provide services that would otherwise be the most profitable for the minibus and taxi service in socially desirable hours.

Tennant Creek

We spoke at some length with a service operator in Tennant Creek by telephone. Tennant Creek is served by a daytime minibus (fixed fare) service operated by a single business. Tennant Creek also has competing community buses.

Nhulunbuy

Despite a number of efforts we were unable to speak to an industry representative from Gove.

Structural findings

A number of comments were made about the structure of the industry in each market, and we incorporate our observations and those of peer regulators about interstate Point to Point business structures.

- There are advantages and disadvantages in scale. Operators who maintain numbers of vehicles are able to support dedicated maintenance staff and buy in bulk. Single vehicle operators have more control over their vehicle and are better able to ensure they are treated well.
- Networks rely on operators and drivers signing up and remaining loyal. Competition between networks and the short term nature of the engagement means that licence holders have power over networks and by threatening to switch can extract concessions, particularly on standards.
- The nature of taxi network contracts means that vehicles need to work as close to 24/7 as possible to spread the monthly fee. This discourages operators from keeping their vehicle off the road in quiet times. Rideshare networks collect their fee on a per trip basis, meaning that rideshare owners incur most of their expenses when the vehicle has a trip and the cost of keeping the vehicle off the road is therefore lower. We suspect this is more easily sustainable for rideshare businesses that have a national presence as the business model is highly scalable.

4.6.4. Role of the regulator

While the role of the regulator is defined in legislation and explained in policy documents, stakeholders often have different expectations of the role of government.

While we did not explore this topic in detail, a number of points emerged from discussions with stakeholders.

- Networks and operators look to government both to oversee the sector fairly but also to protect their businesses from disruption. We don't believe that established businesses expect government to restrict competition to their own advantage, but they do believe government has a role in preventing market failure.
- Drivers are generally more strident that regulatory intervention is needed to ensure equity of opportunity within a suitably stable market.
- Passengers also have an expectation that the regulator will go beyond simply ensuring a safe service is offered. A number of passengers made comments about the poor presentation of some taxis or minibuses and would like regulatory intervention as an outcome of this Review. We believe that the rationale for this is based on a sense that market pressures are insufficient to maintain standards, or that the regulatory framework creates incentives to provide the lowest cost, lowest value service.

While less pronounced, we also became aware that different staff within DIPL have a different foundational understanding of the role of Government in shaping the industry. In brief, some staff hold the view that the purpose of regulation is now purely to ensure safety, while others take a more strategic view of how Government should be supporting Point to Point as a contributor to the Territory economy.

4.6.5. Sector sustainability

The consultation process did not examine the viability of any businesses nor was any financial data shared with the consultant. Our observations about sector sustainability are therefore based on assertions by interested parties. Based on these discussions and our own observations, we formed the view that:

- From a general perspective, the sector is materially unchanged from 2008.
- There is healthy mix of businesses by size, licence type, service positioning and age.
- A large proportion of the sector generates sufficient returns for its owners to continue in business, noting that we have observed - in the Territory and elsewhere - an unusual reticence amongst Point to Point business proprietors to leave the sector even if they are making a loss.
- The quality of the taxi and minibus fleet appears to be little changed from 2008 and compliance officers suggest that vehicles are no worse maintained than at that time.
- Mystery Shopping evidence suggests that performance has slipped since 2018 while waiting times have increased. If it is correct that earnings have dropped but waiting times have increased, this would imply that the market is toughening.
- In Darwin, taxi demand has fallen by 29% comparing February 2021 with February 2018, though large monthly variations mean that the choice of months to compare affects the size of percentage reduction. Total trip numbers increased by 23% over the period. However, there is no doubt that taxi work has decreased very significantly, rideshare volumes have increased, while minibus and private hire are largely unchanged.
- Taxi demand in Alice Springs has only declined by 3% comparing February 2021 with February 2018 and the total number of trips in the two months was very similar. The only significant change in category share is an increase in minibus trips at the expense of private hire, probably reflecting the significant change in passenger demographic.
- We did not undertake a fare comparison survey but understand that the cost of rideshare is broadly comparable to other CPV categories. The payment model for drivers is, however, significantly different. This suggests that the rideshare - taxi mix will stabilise.

- It was apparent that some industry participants are struggling to earn an adequate living. We could not verify whether this proportion has increased, though many stakeholders made this claim.
- In Darwin in particular, the traditional stability of driver shifts appears to be breaking down, with many drivers working 'profitable' shifts only, and perhaps working rideshare at other times. Licence holders and operators are therefore finding their income has declined but their fixed costs are unchanged.
- We did not see real evidence that CBD scooters have made a significant impact in Darwin, though many drivers would disagree with this. On cost the current scooter tariff legally provides a ride for a single passenger at a rate that is only slightly lower than a taxi ride in tariff 1, while the taxi can carry more than one passenger²⁴.

Taken together, these points suggest that the industry overall is not in crisis, despite Covid, as some established industry participants aver.

However, we did see sufficient evidence to suggest that the sector is under considerable pressure and that the taxi category in particular has experienced a major downturn.

Regulatory change could cause significant disruption.

The return of tourists and an increase in economic activity may make a material difference to total trips and fares, restoring the sector to greater stability. However, if the reduction in trips as a flow on from Covid-19 continues, business failures may result, as in other economic sectors.

²⁴ The Neuron scooter tariff is \$1 'flagfall' and \$0.38 per minute. Scooter speeds are limited to 10kph but in the CBD area to which they are largely restricted trips will be slower than this to allow for crossing junctions. Assuming one minute to unlock the scooter, one minute to return it and an average speed of 10kph, a 2km trip will cost \$6.32 and a 5km trip will cost \$13.16. By contrast, a Tariff 1 trip over the same distances will cost \$8.88 and \$14.70 respectively. This only compares the standard Neuron tariff with the maximum taxi fare and we note that Neuron offer 'season' tickets while taxis may negotiate a lower fare.

5. CONCLUSIONS

The Review was commissioned to answer three questions (see section 2.1) which are paraphrased and restated here:

1. *Does the transport service offered by Point to Point as a result of the introduction of rideshare and the continuation of the cap on taxi numbers do the following?*
 - a) *Provide options, quality service while continuing to be reliable and affordable*
 - b) *Provide a level playing field for each industry sector*
 - c) *Minimise the barriers to market entry*
 - d) *Provide an equitable, convenient and quality service to the disability community*
2. *Is further work needed to deliver the above sustainably?*
3. *How can this be achieved easily and cost effectively by Government and industry?*

Question 1 essentially assesses the status of the sector, at a high level, as it is at present. The conclusions drawn are about the extent to which it is currently achieves the stated objectives.

Question 2 asks what change is required and the conclusions address each of the elements in more detail in the same sequence as in the Findings section, concluding whether change is needed to sustain, or improve and then sustain, the objectives.

Question 3 seeks a plan for change and the report identifies major and minor recommendations to achieve the changes identified in Question 2. Question 3 is therefore covered in the Recommendations section following this one.

5.1. QUESTION 1A - OPTIONS, QUALITY AND RELIABILITY

Does the transport service offered by Point to Point as a result of the introduction of rideshare and the continuation of the cap on taxi numbers provide options, quality service while continuing to be reliable and affordable?

Options

The addition of rideshare services has broadened the options for passengers in Darwin where multiple providers add to the range of bookable services available. Rideshare has had little impact in Alice Springs with just one regularly operated vehicle, while there is no rideshare presence in other centres.

Rideshare has also increased the number of vehicles that are licensed, though it is not possible to establish whether more work is available to the industry since the detailed trip data now available to the Department only commenced with the \$1 levy.

Older passengers and Aboriginal passengers also appear to have additional options through a growing use of community buses in most centres.

The impact of the taxi cap on trip options is to limit the number of vehicles and this will lead to longer wait times which may push passengers towards a more reliable or rapid response provider.

Overall, while ‘options’ covers many dimensions, we conclude passengers have more options than in 2018.

Quality

The clearest indicator of quality should be the average customer satisfaction rating. The Mystery Shopping survey asked passengers to rate overall quality. The data shows that

customer satisfaction has declined for disabled passengers in both Darwin and Alice Springs and also for Alice Springs able bodied passengers.

Darwin able bodied passengers scored the service higher than in 2018 and gave rideshare a significantly higher rating than all taxis.

We conclude that service quality has fallen overall, particularly for disabled passengers.

However, the situation is more complex. While the wording of the questions in 2018 and 2021 was the same, it is possible that expectations have changed. In addition, the change in rating has not been dramatic and the relatively small sample size makes the initial conclusion unsound.

Finally, driver ratings, which are a core part of the service and were assessed in more detail, broadly showed an increase in satisfaction.

Our conclusion is that there is no strong evidence that the quality of service has declined significantly, though it is harder to claim that quality has improved.

Reliability

Reliability is a multi-dimensional metric. Passengers talk initially about whether a vehicle will arrive or not as well as about wait times. The fundamental question is “Can I rely on making my trip in an acceptable timeframe?”

The Mystery Shopping survey did not identify a material reduction in passenger perceptions of reliability over the 2018-2021 period.

Neither our consultation, nor the quantitative analysis, provided evidence of a material deterioration in reliability over the period.

We conclude that the Point to Point sector has not experienced a decline in reliability as a result of rideshare or the maintenance of the taxi cap.

Affordability

Affordability is a combined function of the price charged for the service and the ability of the passenger to pay.

The only rates set by regulation are taxi fares (strictly, maximum fares). These have been held steady over the period of interest, despite 2-3% inflation.

There is no evidence of the taxi industry discounting fares, though we understand that competition in the minibus market has led to a reduction in their set fares.

We conclude that trips have therefore become relatively more affordable though there is no meaningful metric to assess their affordability to all potential passengers.

This conclusion should be qualified in two ways:

- There has been a significant growth in the proportion of Aboriginal passengers carried, especially by taxis. Comparing the affordability of a given fare for an Aboriginal passenger (or group) with the affordability for an international tourist is complex.
- The introduction of rideshare has increased the number of commercially set or negotiated, rather than maximum, fares and these are not reported or monitored.

