

Land Transport

# Small Passenger Service Submission Option 4

Industry Response

Wayne Branks - Christchurch  
January 2016

## Section 9 – Option 4: Operators have responsibility under new single class system

Possible features	Option 4
Approved transport operator (taxi, private hire, shuttle, ridesharing, & transport network company)	Yes
Approved taxi organisation	No
Passenger service licence	No
Certificate of knowledge of law and practice	No
Driver a fit & proper person	Yes
NZ Transport Agency to be advised of serious complaint/allegation against a driver	Yes
Driver held licence for > 2 years	Yes
New driver has passed a practical driving test in last 5 years	No
Driver work time limits and log books	Yes
Driver is medically fit to drive	Yes
Vehicle has a certificate of fitness	Yes
Duty for driver to accept first hire offered	Yes
Duty to take route most advantageous to hirer	Yes
Duty to agree fare basis prior to start of trip	Yes
Use of meters regulated	No
Taxi fares registered with NZTA	No
Regulated signage	No
Regulated Braille signage	No
Driver has area knowledge certificate	No
Driver has knowledge of English language	No
Mandated in-vehicle security cameras	Yes
Able to apply for exemption from in-vehicle security cameras	Yes
Mandated panic alarms	No
Power to refuse a passenger	Yes
Taxi services must be provided 24/7	No
Shuttles defined by specific regulation	No
Ridesharing defined – drivers are fit & proper person, work time limits, vehicle has CoF	Yes
Carpooling charging limited to cost-recovery	Yes

Option 4 creates a single class for all small passenger services

This option is the same as option 3 in that it removes the distinctions between types of operator and establishes a single class of small passenger service. Under the single class, all passenger services would compete to transport passengers under the same rules, including ridesharing services.

The difference in this option is that responsibility for compliance with the rules is focussed first at the operator level, and then at drivers.

Under option 4, all passenger services provided by taxi, private hire, shuttle, dial-a-driver, ridesharing, and transport network companies, would have to be provided through an approved transport operator.

An approved transport operator would be approved by the NZ Transport Agency. Approval would be based on the person in control of the service being fit and proper.

As with option 3, all vehicles providing passenger services would have to meet the existing rules for in-vehicle security cameras that currently apply to taxis. This requirement would have a supporting provision to provide for exemptions, on a case-by-case basis. Exemptions would be granted where the NZ Transport Agency considered that an approved transport operator met specific criteria to provide for driver and passenger safety.

#### The focus of Option 4

An approved transport operator would be responsible for making sure, and maintaining evidential records to show, that the fundamental rules to ensure passenger safety were complied with. These fundamentals would be that :

- all of its drivers had a P endorsement – that they were fit and proper person to drive passengers
- all drivers only worked within their work time limits and maintained log books
- all vehicles had a CoF (this would not apply to dial-a-driver)
- vehicles exempt from the in-vehicle camera requirement only carried passengers in line with the specified criteria.

An approved transport operator would also be required to:

- notify the NZ Transport Agency of any complaints received alleging serious improper behaviour by drivers
- support the NZ Transport Agency or the Police when they undertake any regulatory compliance activity.

Drivers could only drive for an approved transport operator (they could be an owner/driver and themselves be an approved transport operator). A driver would also be responsible for ensuring that they:

- held a P endorsement and displayed their identification card
- worked within their work time limits (up to 7 hours before a rest break is required) and maintained log books
- only drove vehicles with a valid CoF (excluding dial-a-driver services)

- agreed the basis of the fare with their passengers, in advance of the trip.

To ensure a high level of compliance with the rules, the NZ Transport Agency would focus its investigation, audit, and enforcement effort on the approved transport operators.

Carpooling and companies providing only communications services would be exempt from any rules.

As with option 3, the focus of this approach is to promote competition within the market through fewer rules and operators taking their own decisions about how they operate. In addition to the need to comply with the rules, an approved transport operator would have its own incentives to manage the quality of drivers and vehicles. The alignment of the rules with business incentives helps to promote compliance across the sector.