5.2. QUESTION 1B - LEVEL PLAYING FIELD

Does the transport service offered by Point to Point as a result of the introduction of rideshare and the continuation of the cap on taxi numbers provide a level playing field for each industry sector?

Section 2.2.1 discusses what we infer is meant by a 'level playing field'. Our conclusions are drawn under the two perspectives described.

Competitive fairness between categories.

It is particularly difficult to draw conclusions about fairness between categories. In practice, there is little information about the relative profitability of businesses, let alone in aggregate within categories. The fact that the current regulatory regime, particularly with reference to both rideshare and the taxi cap, has not led to a significant reduction in licence holders suggests that there is a competitive stability between categories.

We believe that the particular concern for this Review is whether the regulations for rideshare distort the Point to Point market to the disadvantage of taxis (in particular). We believe that restricting rideshare from rank and hail work, which make up half of all taxi trips, together with restrictions on payment and advertising on rideshare vehicles, creates a distinct category which can compete on different terms. However, it is also clear that the similarities in booked services have led to rideshare taking a large part of this market from taxis.

The distinctions between the regulations applying to each category are significant and industry does not consider the categories to be interchangeable. Industry players frequently observed that they were disadvantaged against other categories, but we noted that they rarely recognised the value of the regulatory advantages their own category carries.

There is a significant exception to this. There is clear evidence that rideshare has reduced the amount of taxi work and it has upset the driver market. Taxi drivers have the opportunity to use their own vehicles for rideshare when they choose not to drive a taxi, and we believe this has to a limited extent upset what was already an unstable driver pool for taxis. This point is picked up again later.

Overall we conclude that the Territory has arrived at a sustainably level playing field between sectors and that current regulations achieve the desired outcome. This includes the importance of the prohibition on advertising and promotion of rideshare as relaxing that would create the risk of illicit rank and hail activities which would be hard to police.

This conclusion additionally means that there is no particular merit in consolidating all Point to Point categories into one as it would cause structural disruption for little gain.

It should also be noted that the Point to Point categories covered by this review are also in direct competition with other types of transport. A particular example is the Neuron rental scooter fleet. We understand that these vehicles are not required to pay third party insurance premiums as they are not licensed on-road vehicles. However, we are told that claims are regularly made for medical costs arising from crashes involving scooters. This provides the rental scooters with a slight cost advantage. The different regulations for community buses may also allow a cost advantage to them, although the fact that their business model is entirely different makes it impossible to identify the consequences of this.

Competitive fairness within categories.

Within the Territory Point to Point legislation, no distinction is made between licences within categories and all licence holders in each category²⁵ are subject to the same requirements.

²⁵ There are exceptions. For example, only multi-plate operators can justify or qualify for a substitute taxi licence, allowing them to operate their maximum permitted fleet while one or more vehicles are off the road. A single vehicle operator who takes their vehicle off the road without a substitute will lose the earnings for that time.

This is not the case in other jurisdictions where, for example, perpetual and annual licences have different financial costs and rights.

It is also apparent that regulations generally do not favour scale. Indeed, the restrictions on taxi licences mean that individuals can operate profitably and have a choice of dispatch services in Darwin (including rideshare) and Alice (for taxis). This is a sector where the smallest player competes on a largely level playing field with large operators.

We do note two small distortions.

- Where regulations change, as for example has been the case with camera standards in taxis and minibuses, grandfathering arrangements may advantage those who acted prior to the change and a financial or operational advantage (or disadvantage) may continue while the grandfathering applies.
- Compliance effort is applied unevenly. Daytime taxi and minibus operations are most likely to experience an unexpected compliance interception, while remote centres are least likely. However, all vehicles in the same geographical area at the same time are treated equally.

We conclude that there is no significant unfairness within categories.

5.3. QUESTION 1C - BARRIERS TO ENTRY

Does the transport service offered by Point to Point as a result of the introduction of rideshare and the continuation of the cap on taxi numbers minimise the barriers to market entry?

The two factors in this question- rideshare and the cap - affect barriers to entry in opposite directions.

Apart from the basic “fit and proper” test and the requirement to be accepted by a network, there are no restrictions on entry for rideshare.

Acquiring a taxi licence in Darwin and Alice Springs is only possible for applicants who are successful in the ballot and who must satisfy additional conditions. Those wishing to operate a taxi can otherwise only do so through a licence holder, the continuation of which is vulnerable to the continued eligibility of the licence holder and the nature of the sub-lease. These arrangements are not recognised by the department and the licence is at risk of cancellation by the Department if the arrangement is discovered.

There is no barrier to entry, apart from reasonable personal suitability and vehicle safety, for other categories and locations, nor for drivers in any category.

We conclude that the only significant barrier to entry is for the acquisition of a taxi licence in Darwin and Alice Springs.

5.4. QUESTION 1D - DISABILITY SECTOR

Does the transport service offered by Point to Point as a result of the introduction of rideshare and the continuation of the cap on taxi numbers provide an equitable, convenient and quality service to the disability community?

While extensive data is collected for taxi trips, the quality of disability data within this dataset is relatively poor. It is networks who report performance and they are not usually told whether a wheelchair is being carried nor whether the passenger has a non-wheelchair based disability. Some networks provide data about the type of vehicle requested but this is incomplete and only indicative.

The most useful evidence to determine whether access is equitable - which we infer to mean similar availability and similar quality of service for the same net price - is the Mystery Shopping survey. This shows that waiting times for disabled passengers are generally significantly longer than for able bodied passengers. The only exception was for booked trips in Darwin where vehicles arrived within 5 minutes. Wait time for immediate bookings in Darwin, as well as all bookings in Alice, were at least five minutes longer than for able bodied passengers and had deteriorated since the last survey.

Observations from industry and passengers, described elsewhere, suggests that the high occupancy tariff for taxis provides a financial incentive for drivers to preference large groups over wheelchair trips. This may explain trip refusals reported by some in the disability sector.

We therefore firstly conclude that disabled passengers do not have equitable access to a taxi service.

The most objective measure of convenience and quality is the overall Mystery Shopping satisfaction score. In both centres, the average score for disabled passengers was lower than the previous survey and lower than for able bodied passengers, though by less than 1 point out of a total of 10.

We therefore secondly conclude that there has probably been a deterioration in convenience and service quality for disabled passengers.

In addition, we understand that rideshare fleets do not include wheelchair accessible vehicles and so passengers who are reliant on a wheelchair for mobility are not currently able to take advantage of this new modal option. Similarly, the rental (Neuron) scooter fleet in central Darwin is not accessible to wheelchair users. Set against these is the increase in community bus trips which, we understand, commonly accommodate wheelchairs.

Overall, it is difficult to connect cause and effect, but our third conclusion in this section is that there has been a deterioration in the service offering for passengers living with a disability, noting that the evidence available only relates to wheelchair passengers. Later parts of this section break down the component causes.

Also within the scope of this question, the Department expressed an interest in whether the regulations should allow conversion of a standard licence to an MPT one 'as of right'. At present the Minister has the discretion, but no obligation, to approve such changes. In this situation the vehicle changeover would automatically reduce the annual licence fee and create a responsibility to respond to WAT jobs. There appears no reason why this should not be permitted, when comparing community benefits with the reduced revenue in licensing fees.

5.5. QUESTION 2 - NEED FOR CHANGE

Is further work needed to deliver the above sustainably?

Sustainable delivery of Point to Point services that meet the criteria above will require existing standards to be maintained or bettered, and falling standards to be raised.

We address this question using the same structure as is used for the Findings section.

Before the passenger

LICENCE CATEGORIES

There is a clear distinction between categories and, while there is considerable overlap between them, this provides virtuous choice for passengers. While industry voices say that it is

difficult to make money in the sector, this is not necessarily new nor a reflection on all participants. If a category was not viable, participants would leave, even if not immediately.

We conclude that the current categories achieve a useful purpose and, in addition, that consolidating the categories would be disruptive to these individuals and businesses.

LICENCE CAP

This is probably the most sensitive topic for the industry, and to some extent for passengers, in the Territory and elsewhere. The question is complex because:

- If demand is inelastic, the number (trip supply) of taxis on the road affects the viability of each taxi.
- Taxi numbers have been fairly static for many years in both capped centres. However, the growth in community buses, the advent of rental scooters (in Darwin) and the introduction of rideshare have significantly increased capacity. Overall trip supply across the Point to Point sector has therefore changed.
- In practice, demand is not inelastic. Trip demand is very complex to estimate accurately but the sudden 2020 decline in tourist numbers, rapidly followed by a surge in stimulus spending, makes it apparent that demand has changed in quantity and type. Additionally, price and other signals affect demand: a perceived safer trip may lead to a passenger making a Point to Point trip that might otherwise have been made via another mode or not at all.

We understand that the purpose of the cap is to provide a service which offers easy access to vehicles (enough taxis) for passengers and which allows service providers to be financially sustainable (not too many taxis). Importantly, the investment in a vehicle means that, subject to finance, someone can enter the industry easily, but they then need to operate profitably for an extended period to recoup the initial investment. Sustainability of the industry additionally depends on slow, rather than rapid, change in taxi numbers.

We conclude from wait times that for standard taxis, Darwin is relatively well serviced with wait times between 2.9 and 8.1 minutes. Alice Springs is less well served with daytime wait times up to 12 minutes for booked trips, though with early arrival for pre-booked. As noted above, this may result from different job allocation models. We conclude that the current number of taxis is broadly appropriate for current demand though continued alignment will require periodic analysis.

VEHICLE STANDARDS

We received consistent feedback from industry and passengers that it would be important to reintroduce some limited form of 'cosmetic' minimum standard for all vehicles so that, for example, the interior was fit for the passenger.

In addition, the feedback from both industry and passengers was that vehicle age was less important than safety and presentation.

We conclude that the perception of Point to Point would improve, potentially increasing demand, if basic internal cosmetic requirements were added to the current safety ones, while the vehicle age could be relaxed where safety and presentation parameters can be satisfied.