#### Our conclusion on options 3 and 4

The review concluded option 4 would provide a similar level of benefit to option 3.

Option 4 was preferred over option 3 because it would promote a higher level of compliance with the rules by making oversight of the sector by the NZ Transport Agency more effective.

Further discussion on how option 4 meets the important aspects for the future is set out in Section 1 – *The review concluded option 4 would be best for the future.*

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No

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



Part of the small passenger services sector

☐

Your name (optional): Wayne Branks

☐

Your address (optional):

Your email (optional):

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

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## 1) Introduction

My name is Wayne Branks and come from Christchurch. I have been driving Taxis for Blue Star for 13years and this was after spending 23yrs in the Clothing Industry, which was basically a "sunset industry". I own 2 Taxis and employ a driver to work a Van. I believe that I could be the only Taxi Driver making a submission. I feel quite strongly on some aspects of the review as in my view some prospective changes are inherently wrong and do not serve the interests of the consumer.

The review team at Land Transport have, after calling for 'comments' back in August, announced that Option 4 is their preferred method of achieving change in this Industry. The fact that the Panel feel that there must be change is, at this point irrelevant. I shall deal with this at a later stage. For the moment I shall concentrate on going over Option 4 from my perspective. I will list in order the particular points. Where those changes affect me I shall, in fairness, highlight and describe exactly why.

## 2) Passenger & Driver Safety

### a) Area Knowledge Certificate

***Submission: Do Not Change from Current Rule***

The requirement to hold an area knowledge certificate and pass an oral English test is not going to be retained yet the 'Driver' to use the most advantageous route is, this is contradictory. The GPS system is vulnerable depending on the algorithms used by the GPS designers. Taxi driver's local knowledge often results in a shorter and cheaper fare than would be the case if they relied upon their GPS. The GPS systems do not always carry information on new streets, subdivisions or relocated businesses, particularly here in Christchurch. Then there is the issue of common sounding street names, ie: Maces/Masons/Mathers/Mahars. The Reliance on the GPS precludes the ability of the driver to enter the correct street name and a basic understanding of the Language goes a long way to the driver getting it right! Then there is the issue of drivers from different areas simply turning up in an area to which they are unfamiliar with.

With the above, this is not only a sign of "Professionalism" because the more knowledge you have the lesser chance of conflict, particularly at night. Why would knowledge in the Taxi Industry not be encouraged? It seems that the Industry is being geared to the lowest common denominator. This is today, the biggest cause of complaints, which tomorrow won't matter as these types of complaints may not be deemed serious enough to record. Given that we can now negotiate prices, how easy will this be if English is your Third Language? How can you then effectively communicate with your customer, even harder at night when alcohol is an aggravating factor? This surely is about a matter of safety. The drivers with poor English Language skills are the most likely to be at risk. Then there is the ability for a Driver to 'talk their way out of a situation'. Time and time again it has been shown that the driver's best defense is not an alarm or camera but the driver's mouth. Without ready access to statistics to back my claim I would state that in my experience it is not experienced drivers with English as a first language that are getting attacked.

It seems inconceivable that a person providing a customer service that requires an interaction between driver and passenger doesn't need the basic skills to communicate with the customer and is even more inconceivable when both the driver and the customer are the only two people in the car! It is a failing by Land Transport & NZTA that this requirement isn't more rigorously enforced.

## **b) Driver work time limits and Log Books**

### ***Submission: Do Not Change from Current Rule***

The review states that "An Approved Transport Operator would be responsible for making sure, and maintaining evidential records to show that the fundamental rules to ensure passenger safety were complied with. The fundamentals include "all drivers only worked within their work time limits and maintaining log books".