NETWORK, LICENCE HOLDER AND OPERATOR STANDARDS

We saw no evidence that the industry does not operate sustainably, safely and effectively due to poor standards. We do believe that some individuals currently transition from driving to operating without appreciating the significantly greater requirements placed on operators.

Potential entrants would benefit from an awareness briefing (rather than training) on the responsibilities and business implications of taking on a licence. Post entry, training for industry could raise standards but is available privately and would be for the benefit of the recipient of the training. We conclude that mandated training of individuals running Point to Point businesses (as opposed to driving) should not be required by the regulator.

DRIVER AVAILABILITY

The number of taxis on the road through a typical week is shown in **Error! Reference source not found.** While this clearly shows that on-road vehicle numbers vary from just over 50 to over 250 at different times of the day and night and on different days, we believe this is largely a function of demand for trips rather than supply of drivers.

Wait times are discussed in 4.4.2. While wait times have deteriorated, we believe that wait times largely meet customer expectations based both on Mystery Shopping feedback and on a reasonable expectation about how close a vehicle would be when a booking is made.

However, there are specific times when there is evidence that driver shortage results in poor service and long waiting times. In particular, the reports of difficulty getting taxi drivers in the early evening and in the early hours when demand is light but not non-existent reduces the availability of taxis. It is important to note that rideshare, for passengers who have access to this, is believed to meet much of the early evening demand.

We conclude that the recruitment of drivers is a genuine issue for the industry and that this is partly a result of the perpetual recruiting challenge but also now affected by the perceived ability of drivers to earn sufficient money from some shifts.

DRIVER PREPARATION

Driver skills and knowledge generally rated highly in the quantitative part of the Mystery Shopping survey, though narrative responses and our own consultation revealed some very poor experiences. Drivers can move easily between vehicles, operators and categories. With a very low barrier to entry, the regulator currently relies on operators and networks to provide training. The evidence we saw suggests that the quality and duration of training varies widely.

Trained or experienced drivers are able to operate safely. They know how to secure loads such as wheelchairs and luggage. They know what their compliance requirements are. They know the areas in which they are supposed to have expertise.

Our conclusion, based on the feedback, is that the current arrangements are sustainable at the current standard but that new, untrained drivers are unlikely to provide the quality of service in all dimensions that the market expects and the regulator requires.

On this basis, a sustainable industry needs a better approach to training new drivers. It needs to recognise that training time does not generate revenue and that there is little cost for a driver to move from an operator or network, or leave the industry for other jobs with a low barrier to entry.

FLEET MIX TO MEET DISABLED PASSENGER NEEDS

The longer wait times for wheelchair passengers are noted above. However, the financial advantage for a driver in carrying a large group in a van-type vehicle over carrying a wheelchair appears to have led to MPTs being diverted from disabled users. While there is a financial incentive to pick up a wheelchair where there is a lift incentive, this may be less than the higher tariff incentive from carrying 5 or more passengers. The high occupancy tariff

therefore provides a clear disincentive for drivers to seek wheelchair jobs where there are high occupancy fares available.

In many cases, it appears that it is not the fleet mix that is the problem, but the willingness for, or pressure on, drivers to accept wheelchair trips. The wait time indicator shows deterioration so we cannot be sure that even the current situation is sustainable.

We conclude that action is required to deliver satisfactory disabled services and that commercial pressures are not sufficient.

Before the journey - Passenger decisions

MODAL OPTIONS

The current Point to Point categories provide at least as wide a modal choice as is available in other Australian jurisdictions and the minibus category provides a flexibility of service that is probably unique to the Territory. We conclude that there is sufficient sustainability in the current categories.

MODAL PREFERENCE

Given sufficient modal choice, passengers need adequate information about these choices. The Department provides web based information about each category and both taxis and minibuses provide in-vehicle information for the passenger. The different businesses in each sector then have the opportunity to differentiate their service and attract more custom. We do not believe that the regulator has a role to play beyond this. We conclude that modal preferences are adequately satisfied by the regulatory framework.

Before the trip

BOOKING PROCESSES

The evidence available is that the booking services in centres operate effectively and, we believe, compare favourably with other jurisdictions. No booking system is ever perfect and both the Mystery Shopping survey and the direct consultation identified specific events that were unsatisfactory, however we accept that booking services can only offer jobs to drivers and cannot direct them to accept them. We conclude that the booking services operate satisfactorily and sustainably.

VEHICLE AVAILABILITY - RANK AND HAIL

We only have evidence regarding ranking as hail is not covered by data nor was any useful information available from the project research.

Feedback regarding rank services was consistent with what we have seen in other jurisdictions. In Darwin, for instance, the 24 taxi rank spaces see a rotation of taxis and short waits for vehicles at most times of day. Their capacity to clear large events is also valued by venues and by the police.

The location of ranks raised concerns in Darwin and Alice Springs. Rank location is determined by local government but DIPL plays an important advisory role, as does the industry.

We conclude that the current proactive management of rank locations and spaces in conjunction with local government bodies ensures that changes continue to be made to align urban planning, passenger usage and industry requests.

VEHICLE AVAILABILITY - BOOKED SERVICES

The key indicator, we believe, for booked service vehicle availability is wait time. Assuming passengers have made an informed choice about which booking service to use, the remaining measure of success for them is whether a vehicle is available and how long the wait is.

This wait time data in section 4.4.2 is therefore important in understanding the service given to passengers.

- Given the likely distribution of available taxis, Darwin ASAP wait times are generally not unreasonable.
- Alice Springs ASAP day waiting times seem excessive, particularly given that networks and operators report that it is harder to get drivers at night than for day shifts.
- Good network management should minimise the wait time for specified time bookings, especially if they are prioritised over ASAP jobs. Alice Springs wait times demonstrate this. However, Darwin networks show longer wait times at night for ASAP than pre-booked, though still acceptable. This may reflect differences in business processes in one or more networks or a lack of night drivers. Note that the number of timed bookings at night is relatively small.

The Mystery Shopping data broadly aligns with these observations, confirming that there is no dramatic increase in wait times.

However, there are some indications (both in data extracts and reported by a variety of stakeholders) that at particular times it is difficult to get a taxi or that bookings are unreliable.

However, we are unable to conclude that the situation has become materially worse since 2018. We conclude that, overall, the availability of vehicles has deteriorated slightly despite the advent of rideshare.

ACCESSIBLE VEHICLES

This topic is covered in more detail in Section 5.4.

IDENTIFICATION OF VEHICLES, DRIVERS AND PASSENGERS

In principle, passengers of booked services should be able to retrospectively identify their vehicle and their driver via the booking service. Rank and hail trips in taxis are also identifiable via the booking service provided the passenger has the taxi plate number which is displayed externally and internally.

In practice, networks can be deceived about the identity of drivers if a surrogate uses a legitimate driver's logon. The identity card is back up evidence of the driver's identity, but miscreants are able to make it hard for passengers to see their card, it is often difficult to know whether the photo is of the driver or someone similar, and rideshare drivers do not need to display their card. In addition, a distressed passenger may not have the presence of mind to record details and few passengers will confront a driver over a missing ID card.

Only a fraud-resistant²⁶ biometric check on the driver of the vehicle by the network or the operator will ensure drivers can be identified. Since it is harder to fake the identity of the vehicle, we conclude that identity cards could be replaced by biometric monitoring of the

²⁶ There is a risk that a biometric logon step might not be sufficient. If the driver has to satisfy iris or fingerprint technology at the start of the shift, the solution would need to prevent another driver from taking over after that. Technologies to test for alcohol levels in driver breath may provide a model.

driver by the network provided that information was immediately available to DIPL and the police.

Identifying the passenger is also fraught. Cameras in taxis and minibuses appear to be highly regarded by the industry, especially when using the latest technology. These not only help identify the passenger but also capture misbehaviour. Other categories claim to have passenger details, but it is, in practice, less easy to trace the booker, and it may be impossible to trace other passengers.

To the extent that it is important to identify the vehicle, the driver and the passenger, we conclude that the current arrangements are imperfect and will continue to result in instances where insufficient evidence is available to pursue an offence and, as a result, an unwillingness by police to follow up.

TRIP REFUSAL

We found that direct trip refusal by driver or passenger - where a trip is not offered by the driver or cancelled after acceptance by the passenger - is not a significant issue.

However, we do have a concern that wheelchair passengers are regularly ignored by drivers who either lack confidence in securing them or believe they can find more lucrative jobs elsewhere. The high occupancy tariff contributes to this. It is difficult to tell to what extent drivers of WATs are refusing offered wheelchair fares, although there is clear evidence that this happens. It may also be that drivers are unwilling to accept fares from ambulant but otherwise disabled or elderly passengers because of perceived difficulties in carrying them.

We conclude that a variety of inequities might be resolved if trip offers and trip refusal practices were addressed.

On the trip

SAFETY - COMPLIANCE AND WHEELCHAIR SECURITY

The competitive and commercial nature of the Point to Point industry creates, by its nature, the risk that some operators and drivers will carry passengers in vehicles they know to be unsafe or which have not been properly maintained. There were also a number of reports of trips where wheelchair passengers were not secured.

We conclude that there is scope for improvement, partly through education and partly through stronger compliance to ensure knowledge is applied.

FARES

The regulator only sets maximum taxi fares and has no formal information on booked fares in other categories. However, the taxi fares do set a benchmark for all other Point to Point.

This Review has not looked at affordability but it is interesting that the evidence we have seen suggests that most Point to Point modes, including scooters, are priced at broadly similar levels.

There are specific issues with discounting taxi fares that reflect on the structure of bailment agreements rather than regulation, and on fare evasion. These issues need to be addressed but do not significantly affect the sustainability of the industry.

We conclude that the current approach to fare setting and the level of fares is sustainable.

Differential profitability of different trips is a separate and important issue. For able passengers, a driver perception that a long trip is more profitable than a short trip is generally a commercial decision. However, where there is a perception that carrying a disabled or

disadvantaged passenger is less profitable, this becomes a social equity issue. The lift incentive appears to provide a significant fare levelling for wheelchair passengers. While imperfect, it is well regarded by passengers and the industry. However, the high occupancy tariff competes with the lift incentive scheme, apparently providing sufficient financial incentive for drivers to avoid, or refuse, wheelchair jobs. We conclude that the high occupancy tariff disadvantages wheelchair passengers.

The \$1 levy provides an explicit and relevant cross subsidy for this purpose as it is universally charged across all categories and can be directed to an objectively defined group. It would be more difficult to cross subsidise less well defined groups, such as ambulant disabled. We conclude that the levy is reasonably effective and equitable.

TRIP EXPERIENCE

The Mystery Shopper survey provides the strongest information about passenger experience. The survey provides mixed evidence. Overall satisfaction is slightly declining outside Darwin (able bodied) but not significantly. On the other hand, customer satisfaction with drivers is high on most dimensions. The interpretation of scores, small sample size and different business environments may mean that the changes since the previous survey are not significant.

We conclude that trip experience has not deteriorated sufficiently - if at all - to justify targeted change, though the recommendations include opportunities for improvement.

FLEET UTILISATION

We believe that fleet utilisation is not relevant to any category other than taxis. Whether categories that do not have a cap on licences are on road or off road is a business decision for their operators.

In principle, the same might apply to taxis. Provided sufficient vehicles are on the road to meet reasonable demand, it is then a business decision for an individual operator to decide whether it is better value to drive, to put a driver in a vehicle, or to leave it idle.

In practice, having vehicles off the road for economic reasons undermines the viability of taxi businesses and may affect the sustainability of the sector. This may also lead to periods where there are no taxis available but where non-licence holders would like to offer a service.

It is important to note that some drivers report that they make reasonable money at any time of day, while others say that they cannot earn a living at all.

Low demand should be an economic message to the least successful operators that they should exit the market.

We conclude that fleet utilisation is largely a self-adjusting market factor which will not reduce long term sustainability.

EQUITY

Both disabled and Aboriginal passengers have issues on trips that are not experienced to the same extent by the wider public. We conclude that there is a need for improvement in this area.

COVID-19

We believe that despite the dramatic loss of tourists, Covid-19 has been less damaging to Territory Point to Point than the results of the pandemic have been in other jurisdictions. There is little evidence that sufficient damage has been done to the sustainability of the local industry to justify regulatory changes, though as the recovery in 2021 and beyond progresses, this may change.

We conclude that at this stage no systemic changes are required to deal with what is expected to be a relatively short term disruption.

After the trip

DRIVER CAREERS

The reported driver shortage and the lack of commitment by drivers who mix taxi and rideshare shifts might be addressed by a focus on driver careers. However, driver recruitment is essentially a responsibility of licence holders and operators.

While we conclude that an industry effort to create better driver careers would significantly boost the sustainability of the sector, the potential role for government is unclear.

ENTREPRENEUR OPPORTUNITIES

The Territory Government imposes very few barriers to entry into any category other than taxis. The primary barriers are funding for a vehicle and sufficient knowledge to operate. Network access is offered by a number of providers and vehicle maintenance is a well established sector, while the particular equipment for each vehicle category is commercially available. In non-taxi categories, we therefore conclude that the sector offers extensive and sustainable opportunities for entrepreneurs.

The reverse applies to the taxi sector. The cap locks out all but those who are successful in rare ballots. It is also difficult for an existing or established operator to grow their business and exploit either their growing experience or economies of scale. It is hard to make a case that this is desirable, and the intensity of the meeting with aspiring drivers in Alice Springs shows how strong the desire to move from casual employees to business owners is. As discussed elsewhere, this must be tempered with the need to maintain a stable and sustainable sector. Keeping potential new operators (licence holders) out and preventing successful larger operators from growing constrains the industry while suppressing beneficial competition and encourages illegal trading of licences.

We conclude that it is important to provide some relaxation of the restrictions on market entry while not causing other damage to the Point to Point market.

INDUSTRY STRUCTURE AND BUSINESS SUSTAINABILITY

Industry structure and business sustainability essentially flow from other factors in this section. The industry responds to this and to wider business trends. For instance, rideshare has become established in Darwin but not elsewhere.

The evidence suggests that, while individual businesses operate with varying degrees of success, we conclude there is no evidence of structural market failure.

ROLE OF THE REGULATOR

The variety of views of the role of the regulator is to some extent surprising. The variety partly reflects social and political perspectives on the role of government but also on levels of awareness of the legislative framework within which DIPL, other Territory agencies, and local government operate.

We conclude that there is scope for DIPL to review and clarify their intended role so that both industry and passengers develop more realistic expectations about what interventions and support can reasonably be expected from Government and identify where the market makes the rules.

SECTOR SUSTAINABILITY

Our overall conclusion is that the sector is under stress from changes in demand for Point to Point and from driver shortages. It is not clear that either demand or driver supply will revert to past levels so the sustainability of the sector overall cannot be guaranteed.

As a commercially delivered, largely unsubsidised, public transport service, the market can be expected to adjust to changes in its key factors. We conclude that the sector is fundamentally sound but that the regulator has a number of opportunities to improve the sector for the benefit of passengers and the sustainability of the industry.

Sustainability does not mean that all current businesses or individuals have a future in their current role. The market will change and industry will respond, meaning that the total number of people and businesses may rise or decline without affecting the ongoing sustainability of the sector.

Structurally, we conclude that the sector is sustainable in the long term in its current form, provided that demand volumes are at or above pre-Covid-19 levels.

5.6. SUMMARY OF CONCLUSIONS

The table below lists the questions and issues which form the brief for the Review and the conclusions that we have drawn in regard to each. Where we believe action is required to make or encourage change, the Action Required cell is marked 'yes' and the row is shaded.

Serial	Question or issue	Conclusions	Action required
1.	Question 1a - Options, quality and reliability	<p>We conclude passengers have more options than in 2018.</p> <p>Our conclusion is that there is no strong evidence that the quality of service has declined significantly, though it is harder to claim that quality has improved.</p> <p>We conclude that the Point to Point sector has not experienced a decline in reliability as a result of rideshare or the maintenance of the taxi cap.</p> <p>We conclude that trips have therefore become relatively more affordable.</p>	No
2.	Question 1b - Level Playing Field	<p>Overall we conclude that the Territory has arrived at a sustainably level playing field between sectors and that current regulations achieve the desired outcome.</p> <p>We conclude that there is no significant unfairness within categories.</p>	No
3.	Question 1c - Barriers to entry	We conclude that the only significant barrier to entry is for the acquisition of a taxi licence in Darwin and Alice Springs.	Yes
4.	Question 1d - Disability Sector	<p>We conclude that disabled passengers do not have equitable access to a taxi service.</p> <p>We conclude that there has probably been a deterioration in convenience and service quality for disabled passengers.</p> <p>We conclude that there has been a deterioration in the service offering for disabled passengers</p>	Yes
5.	Licence categories	We conclude that the current categories achieve a useful purpose and, in addition, that consolidating the categories would be disruptive to these individuals and businesses.	No
6.	Licence cap	We conclude that the current number of taxis is broadly appropriate for current demand though continued alignment will require periodic analysis.	No

Serial	Question or issue	Conclusions	Action required
7.	Vehicle standards	We conclude that the perception of Point to Point would improve, potentially increasing demand, if basic internal cosmetic requirements were added to the current safety ones, while the vehicle age could be relaxed where safety and presentation parameters can be satisfied.	Yes
8.	Network, licence holder and operator standards	We conclude that mandated training of individuals running Point to Point businesses (as opposed to driving) should not be required by the regulator.	No
9.	Driver Availability	We conclude that the recruitment of drivers is a genuine issue for the industry and that this is partly a result of the perpetual recruiting challenge but also now affected by the perceived ability of drivers to earn sufficient money from some shifts.	Yes
10.	Driver preparation	We conclude that the current arrangements are sustainable at the current standard but that new, untrained drivers are unlikely to provide the quality of service in all dimensions that the market expects and the regulator requires.	Yes
11.	Fleet mix to meet disabled passenger needs	We conclude that action is required to deliver satisfactory disabled services and that commercial pressures are not sufficient.	Yes
12.	Modal options	We conclude that there is sufficient sustainability in the current categories.	No
13.	Modal preference	We conclude that modal preferences are adequately satisfied by the regulatory framework.	No
14.	Booking processes	We conclude that the booking services operate satisfactorily and sustainably.	No
15.	Vehicle availability - Rank and Hail	We conclude that the current proactive management of rank locations and spaces in conjunction with local government bodies ensures that changes continue to be made to align urban planning, passenger usage and industry requests.	No
16.	Vehicle availability - Booked services	We conclude that, overall, the availability of vehicles has deteriorated slightly despite the advent of rideshare.	Yes
17.	Identification of vehicles, drivers and passengers	To the extent that it is important to identify the vehicle, the driver and the passenger, we conclude that the current arrangements are imperfect and will continue to result in instances where	Yes

Serial	Question or issue	Conclusions	Action required
18.	Trip refusal	insufficient evidence is available to pursue an offence and, as a result, an unwillingness by police to follow up. We conclude that a variety of inequities might be resolved if trip offers and trip refusal practices were addressed.	Yes
19.	Safety - compliance and wheelchair security	We conclude that there is scope for improvement, partly through education and partly through stronger compliance to ensure knowledge is applied.	Yes
20.	Fares	We conclude that the current approach to fare setting and the level of fares is sustainable. We conclude that the high occupancy tariff disadvantages wheelchair passengers. We conclude that the levy is reasonably effective and equitable.	Yes
21.	Trip experience	We conclude that trip experience has not deteriorated sufficiently - if at all - to justify targeted change, though the recommendations include opportunities for improvement.	No
22.	Fleet utilisation	We conclude that fleet utilisation is largely a self-adjusting market factor which will not reduce long term sustainability.	No
23.	Equity	We conclude that there is a need for improvement in this area.	Yes
24.	Covid-19	We conclude that at this stage no systemic changes are required to deal with what is expected to be a relatively short term disruption.	No
25.	Driver careers	While we conclude that an industry effort to create better driver careers would significantly boost the sustainability of the sector, the potential role for government is unclear.	No
26.	Entrepreneur opportunities	We conclude that it is important to provide some relaxation of the restrictions on market entry while not causing other damage to the Point to Point market.	Yes
27.	Industry structure and Business sustainability	The evidence suggests that, while individual businesses operate with varying degrees of success, we conclude there is no evidence of structural market failure.	No

Serial	Question or issue	Conclusions	Action required
28.	Role of the regulator	We conclude that there is scope for DIPL to review and clarify their intended role so that both industry and passengers develop more realistic expectations about what interventions and support can reasonably be expected from Government and identify where the market makes the rules.	Yes
29.	Sector sustainability	Structurally, we conclude that the sector is sustainable in the long term in its current form, provided that demand volumes are at or above pre-Covid-19 levels.	No

6. RECOMMENDATIONS FOR CHANGE

QUESTION 3 -

How can this be achieved easily and cost effectively by Government and industry?