Given that a Driver no longer has to work or be under the control of an 'ATO', the question becomes one of enforcement as the Chain of Responsibility has now been broken and in most cases there may be no electronic monitoring. But, then given that these cars will in fact carry no signage, any enforcement will be difficult. Self-monitoring has never worked in any industry ie: the mining and forestry as examples, just how did 29 people die in a Mine? Electronic Logbooks cannot be the only method as they over time can be manipulated there must always be a 'Signed' copy carried at all times in the Taxi. Then there is the issue of either secondary employment or the Taxi driving being the secondary employment. Just who *really becomes liable for accidents at either location caused by fatigue*. What new responsibilities will now be placed on that secondary/primary job? Land Transport consider fatigue to be serious enough to maintain the Log Books, however, the means of compliance have gone. A secondary issue, and one that helps Land Transport is the fact that, today, an ATO must record the individual Log on and Log off of every driver under its control. Tomorrow this is no longer possible for again 2 reasons,

A) The freedom to work for multiple 'suppliers'

B) The fact that not all 'suppliers' will have the means via a Smartphone 'App', and the Law cannot force one today to have the means as this would contradict the 'cost as a barrier to entry' mantra that is driving this, certainly Uber do not wish to be tied to this as by default they could be liable for secondary employment monitoring. Then there is the basic fact that Uber do not and will not employ compliance officers the same way Taxi Companies do today. Certainly overseas experience shows that there are no Uber Compliance officers in the countries to which they try to operate in today.

**Given that there is no compliance or checking, how can you prove that even though I am logged into a 'company's system, I am actually working? Makes enforcement hard if not impossible to the level required for prosecutions.**



**c) Use of Meters regulated**

***Submission: Do Not Change from Current Rule***

The review mentions that drivers cannot refuse short fares under the new system, also they couldn't refuse under the current system so nothing has changed, correct?

The answer is no, because as no fare is listed the price then becomes an "invitation to the offerer". Going short distances will become expensive enough for the customer to walk to the next taxi in the rank, if it's there! Short fares will be priced according to economic need as nobody will any longer will accept for any reason an "uneconomic fare". Furthermore the Courts, for that reason, will not support any action taken against that driver. Again, Option 4 states that the driver and customer are free to 'negotiate' as no fare schedule is registered. This will not only affect 'hail jobs' but you now have, should a customer phone a job to the Call Centre, Drivers refusing said 'uneconomic fares'. The Law is only upheld because both customer and driver know what the fare is before the journey starts. The Law will not even rule on "astronomical fares" for if it would then Heather Skinners complaint of a \$110 overcharging would be upheld (Fare "Surge" hits Uber passenger in the pocket - NZ Herald 5<sup>th</sup> Dec 2015). You now have 'customer service only if it's economically viable' to the taxi driver. Surge pricing is proof that fares will not be cheaper. But that's just a secondary problem, as serious as it is.

You will now have "word of mouth" contracts that no Court will enforce, so the price agreed at the start of the journey may not end up as the price upon completion. This now relies on an 'Honesty' based system with a driver who has no area knowledge and poor English communication skills with a Smartphone that doesn't have up to date Mapping, going to Maces road instead of Mahars Road, or Aldersgate Pl Kaiapoi, instead of Aldershot St Aranui. This exact issue was a highlight of the Auditor General's Report 2005. You now have Conflict, Taxi overcharging is the 3rd biggest complaint although currently with GPS tracking and known tariffs most complaints are easily resolved. The removal of both of these requirements means that all measures to check the overcharging are now gone. This will not even become a complaint to be put on the complaint file at wherever they work or are contracted to, or if they are in fact, their own employer. So just where do you take that complaint? Heather Skinner still paid \$110 more than a Taxi would charge! The only recourse was to tell the Herald, who had 'space' to run the story on the 10th December 2015.

**I will make sure that I will be among the first to over price (not refuse!) short fares from a Taxi Stand, good luck in trying to prosecute me.**

**d) Regulated Braille Signage**

***Submission: Do Not Change from Current Rule***

There are two points here. There are 389 registered readers of Braille in NZ. The second point is having a Smartphone that the Blind can actually read and then knowingly getting into the correct car (screens are not written in Braille nor is there one that currently talks). The stickers/labels are only \$20 per car. The Blind Foundation lobbied long and hard for the braille sticker. All taxis now carry one and a cost of only \$20 every few years there is no great hardship given the security that it offers to this vulnerable group of taxi users.