The brief for this Review covered a large number of issues, many of which are inter-related. The approach to analysing these has been to consider them individually while noting how they impact each other. As a result the previous section identifies no less than 29 discrete groups of conclusions (some contain more than one individual conclusion).

Of the 29 groups of conclusions, we believe 14 merit some action if the issues identified are to be resolved or the situation either improved or restored to the 2018 position.

Given the complexity of the issues covered, we make seven groups of recommendations which, together, address the conclusions which we believe merit some action in the 14 groups.

6.1. RECOMMENDATION GROUP 1 - TAXI SUPPLY AND MARKET ENTRY

Major Recommendation 1 - We recommend that the cap on taxi numbers in both Darwin and Alice Springs be relaxed in a controlled manner over the medium term and removed in the longer term.

Minor Recommendation 1a - We recommend that a limited number of new licences be issued in each centre in any single year during the transition period.

Minor Recommendation 1b - We recommend that all taxi and minibus licence holders should be required to provide service for a set proportion of available hours, including at specific times of the week and times of day.

Minor Recommendation 1c - We recommend that potential licence applicants in all categories be required to attend a government specified entrepreneur briefing to improve the awareness and industry-readiness of individuals seeking a licence to operate a vehicle²⁷.

Discussion

We accept the proposition that the cap does deliver a stable number of taxis in Darwin and Alice Springs. We also note that no other category is capped in the Territory and that rideshare in Darwin, in particular, appears to have significantly eroded taxi demand there.

We do not believe that the cap will preserve the business of existing licence holders in the longer term as other categories are uncapped and will further reduce the market share of taxis, nor that Government has any obligation to maintain these existing businesses.

We do believe over the longer term that the market will adjust to demand, as is happening in other jurisdictions.

Finally, we believe that the loss of fare box money to investors will continue to be a cost that provides no benefit to active industry participants and that the removal of the cap is the only sustainable way to overcome this.

The cap is cherished by licence holders and despised by non-licence holders who want to enter the industry. If it is important to prevent short term “market failure” through rapid growth in

²⁷ This would apply specifically to vehicle operators as first time entrants are typically committing to significant capital expenditure but often without any prior experience, or merely experience as a driver. More than one operator commented that despite prior service as a driver, they found this had not prepared them for the realities of running a vehicle as a business. This requirement may be replaced with a discretionary briefing and existing licence holders would be exempt from any requirement to attend.

taxi numbers and to allow efficient industry players time to adjust, the key to lifting the cap is to do so in a gradual, managed and fair way.

In the medium term (one to five years) we believe that the market should have the opportunity to adapt gradually so that new entrants can acquire annual licences while not flooding the market with so many vehicles that the viability of all operators is jeopardised and unacceptable quality outcomes result.

There are at least three ways of setting the interim licence numbers:

1. Linking numbers to a surrogate demand indicator, such as the resident population
1. Linking numbers to a performance indicator such as wait times, which takes account of both supply and demand
2. Allowing the market to set a price for new licences which takes account of the market's view of the value of holding the licence, as is the case in New South Wales

In the first two options, the number of licences is likely to increase slowly and if measured periodically, say annually, the industry would have sufficient notice to respond.

The third option as applied in NSW does not provide for unlimited new licences in any year and is currently linked to a demand based metric.

We note that it would be possible to configure the third option to make a return of value to the Government allowing this to be reinvested in the industry to the direct benefit of the fare paying passenger.

Bearing in mind that, although total trip demand has not declined in Darwin or Alice Springs, the response to falling demand for taxis in Darwin has been for owners to drive their taxis in the daytime and garage them at night. As a consequence, the rank and hail market, which is restricted to taxis and minibuses, is not being well serviced in anti-social hours.

A number of unsuccessful applicants in past licence ballots have complained that the lottery approach produces random outcomes rather than either 'fairness' or best service outcomes. The requirement for applicants to have five years of driving experience reduces the occurrences of long serving drivers missing out to brand new entrants but we see the ballot system as a means of making an arbitrary rather than an optimal decision. NSW has introduced a tendering system for new licences and, while Covid-19 has meant this has not been extensively tested, the concept could provide for the market to set a price and for competition to award each licence to the applicant who sees the greatest value in it.

As a condition of holding a privileged licence to take rank and hail work, we propose requiring a proportion of total hours for each taxi in a given year be worked during night periods. The detail of this will need to be carefully designed, but will place pressure on licence holders to find drivers or drive night shifts themselves. It is not suggested that this will resolve the problem in full, but it is a simple way of improving the position using existing data, existing vehicles and drivers, while not placing additional restrictions on the industry.

The risk of unacceptable deterioration in service quality that might arise from more taxis on the road is also addressed in other recommendations.

Practical implementation

The number of new licences to be issued in each centre should be notified to industry no less than one year in advance to allow applicants time to make appropriate decisions and preparations while also allowing for industry to adjust.

New licences should be allocated on an auction basis rather than a lottery.

The number of licences issued should be based on a detailed analysis of demand and wait time data.

The hours of operation requirement should be based on analysis of demand and wait times and seek to encourage delivery of service in anti-social working hours. Performance should be monitored via network or operator reporting against KPIs and breaches should be subject to sanction.

Individuals interested in applying for a new taxi or minibus licence should be provided with an entrepreneur briefing on business models, costs and obligations. This industry development education should be specified but not necessarily provided by the Department.

Links to conclusions

Recommendation Group 1 addresses the following conclusions that merit responsive action:

Serial	Question or issue	Conclusions	Comment
3.	Question 1c - Barriers to entry	We conclude that the only significant barrier to entry is for the acquisition of a taxi licence in Darwin and Alice Springs.	The relaxation and eventual removal of the cap will remove the barrier to entry.
4.	Question 1d - Disability Sector	We conclude that disabled passengers do not have equitable access to a taxi service. We conclude that there has probably been a deterioration in convenience and service quality for disabled passengers. We conclude that there has been a deterioration in the service offering for disabled passengers	Additional taxis will increase capacity.
6.	Licence cap	We conclude that the current number of taxis is broadly appropriate for current demand though continued alignment will require periodic analysis.	While the cap is maintained, demand and performance will need to be periodically monitored to avoid the release of disruptive numbers of licences.
16.	Vehicle availability - Booked services	We conclude that, overall, the availability of vehicles has deteriorated slightly despite the advent of rideshare.	As 4.
26.	Entrepreneur opportunities	We conclude that it is important to provide some relaxation of the restrictions on market entry while not causing other damage to the Point to Point market.	The relaxation and eventual removal of the cap will create opportunities for entrepreneurs.

6.2. RECOMMENDATION GROUP 2 - EQUITY AND DISABLED ACCESS

Major Recommendation 2 - We recommend that the KPI for dispatched MPT jobs²⁸ be enforced and sanctions applied for breaches.

Minor Recommendation 2a - We recommend that the high occupancy tariff be reduced or removed.

Minor Recommendation 2b - We recommend that the proportion of WAT vehicles in the MPT fleet be maintained at present levels or higher.

Minor Recommendation 2c - We recommend that rideshare networks should be required to provide WAT vehicles.

Minor Recommendation 2d - We recommend that some capital subsidy be provided to equip WAT vehicles.

Minor Recommendation 2e - We recommend that drivers only be permitted to operate a WAT vehicle if they have received training in, and can demonstrate an understanding of, how to secure a wheelchair in that vehicle.

Minor Recommendation 2f - We recommend that the Department consider providing additional information and education for disadvantaged passengers to help them understand their rights and responsibilities as passengers.

Discussion

There appears to be an increasing gap in the quality of service between able bodied and disabled passengers. These recommendations contribute to the maintenance of sufficient supply of taxis, adequate responsiveness to all forms of demand (booking, rank, hail) and competent service.

Additionally, it appears that taxis have shouldered more of the burden of carrying disadvantaged and Aboriginal passengers during the pandemic and since the introduction of rideshare in Darwin. This may not change post-pandemic. It is important that all passengers are aware of their rights and responsibilities.

We believe that the current high occupancy²⁹ tariff, particularly for longer trips, encourages drivers to preference such trips over wheelchair trips and that reducing or removing this incentive would make the lift incentive relatively more attractive, hence increasing disability access.

Draft Information Bulletin CPV45 provides measures for dispatched jobs completed by MPTs each month for both Darwin and Alice Springs. The specific targets should be reviewed periodically to reflect actual demand and monitored through KPI reporting. Financial sanctions should be imposed on licence holders and/or networks which do not accept sufficient offered jobs, perhaps lifting the MPT licence fee for the period to that of a standard taxi.

The significant reduction in annual licence fees for taxis has reduced the differential advantage for MPTs. It is no longer clear that the additional cost of fitting wheelchair ramps and securing devices, together with higher running costs, are now recoverable from the annual

²⁸ The KPI is shown as:

Number of dispatched jobs completed by each MPT taxi per month [Average number of MPT jobs are based on 2014 reported network issued jobs]

Darwin - Minimum 30 jobs per month

Alice Springs - Minimum 40 jobs per month

Network and Driver responsibility: No jobs are to be rejected and are subject to the passenger waiting time KPI criteria.