**e) Mandated in-vehicle security cameras**

***Submission: Security Camera's mandatory for ALL Passenger Service Vehicles***

I note that exemptions will be given although it is unclear under what circumstances this will be granted other than cars without a Camera will not be able to undertake 'Hail' work (no explanation how this is going to be policed). Personally, I believe that Security Cameras should be mandatory in ALL passenger Service Vehicles as violence comes in many forms under differing circumstances. High levels of Domestic Violence proves that even though you know somebody, you are not immune. Then there is the issue of constantly changing circumstances, whereby you could pick-up "on behalf of", (Anecdotal evidence from former Uber drivers show that younger adults are using parents Uber Accounts to get home). Familiarity breeds contempt. No Driver can honestly state that they will personally know everyone that travels in their car. Furthermore, no 'App' based system will ever guarantee that the person ordering the Taxi will be the one using the service.

Another very serious safety concern for myself is the fact that the Public will now know that some Taxis don't have security cameras and, by default, they will assume that I don't either, then again, what will I make of a potential customer who looks in my car, notices the camera and immediately leaves for another, people still have to get their drug money from somewhere to feed their habit. Tomorrow the security feature that protects us all will now be broken, and someone will come to grief on "Steven Joyce's watch". A major safety measure has now been compromised. Cameras were brought in for both passengers and drivers individual safety as well as helping to clear drivers over all manner of malicious and vexatious complaints. The Opus report in 2013 stated the positive effects of having those Cameras, and the report certainly didn't recommend their removal. However, tomorrow there will be "reasons" and exemptions given. Again, the link is broken. I believe because Uber are not willing to pay for compliance and having to employ regional staff to monitor the issues that arise with Cameras. Uber do not want to take responsibility for either their drivers or passengers.

**f) Panic Alarms**

***Submission: Monitored Panic Alarms mandatory for ALL Passenger Service Vehicles***

The Panic Alarm button lets our phone room know if a potential problem is developing. There are also other emergencies such as Accident or Medical that can quickly develop. Basically, drivers shouldn't be allowed to save a few dollars by not installing this equipment. The same argument could be used around Vehicle Insurance. There is a view that an 'App' based system will be in place of panic alarm buttons. Firstly Cellphones/smartphones are more expensive, the cost of the app could be ongoing and then there is the issue of actually using a phone/app alarm as opposed to pushing a discrete button for 3 seconds, (compared to getting the phone, switching it on, swiping the screen selecting the 'app' page, pushing open, selecting the panic option, then press. That's if you are able to get to the Glovebox/have paid the bill/or have enough credit/ or have the phone sufficiently charged/ have it with you/not had it stolen!). All this while you are having a heart attack or involved in an accident/incident. The Panic Alarm button is our insurance that help is on its way via the simplest means possible.

**g) Power to refuse a passenger**

***Submission: No Change to Current Rule as per Recommendation***

By negotiating our prices, we can refuse **anybody** with complete impunity. We simply price the small jobs away.

**h) New Zealand Transport Agency to be advised of serious complaint/allegation against a Driver.**

***Submission: No Change to Current Rule as per Recommendation But Define Serious Complaint***

This is a minor change, however with the implications of all of the above points, enforcement may become very problematic, and for a number of reasons. Firstly there is the acceptance that a Register is indeed required as when you are in a 'Shop or Factory' and receive poor service, you can simply either walk out, or summon help. This is not quite so simple in a Taxi travelling over 50km per hour. There is a great deal of trust, and as such, there has to be basic checks. There are more safety issues in a 'Travelling Taxi' than a 'Stationary Shop'. Although simply put, it is a fact of life. Where maintaining a 'Complaints Register' becomes impractical.....

As stated, all signage has been removed including individual Taxi Numbers; so who am I? The Phone room/call centre is closed; so who do you call? My work is dispatched to me via

an 'App'; who will monitor this?