²⁹ The term 'high occupancy' refers to tariffs 5 and 6 which provides a 50% higher per kilometre rate where 5 or more passengers are travelling in one taxi.

licence fee saving. This is a disincentive for potential MPT applicants and may lead to a lower level of service for wheelchair passengers.

Training in how to secure a wheelchair in a WAT is not onerous but, in practice, the current arrangement allows drivers to operate an MPT without training. Requiring every driver of an MPT to be trained in securing wheelchairs will require only limited organisation and training by licence holders as well as some compliance oversight. This might be done via operator issued certificates of competence on each installation and/or on the spot testing by compliance officers during checks.

Limited additional information in vehicle, in public places and through media would deliver a higher level of understanding amongst disabled, disadvantaged and Aboriginal passengers, some of whom have important misconceptions about their rights and their responsibilities.

Practical implementation

The enforcement of booking acceptance will need to take account of demand variations. Networks, operators and drivers will require a mechanism to show that there was no demand in the period. This requirement will need to be enforced sensitively.

Consultation will be required with the taxi sector to determine how to address the high occupancy tariff issue. This, in conjunction with quantitative modelling, would be intended to lead to its reduction or removal and, possibly a compensating adjustment in tariff 1 and 2.

Rideshare platforms should be required to provide WAT vehicles in their fleets in a similar proportion to that within the taxi fleet. This should apply once a network manages more than a set number of vehicles.

The proposed capital subsidy for WAT equipment would need to be carefully configured. We propose that the payment would be subject to the selection of a single industry-agreed wheelchair restraint method, the use of that restraint in the vehicle seeking the subsidy, and the continued use of that vehicle over a set period.

Links to conclusions

Recommendation Group 2 addresses the following conclusions that merit responsive action:

Serial	Question or issue	Conclusions	Comment
4.	Question 1d - Disability Sector	<p>We conclude that disabled passengers do not have equitable access to a taxi service.</p> <p>We conclude that there has probably been a deterioration in convenience and service quality for disabled passengers.</p> <p>We conclude that there has been a deterioration in the service offering for disabled passengers</p>	Mandated KPIs will provide sanction-backed incentive for the industry, including rideshare, to provide equitable access.
11.	Fleet mix to meet disabled passenger needs	We conclude that action is required to deliver satisfactory disabled services and that commercial pressures are not sufficient.	As 4.
16.	Vehicle availability - Booked services	We conclude that, overall, the availability of vehicles has deteriorated slightly despite the advent of rideshare.	As 4.

Serial	Question or issue	Conclusions	Comment
17.	Identification of vehicles, drivers and passengers	To the extent that it is important to identify the vehicle, the driver and the passenger, we conclude that the current arrangements are imperfect and will continue to result in instances where insufficient evidence is available to pursue an offence and, as a result, an unwillingness by police to follow up.	While there is a requirement to display ID, driver education will encourage clearer display of identification.
18.	Trip refusal	We conclude that a variety of inequities might be resolved if trip offers and trip refusal practices were addressed.	As 4.
19.	Safety - compliance and wheelchair security	We conclude that there is scope for improvement, partly through education and partly through stronger compliance to ensure knowledge is applied.	Driver training and the requirement for specific equipment training will reduce the risk of unsafe securing of wheelchairs.
20.	Fares	We conclude that the current approach to fare setting and the level of fares is sustainable. We conclude that the high occupancy tariff disadvantages wheelchair passengers. We conclude that the levy is reasonably effective and equitable.	Reduction or removal of the high occupancy tariff will improve the availability of wheelchair accessible taxis to passengers who need them.
23.	Equity	We conclude that there is a need for improvement in this area.	Better education and enforcement will put pressure on the industry to provide equity of access.

6.3. RECOMMENDATION GROUP 3 - SAFETY AND COMPLIANCE

Major Recommendation 3 - Mandate in-vehicle cameras where there is a foreseeable risk that no passenger on a trip can be identified.

Minor Recommendation 3a - Fund regular and frequent out-of-business-hours compliance activities.

Minor Recommendation 3b - Actively monitor driver trip refusal, educate drivers and impose sanctions where refusal is not legal.

Discussion

The absence of cameras in rideshare vehicles is just one difference between that category and taxis. There is no reason to require rideshare vehicles to be fitted with cameras to satisfy a perceived levelling of the playing field.

The nature of rank and hail makes it essential for driver safety that every taxi has a camera, even though this often does not provide adequate identification of offenders.

Provided rideshare networks can trace one passenger on a trip through their booking system, there should be no requirement for a camera to be fitted and requiring this would impose an unreasonable additional cost.

However, the taxi industry observes that not all rideshare passengers can be identified through booking systems. Hence the recommendation that rideshare demonstrate through process and performance that their businesses are generally able to identify one passenger³⁰.

It is worth noting that rideshare proponents might argue that cameras in taxis are funded through the basket of costs which has historically guided fare levels and seek a subsidy to install their own cameras. However, the market trip fares are partly set in reflection of taxi fare levels and so rideshare rates benefit indirectly from any camera cost built into taxi fares.

Compliance activities are currently concentrated in office hours. There is significant extra cost and inconvenience in operating throughout the 24 hour cycle but effective compliance requires effective oversight and checking. While surprise will rarely be achievable, regular presence will mean that compliant behaviours will be required across industry for some of the time, and the vital educational and informative role of compliance officers with night shift drivers should raise standards.

Practical implementation

The operation of the recommendation will require compliance oversight of booking processes, perhaps through process review and audit to ensure that anonymous or untraceable bookings are hard to make.

Trip refusal will most likely be constrained by complaint management and on-road enforcement as well as the monitoring of the acceptance of notified wheelchair or special needs jobs. It is proposed that this function will be primarily educational with sanctions only applied for repeated discriminatory trip refusal.

The recommendation about out of hours compliance would see more officers working shifts in anti-social hours in both Darwin and Alice Springs, noting that in any centre other than Darwin, the presence of inspectors is quickly communicated within the industry.

Links to conclusions

Recommendation Group 3 addresses the following conclusions that merit responsive action:

Serial	Question or issue	Conclusions	Comment
17.	Identification of vehicles, drivers and passengers	To the extent that it is important to identify the vehicle, the driver and the passenger, we conclude that the current arrangements are imperfect and will continue to result in instances where insufficient evidence is available to pursue an offence and, as a result, an unwillingness by police to follow up.	Ensuring that passengers can be identified, or requiring cameras where this is not possible, will reduce the number of offences that cannot be followed up.
18.	Trip refusal	We conclude that a variety of inequities might be resolved if trip offers and trip refusal practices were addressed.	Strong compliance will influence drivers to accept trips.

³⁰ We appreciate that passengers who are determined not to be identified will be able to circumvent any system.

Serial	Question or issue	Conclusions	Comment
19.	Safety - compliance and wheelchair security	We conclude that there is scope for improvement, partly through education and partly through stronger compliance to ensure knowledge is applied.	Wider Compliance Officer activities, including out of hours, will improve overall compliance.

6.4. RECOMMENDATION GROUP 4 - DRIVER PROFESSIONALISM AND IDENTIFICATION

Major Recommendation 4 - Upgrade training requirements for all drivers.

Minor Recommendation 4a - Select or develop a detailed core knowledge and capability syllabus for all drivers.

Minor Recommendation 4b - Provide limited funding to support taxi and minibus drivers during training, subject to satisfactory course completion.

Minor Recommendation 4c - Require networks (rather than the Department) to issue identity cards to drivers and take reasonable steps to monitor who the actual driver is.

Minor Recommendation 4d - Negotiate acceptable biometric solutions with networks to replace identity cards in the longer term.

Discussion

While feedback about taxi drivers is largely positive (and broadly improving) there are drivers who do not deliver satisfactory service. In some cases, this is conscious on their part and compliance activities should remove them from the industry. In other cases, lack of detailed training is more likely to be the cause.

The delegation of training to networks by providing a skeleton topic list has resulted in significant differences in the duration and quality of training. In addition, larger networks are better able to consolidate training costs while small operations must either bear a higher per-capita cost or deliver a more lightweight training package.

The challenge of training applies to all categories and the ability of drivers to move between categories means that there is virtue in ensuring that all Point to Point drivers undertake comparable training.

While we do not propose that the Department should intervene directly in training content and approach, more detailed training materials provided across industry would ensure a consistent minimum standard of training. We gather that the best industry training in the Territory is very good and the purpose of these recommendations is to raise the standard of all training to that level.

Drivers and taxi networks (or licence holders) fund driver training at present by way of paid labour for trainers and unpaid labour for trainees. Some payment to taxi drivers to cover living costs, subject to satisfactory completion, might attract some drivers who could otherwise not afford to commence the training. It seems reasonable for the taxi industry to bear the cost of delivery as this is a strong motivator for careful selection which subsidies might otherwise undermine.

We note that rideshare has similar challenges in identifying and on-boarding drivers. The inclusion of rideshare businesses in industry-wide training would eliminate a potential and unjustified inter-category distinction while supporting rideshare businesses of all sizes in assuring driver standards.

Identification of drivers is important for passenger safety. The process of issuing driver identity cards at present is problematic for industry and is not fraud proof as it relies on passengers matching the driver to the picture. Networks and licence holders are better placed to correctly identify the actual driver of a vehicle at a point in time and this then allows the passenger and compliance to trace the driver through the vehicle registration and then the network. Hence we propose a short term solution of requiring networks to issue their own cards while instituting mechanisms to reliably identify drivers at all times (with material penalties where this is not done) together with longer term planning to introduce biometric solutions across all categories.

Practical implementation

An industry task force should be formed to consider training options and propose a best practice framework. This task force might recommend commissioning or buying a training package that would be standardised across the sector and be delivered either by networks or third parties. This might be funded by the industry and/or supported by the Department.

Network issued identity cards would need to comply with specified formats. The Department would need to develop a policy to deal with drivers working for more than one network. The Department would also need to develop a compliance plan to manage implementation, transition, education and ongoing operation of the approach.

The requirement for all networks to reliably identify drivers of all vehicles at all times means that each network would need to propose an auditable identification procedure. In the longer term, a technology based biometric system is most likely to deliver this affordably and effectively, but in the interim the imposition of meaningful sanctions for breaches and monitoring through CPV Compliance and the Police would provide more confidence to the public.

Links to conclusions

Recommendation Group 4 addresses the following conclusions that merit responsive action:

Serial	Question or issue	Conclusions	Comment
9.	Driver Availability	We conclude that the recruitment of drivers is a genuine issue for the industry and that this is partly a result of the perpetual recruiting challenge but also now affected by the perceived ability of drivers to earn sufficient money from some shifts.	Consistently high training standards will improve driver recruitment, retention and success.
10.	Driver preparation	We conclude that the current arrangements are sustainable at the current standard but that new, untrained drivers are unlikely to provide the quality of service in all dimensions that the market expects and the regulator requires.	As 9.
17.	Identification of vehicles, drivers and passengers	To the extent that it is important to identify the vehicle, the driver and the passenger, we conclude that the current arrangements are imperfect and will continue to result in instances where insufficient evidence is available to pursue an offence and, as a result, an unwillingness by police to follow up.	Driver identification actions will resolve this issue.

6.5. RECOMMENDATION GROUP 5 - VEHICLE REGULATIONS

Major Recommendation 5 - Introduce core ‘cosmetic’ requirements for CPVs.

Minor Recommendation 5a - Review and relax vehicle age limits.

Discussion

Territory CPVs operate in some of the harshest conditions in the world yet, in many cases, are immaculate. Issues raised with vehicle regulations relate to a minority of vehicles.

Neither industry nor passengers consider it reasonable for Point to Point vehicles, perhaps other than private hire cars, to be in showroom condition. However, passengers have a reasonable expectation that their vehicle will not have litter, torn or damp seats, or significant driver belongings in luggage space that they require.

Current vehicle condition requirements focus on passenger, driver and third party safety. We propose that additional, basic cosmetic requirements that are focused on passenger comfort should be developed, introduced and enforced.

The application of an age limit to Point to Point vehicles is common in other jurisdictions but it is only an indicator of the state of a vehicle. While it is true that newer vehicles generally meet higher safety standards, different manufacturers and different models do not necessarily progress the introduction of safety features at the same speed so, again, age is not a reliable indicator of safety features.

Practical implementation

We propose that, while a general upper age limit should be maintained, two changes should be considered.

Firstly, while taxi and rideshare networks are increasingly national in operation, there is no consistency in vehicle age limits. For example, South Australia sets an eight year age limit while Queensland has no specific age limit. We propose that industry be consulted to determine a preferred age limit that continues to meet satisfactory safety standards and which takes account of business operations in other jurisdictions.

Secondly, the Department should set an inspection regime to allow vehicles in excellent condition to continue to operate for an additional, limited period. This would entail additional cost for the vehicle owner, including one or more inspections, and would most likely mean that the exemption would only be sought in exceptional circumstances.

Links to conclusions

Recommendation Group 5 addresses the following conclusions that merit responsive action:

Serial	Question or issue	Conclusions	Comment
7.	Vehicle standards	We conclude that the perception of Point to Point would improve, potentially increasing demand, if basic internal cosmetic requirements were added to the current safety ones, while the vehicle age could be relaxed where safety and presentation parameters can be satisfied.	The two recommendations directly address this.

6.6. RECOMMENDATION GROUP 6 - REGULATORY

Major Recommendation 6 - Strengthen data gathering and apply sanctions to KPI model.

Minor Recommendation 6a - Review role of Department as service regulator, sector advocate and facilitator of economic development through the Point to Point industry.

Discussion

The Department receives comprehensive data from the taxi, minibus and private hire networks as part of the data collection for KPIs. Informed and considered use of this data is vital for enforcement and also for industry monitoring. This is potentially of benefit to the industry as well as the Department, noting that data may have competitive significance for industry participants.

The data provided by networks has some inconsistent field definitions and, in some cases, is clearly not accurate. Coverage of rideshare is limited or non-existent despite the substantial contribution of that sector to total trips.

We believe that the data sets are, perhaps, 90% complete and accurate based on our analysis of some data extracts and that limited work would be needed in most cases to rectify current data issues.

The KPI framework provides meaningful performance targets for networks, licence holders and drivers. The current framework is not backed by sanctions for non-compliance. We believe that industry would support the gradual introduction of mandatory standards as this would reduce the incentive to lower quality and strengthen the 'level playing field' within and between categories.

Our general discussions during the consultation work suggest that the role of the Department is largely seen by industry and passengers as rule making and enforcement. The Territory Government has an interest in promoting the use of public transport, including Point to Point, for social, environmental and economic reasons. In practice, Departmental staff see themselves as advocates for Point to Point transport and for its use to support economic development. The Department actively assists businesses in the sector and, through its work, supports general economic development in the Territory. These roles are not clear to many stakeholders.

Practical Implementation

We propose that the Department undertakes or commissions a review of data collection to identify aspects that need improvement including local and national consistency, data definitions, data collection methods, data accuracy, data consolidation and reporting. This is vital if data is used to underpin sanctions.

We propose that the Department progressively introduce financial or other penalties for failure to deliver KPI outcomes. This will need to be done sensitively and in close consultation with industry to ensure that the performance standards are reasonably achievable in practice and to avoid the creation of perverse incentives.

We propose that the Department review its strategic and operational role in regulating and supporting the Point to Point industry as well as its relationship with other parts of Government. The outcome of this should be clearly communicated to stakeholders so that realistic expectations are set for all involved with the sector.

Links to conclusions

Recommendation Group 6 addresses the following conclusions that merit responsive action:

Serial	Question or issue	Conclusions	Comment
16.	Vehicle availability - Booked services	We conclude that, overall, the availability of vehicles has deteriorated slightly despite the advent of rideshare.	Improving the quality of data and introducing sanctions for breaches is a vital pre-requisite for action on this issue.
17.	Identification of vehicles, drivers and passengers	To the extent that it is important to identify the vehicle, the driver and the passenger, we conclude that the current arrangements are imperfect and will continue to result in instances where insufficient evidence is available to pursue an offence and, as a result, an unwillingness by police to follow up.	As 16.
18.	Trip refusal	We conclude that a variety of inequities might be resolved if trip offers and trip refusal practices were addressed.	As 16.
28.	Role of the regulator	We conclude that there is scope for DIPL to review and clarify their intended role so that both industry and passengers develop more realistic expectations about what interventions and support can reasonably be expected from Government and identify where the market makes the rules.	A review and clarification of the role of the Department, with appropriate communication, will contribute to resolving this.

6.7. RECOMMENDATION GROUP 7 - CHAIN OF RESPONSIBILITY

Major Recommendation 7 - Investigate a Chain of Responsibility legal model across the Point to Point sector.

Discussion

Most breaches of regulations are detected at the point of delivery which means that the compliance interface is with drivers and drivers typically bear the penalty. We appreciate that this is not universally the case, but also note that often the driver has limited control over the state of the vehicle they are provided with and may be put under financial and other pressure by the licence holder or the network to do things that lead to breaches of regulations.

Fivenines Consulting cannot provide legal advice, but we note the adoption of a Chain of Responsibility model for legislation within both the National Heavy Vehicle Law and Rail Safety National Law. Such a model would allow all parties to have some responsibility for any regulatory breach and, vitally, provide an incentive for those not directly delivering on-road service to be held accountable for their negligence or wilful misconduct.

We believe that such a reform might enable a more nuanced approach to penalties. At present, we understand that penalties for drivers can exceed their expected earnings for a week, while the licence holder and network is not penalised (except, for the licence holder, through loss of their own share of the earnings). A reformed penalty approach might combine direct fines with a demerit point model or a constraint on licence renewal.

Practical Implementation

The adoption of this recommendation would be relatively long term and would require extensive consultation with industry as well as detailed advice from legislative drafting experts, perhaps informed by experience in national transport legislation.

The transition to a chain of responsibility model would then require industry education as well as reviews of departmental processes, industry training and KPIs so that responsibility is appropriately attributed and perverse incentives are not created.

Links to conclusions

Recommendation Group 7 addresses the following conclusions that merit responsive action:

Serial	Question or issue	Conclusions	Comment
4.	Question 1d - Disability Sector	<p>We conclude that disabled passengers do not have equitable access to a taxi service.</p> <p>We conclude that there has probably been a deterioration in convenience and service quality for disabled passengers.</p> <p>We conclude that there has been a deterioration in the service offering for disabled passengers</p>	<p>The introduction of a Chain of Responsibility model will contribute to all issues in this section by better attributing responsibility to those who influence actions and permitting more targeted sanctions to be developed. It will also mitigate situations where the ‘wrong’ person is fined or punished and encourage all those with relevant influence to act appropriately.</p>
7.	Vehicle standards	<p>We conclude that the perception of Point to Point would improve, potentially increasing demand, if basic internal cosmetic requirements were added to the current safety ones, while the vehicle age could be relaxed where safety and presentation parameters can be satisfied.</p>	
10.	Driver preparation	<p>We conclude that the current arrangements are sustainable at the current standard but that new, untrained drivers are unlikely to provide the quality of service in all dimensions that the market expects and the regulator requires.</p>	
11.	Fleet mix to meet disabled passenger needs	<p>We conclude that action is required to deliver satisfactory disabled services and that commercial pressures are not sufficient.</p>	
16.	Vehicle availability - Booked services	<p>We conclude that, overall, the availability of vehicles has deteriorated slightly despite the advent of rideshare.</p>	
17.	Identification of vehicles, drivers and passengers	<p>To the extent that it is important to identify the vehicle, the driver and the passenger, we conclude that the current arrangements are imperfect and will continue to result in instances where insufficient evidence is available to pursue an offence and, as a result, an unwillingness by police to follow up.</p>	

Serial	Question or issue	Conclusions	Comment
18.	Trip refusal	We conclude that a variety of inequities might be resolved if trip offers and trip refusal practices were addressed.	
19.	Safety - compliance and wheelchair security	We conclude that there is scope for improvement, partly through education and partly through stronger compliance to ensure knowledge is applied.	
23.	Equity	We conclude that there is a need for improvement in this area.	
26.	Entrepreneur opportunities	We conclude that it is important to provide some relaxation of the restrictions on market entry while not causing other damage to the Point to Point market.	
28.	Role of the regulator	We conclude that there is scope for DIPL to review and clarify their intended role so that both industry and passengers develop more realistic expectations about what interventions and support can reasonably be expected from Government and identify where the market makes the rules.	