Define "Serious Complaints"? Always remember that Serious Crime begins with 'minor infringements'. The ability to monitor the behaviour of the "fleet" becomes marginalized to the point of doing this voluntarily.

The review states that you do not need to belong to an ATO, however you can become your own Transport Provider in control of your own Business, I will assume that you can now 'subcontract' on their behalf, although the review doesn't quite state that. But the point is clear, with the removal of the ATO there is no Chain of Responsibility, so I am now free to monitor my own Complaint Register.

The handling of the Complaint Register will follow no particular formula. Compliance to enforce would be left with the Courts to determine. The Public now have lost all protection!

*Under the pretense that he was a Taxi Driver, Mohamed Ali Essa sexually assaulted two young Ladies. Essa was basically a Private Hire Car, and showing no identification, he was only caught by the actions of the second person photographing his car registration.*

Tomorrow Mohamed Ali Essa will not only be legal, without a Camera, have no Signage, but he will be among 200 others, now he becomes impossible to catch.

In the Christchurch Press, two weeks ago, there was a news item over a sexual assault against a young person in Addington. All we know is that it was a Taxi or 1 among 200 at that time of night. Tomorrow that would be 1 among 38,000. All unmarked.

### **3) Compliance & Control**

#### **a) Approved Transport Operator**

##### ***Submission: Approve Recommendation***

This to me means that I could in fact become my own Business totally reliant on myself, it appears that Blue Star can now become a supplier of services. Further to this, the basis of the complaint file and its upkeep will become my responsibility, this makes sense as I can apply to become the person in charge. BLUE STAR now becomes a "supplier of services". If I should feel that I am not getting 'value for money' then I am free to go to other suppliers for their services, an example would be "going to Gold Band Taxis". This becomes easy as we no longer are required to display 'signage'.

The downsides are as follows;

The equity in my share at Blue Star becomes worthless, my handling of my own Complaint

file will lose all objectivity. The 'Chain of Responsibility' becomes broken and I am then free to do whatever I like with whatever service providers that are out there. Checking to see that I have upheld all my other 'statutory requirements' will be that much harder. An example today is the fact that there are only 943 full-time drivers of taxis and small passenger service vehicles that currently pay the ACC Levy. We know that isn't an accurate reflection of the number of taxi drivers operating, yet these are the figures that were supplied to me from Nicky Kaye's office. Even though that figure is patently incorrect, tomorrow that figure could include "those that pay Tax or even register for GST. This one simple change will send most operators underground, and you will never know how many because the Industry has now become fragmented. Record keeping now becomes my Business.

Today, I am self-employed, but belong to Blue Star, whom are entrusted in making sure all of my statutory obligations are met. The list of those obligations include:

- GST registration.
- Insurance requirements including full cover and Public liability.
- ACC registration.
- Camera checks and compliance.
- 'P' endorsement being current.
- Certificate of Fitness.
- Work Time Rules
- Employment Contracts for non PSL Holders

There are other requirements like a comprehensive complaints register as well as 'personal standards of service. Tomorrow, these requirements will be my personal responsibility. Within the above there are other more serious issues, however they will come to light as we move down that list.

## **b) Approved Taxi Organization**

### ***Submission: Do Not Change from Current Rule***

The review states that" An Approved Transport Operator would be responsible for making sure and maintaining evidential records to show that the fundamental rules to ensure passenger safety were complied with; these are. . . . Yet the review goes on to state that you do not need to belong to one, therefore by default all compliance has gone. There is no mention of belonging to any other formation/group.

This not only confirms the above, as now this confirms that I can apply for whatever accreditation that may now be required. As with the above I become free to align myself

with not only to one 'organizations' but several. This can mean Blue Star Taxis one month then Gold Band in the second month, not to mention the freedom to work for Uber.

The downside would be having somebody liable for compliance issues like the Complaints file, as well as any Tax issues that will never arise as my work pattern becomes not only fragmented but I have many sources of work that will now rely on my honesty to current obligations. That simply will not happen, older Taxi drivers will now work 'under the table' whilst collecting Superannuation, or whatever is their 'Benefit of choice'. The ATO will no longer have the requirements to monitor what they are obliged to do today. By having just a 'P' endorsement there is no effective way in monitoring "just who I may work for" and even if I'm registered to work for a particular 'Company'. Somewhere, another Company may simply have their records stored overseas at great expense for Government Agencies to 'retrieve or access'.