7. APPENDICES

7.1. REFERENCE DOCUMENTS

The following documents were sighted and considered by Fivenines Consulting in undertaking this review (sourced from DIPL).

Date	Document/s	Summary
September 2018	Taxi customer service survey report, True North and appendices.	Findings of survey of taxi services in Darwin and Alice Springs conducted over two weeks in August 2018.
May 2018	Ridesharing In-Service Vehicle Maintenance Standards, Department of Infrastructure, Planning and Logistics	Advice on minimum standards and licence conditions for ridesharing vehicles.
November 2017	Inquiry into Taxi Licensing and Subleasing (and related documents including DIPL's submission), Public Accounts Committee, Legislative Assembly of the Northern Territory	Inquiry and report into the efficiency, effectiveness and probity of the regulation and licensing of the Northern Territory Taxi industry, having particular regard to: <ol style="list-style-type: none"> 1. the allocation of taxi licenses by the Department of Transport 2. the sub-leasing of taxi licenses 3. the future of the taxi industry in the Northern Territory.
June 2017	Supplementary information provided by DIPL to the Inquiry into Taxi Licensing and Subleasing, Public Accounts Committee, Legislative Assembly of the Northern Territory.	Email clarifying matters of accreditation under the <i>Commercial Passenger (Road) Transport Act</i> .
February 2017	Ridesharing Steering Committee Position Paper, Department of Infrastructure, Planning and Logistics	Position paper on introducing Ridesharing in the NT.
August 2016	Mystery Shopping Taxi Service 2016 Darwin and Alice Springs, Michels Warren Munday	Findings of mystery shopping program prepared on behalf of DIPL.
February 2016	Come along for the ride: Commercial Passenger Industry Review Report	Summary of review process undertaken in November 2014

December 2015	Come along for the ride: Commercial Passenger Industry Review Report	Summary of review process undertaken in November 2014
November 2014	Come along for the ride: NT Commercial Passenger Industry Review, Department of Transport	Review to instigate major and enduring improvements to service, safety and competition to the NT CPV industry.
April 2009	Synopsis of the Fivenines Review of Northern Territory Commercial Passenger Vehicle Industry, Department of Planning and Infrastructure	Synopsis of issues and recommendations from the consultancy review by Fivenines Consulting.
February 2009	Commercial Passenger Industry Review, Fivenines Consulting	Review and recommendations into the Commercial Passenger Vehicle Industry in the Northern Territory.
February 2003	The Impact of Deregulation on the Northern Territory Commercial Passenger Vehicle Industry, Australian National University.	Review of the Northern Territory CPV Industry and response to the Northern Territory Government's CPV Review Discussion Paper of May 2002.
May 2002	Review of the Commercial Passenger Vehicle Industry Discussion Paper, Minister for Infrastructure, Planning and Logistics.	Recommends structural changes to the CPV industry.
May 1996	Taxi Number Assessment in Darwin and Alice Springs, Ernst & Young	Investigates and recommends a model to assess the number of taxi licences that should be issued in Darwin and Alice Springs.
Various	Information bulletins and forms , Department of Infrastructure, Planning and Logistics	Various information regarding CPV operations.

7.2. DEPARTMENTAL PRIORITIES

The CPV unit provided the following list of priority issues for the review to consider.

1. **Taxi cap** - Determine whether there is a public interest or other benefits in maintaining the cap on taxi licence numbers (also refer to PAC findings). This will involve analysis of the quality and reliability of taxi services being delivered to the public and the effect of the removal of the caps on industry, including the ability for industry to maintain a reliable service to passengers travelling in a wheelchair. Where any outcomes recommend the removal of the cap, a detailed report is to be presented which provides solutions addressing the potential reduction in services to the disability sector, e.g. likelihood of reduced numbers of wheelchair accessible taxis. Consideration needs to be given to possible staging of the removal of the cap such as removal on the cap on wheelchair accessible taxis and one taxi per driver (similar requirements to 2019 taxi ballot);
2. **Driver training** - Examine the current CPV driver training regime and whether this should remain an industry led role or whether Government still has a role to play beyond ensuring drivers are vetted as fit and proper, noting some industries will prefer to maintain their own training.
3. **Standard to wheelchair conversion** - Where a capped licence market continues to exist, examine the effects of permitting industry to convert standard taxi licences to wheelchair accessible licences. This should consider existing services being delivered to the disability sector, impacts on funding industry regulation and the sustainability of industry;
4. **Annual licence fees** - Review the current annual licence fee structure to determine its appropriateness to each category and whether it maintains a level operating environment for industry, while achieving Government funding objectives. This should include examining the current regulatory approach in relation to the established categories, market access and public and industry expectations;
5. **Passenger Service Levy** - review whether the current passenger services levy is the most appropriate method of funding the regulation of industry. It should be noted that the levy in the NT is to help fund industry regulation and the Transport Subsidy Scheme; it is not to generate monies for industry compensation or hardship assistance;
6. **Vehicle age limits** - Examine current vehicle age limits to ensure appropriateness, with consideration of safety outcomes, vehicle operational costs for industry and public expectation;
7. **Impact of ridesharing** - Analyse available data to determine whether the current Point to Point industry provides modern, passenger focussed options which are sustainable for industry, and whether new markets have been created;
8. **Advertising on rideshare vehicles** - Examine issues and options relating to advertising on ridesharing vehicles; currently rideshare vehicles are prohibited from displaying signage that may indicate the vehicle is for hire or reward;
9. **Rank and Hail** - Review the current regulatory framework relating to access to the rank and hail market. Analysis should qualify the rank and hail market and its impact on industry, public expectations and the current licensing structure;
10. **Taxi fares** - Examine the current fare setting regime and provide options on alternate methods, including industry determined fare levels, particularly booked fares. Consideration should include any impact on the disability and elderly sectors and persons on low income, as well as the capacity of industry to set fares;

11. **Vehicle condition and safety** - Investigate and determine whether the current regulatory framework is sufficient to ensure a high level of vehicle safety is afforded to the travelling public;
12. **Rideshare vehicle signage** - Examine benefits and issues relating to mandating physical identification of all ridesharing vehicles as a means of passenger identification, such as signage representing the company under which the vehicle is operating. Research of practices used in other jurisdictions should be included in the findings;
13. **ID Cards** - Consider the benefits of permitting industry to self-manage driver identity cards in place of the Department issued cards (for in-vehicle display purposes). This would be similar to the NSW framework where the Department is only responsible for determining the appropriateness of an individual to work within the CPV industry, and not to licence individuals for specific roles e.g. Govt approve persons as 'fit and proper' and allow industry to determine their individual roles, such as taxi driver;
14. **Amalgamation of the Point to Point industry** - examine the benefits of amalgamating all Point to Point services into one single Point to Point category (similar to Victorian framework). This could be included in the examination of access to the rank and hail market (point 9), with consideration to requirements of CCTV cameras.

7.3. CONSULTATION TOPIC LIST

- 1. Before the passenger - Industry structure**
 - a) Vehicle specification
 - b) Licensing
 - c) Fares
 - d) Governance and ownership
 - e) Skills and competence
 - f) Regulation and regulatory oversight
 - g) Technology
- 2. Before the trip - passenger choices**
 - a) Choice of mode and service
 - b) Cost
 - c) Choice of vehicle
- 3. On the trip - service experience**
 - a) Safety
 - b) Equity
 - c) Quality of experience
 - d) Convenience
- 4. Beyond the trip - Point to Point in the community**
 - a) Barriers to entry for providers
 - b) Sustainability for providers
 - c) Community confidence

7.4. CONSULTATION SUMMARY

Fivenines Consulting spoke to or received email submissions from a very large number of stakeholders and interested parties. This section summarises this consultation. For reasons of confidentiality and privacy, the identity of those we spoke to is generally not given and transcripts or copies of discussion are not included.

Industry representatives

13CABS (Budget Taxis)

Alice Springs Drivers Association

Alice Springs Taxis

Central Australian Commercial Passenger Vehicle Forum

Sheebah

Uber

Blue Taxi Company Pty Ltd

City Radio Taxis

Darwin Radio Taxis

Des's Cabs Darwin

Metro Minibus

Top End Commercial Passenger Vehicle Forum

Katherine Green Taxi

Katherine Taxis Hire

Star Bush Taxis

Australian Taxi Industry Association

Meetings with taxi drivers and taxi operators in Darwin and Alice Springs

Drivers and operators

Over 20 phone calls and emails from individual drivers and licence holders

Passenger representatives and advocates

Council of the Ageing

Disability Broker and Advocate

Integrated disAbility Action Inc

National Disability Services

Disability Advocacy Service Inc (Alice Springs)

Access & Inclusion Advisory Committee

The Accessible Point to Point Transport Working Group

Larrakia Nation

Visitors and tourism

Darwin Airport

Alice Springs Airport

Peer regulators

New South Wales

Queensland

South Australia

Victoria

Western Australia

Department of Infrastructure, Planning and Lands

Director Passenger Transport

Manager, Commercial Passenger Vehicles (Project Manager)

Project Officers

CPV Compliance Officers

Regional Director, Transport & Civil Services, Alice Springs

Other Government

Territory Police

City of Darwin

Alice Springs Town Council

Behind this document

Fivenines Consulting specialises in business strategy, business process, customer service, information and technology as well as staff management.

We help organisations make and implement key business decisions involving people, products, information technology and finance. The consultancy commenced in 2001.

The document was prepared by Robert Eames. Robert is a management scientist who has consulted across the transport sector for 25 years. He is Co-Principal of Fivenines Consulting Pty Ltd.