### **c) Passenger Service License**

#### ***Submission: Do Not Change from Current Rule***

The PSL is used to regulate the Employment status of Taxi Drivers and define the person in "Control" of the business. Drivers who hold a PSL are able to work as a contractor and employ other drivers. Drivers without a PSL may only work as an employee for another PSL holder. Income Tax, GST, ACC, and other employment related costs are currently the responsibility of the PSL holder. The consultation document fails to address how the employment status of drivers will be addressed in future. There are many drivers who have been unable to meet the standards to become PSL holders. However, they can continue working for a PSL holder, but now that 'Holder' will no longer have to pay the minimum hourly rate or the other statutory obligations like ACC or Holiday pay. Those 'employee's' simply become 'Contractors' on a 'Commission' basis with no legal protections. Not only will this have an impact on service levels but there now exists a 'volunteer' requirement to pay Taxes as well as ACC. (Remembering there are 11,000 small passenger service workers yet only 943 fulltime).

The other point worth considering is the fact that when one "sits" and passes the examination, they then have a greater understanding of all their Legal obligations. Back in 2007 the then Labour Government wanted to expand on the skill levels of Taxi Drivers, one method was via 'Trans Qual', however nothing came from this and now the Government of the Day wishes to remove/downgrade the whole Industry.

The rationale used by Land Transport to abolish the PSL was to reduce cost of entry to the industry. Aside from the argument that this should also then apply to TSL (Transport Service Licence) holders and the subsequent impact upon the Road Transport industry as PSL's and

TSL's are both intrinsically linked. I would state that currently the cost of the PSL is optional and a driver can enter the industry without a PSL. It is only when that driver wished to step up and run their own business that a PSL would be required and the cost, when compared to the other costs that the driver incurs at this stage (Vehicle and share/franchise cost) is minimal.

As the review states, "To hold a PSL a person must hold a certificate of law and practice. The certificate demonstrates that the holder has acquired the necessary knowledge of the Laws and practices as they relate to the **safe, efficient and proper operation of a Transport Service.**"

#### **d) Taxi Fares Registered with NZTA**

##### ***Submission: Do Not Change from Current Rule***

This is the reason all of the above will happen, free market in times of demand. Then there is the fact that not all people would use a Smartphone to order a Taxi or even trust the handing over of their Credit Card details to third parties overseas. Ashley Madison proves your data is never safe. So, we are back to certain customers that **need** taxis for medical reasons or school support and Special Needs, there are some in society that simply need a Taxi and cannot understand the mechanics of negotiating a complex fare system when the power is with the driver. Then there is the issue of whether or not "Price surging" will happen during the trip, or whether or not the price can be re-negotiated irrespective of registered fares, there is no definition whether a Taxi Meter is to be used or if required at all.

Registered fares restores the balance, again this is covered in the Auditor General's Report.

As a minimum requirement ALL pre agreed (negotiated) fares should be paid for at the commencement of the journey and ALL fares calculated using a taxi meter must be displayed on a meter (visible to the passenger) throughout the journey. Note only is this a fair way of charging but also the safest for both passenger and driver and removes almost all of the disputes that could arise.

#### **e) Regulated Signage**

##### ***Submission: Do Not Change from Current Rule***

Signage is a Branding method in much the same as the "Golden Arches" or the "Dynamic Ribbon". A taxi company will never remove this as not only has Branding and all that defines a Company has gone, but the value in the business has gone overnight. Your share is

worthless otherwise. Forgetting that for a moment, you now have unmarked cars doing this work, so which one has to carry a Logbook? Which one has a COF and what one *should have one*? Again with all of the above and what follows below, how do you then define who is who on city streets? Certainly no Uniform, and how does one now manage 'Taxi Stands'. Currently in Wellington this is a serious problem, so what would change tomorrow? One thing that will have to change is the actual wording of "Taxi Stand". There will be no limits as to who can stop there. There is one curious statement in the review on Option 4 and that is **'Driver to accept the first hire offered'** so where does this 'Hire' take place? **Who do I belong to?**

Unmarked cars will not attract complaints or accurate ones, lost property becomes a problem. The only safeguard becomes the 'P' endorsement label. There is now no longer a need to personally identify the particular car if we all drive White Toyota Camry's. But there is a bigger problem that will be addressed at the end of this submission that greatly affects 2 other Government Departments.

Another issue, now that signage is no longer registered, is the copying of your competitor's signage or 'passing yourself off' as belonging to a particular 'Good' Company. In the Clothing Industry New Zealand Manufacturing went overseas to simply copy other Countries ideas on Fashion, you owned it if you altered the Garment by 10%. The Public very shortly won't be able to clearly identify reputable taxis from the more 'dubious' one's. The suggestion that individual Cab numbers both inside and outside be removed inhibits a Taxi Companies ability to investigate complaints, let alone the Police's ability. The Cab number is usually the only method to identify the driver.

**f) Taxi services must be provided 24/7**

***Submission: Do Not Change from Current Rule***

That change has just contracted an ATO out of all statutory requirements as taxis will still be doing pick-up work with no monitoring of either the Panic Alarm button, handling lost property, taking of complaints, checking the work to rule requirements and providing what nobody has mentioned. **And that is the unwritten social contract that we have with the people of New Zealand -to always be of service anywhere at any time.** Tomorrow Companies may only be open when they consider it 'Economically viable to do so'. The disruption to the late night medical emergency or even to stop drink driving, will become evident more so than today.



By not providing a service when needed, why then prosecute when a fare from a Taxi stand is refused. Leaving this to the market of supply and demand will not mean anything if all signage is removed as a Taxi is a Taxi is a taxi. The unreliability of the service will not have the Public looking for other Companies, but to other means completely.

An example of this is in North Canterbury, There are over 60,000 people who live there, they don't use Taxis and have no Taxi Company out there, the cost is not only too great, but the 'lead in time towards profitability is too long. Now Oamaru is a town of 14,500 and have 10 Taxis, they have always had Taxis, which therefore means that the Public could rely on them 24/7 and not have to 'make do'. By limiting your service, you may reduce some costs but in the long run people will simply make do. It is not true that should my Competitor not offer this service that I could then fill this void, because life isn't as straightforward and as simplistic as that. Now for a relative short term gain, my Competitors and anybody that appears out of 'nowhere' can capture the work during busy times and go back to their other jobs while it's quite. The Companies that remain become more 'uneconomic' as they endeavour to carry out that "unwritten social contract".

**g) Ridesharing defined**

***Submission: Accept New Definition***

I don't particularly care, if people wish to travel with 'Fred and Mae West' or Ivan Milat, so be it as long as the maximum payment for service only recovers vehicle running costs.

**h) Carpooling charging limited to cost-recovery.**

***Submission: Accept New Definition with Added Detail on 'Cost Recovery'***

Define cost recovery, and in what form will this come in, or more to the point "How long is a piece of string". Since when did this review become tied down in the mechanics of what I now come to the point of "How exactly did we get here, what are the Main Drivers behind this review?"

It appears to be driven by Uber and the belief that the New Zealand Taxi Industry was falling behind in the 'Technology Stakes'. Therefore the next Question to ask is "Just what is on offer that local Taxi Companies cannot provide to the detriment of the consumer?"

Uber offer a highly sophisticated 'App' that speeds up the booking process and the payment

options, however this has already been replicated within the Taxi Industry by way of the 'Blue Bubble App', the billing system used by Uber is simply a different version of the Blue Bubble/ TaxiCharge payment method whereby the consumer simply has to trust sending one's Credit Card details into Cyberspace.

Although the one constant in the World is change, whatever the Competitors are doing then it stands to reason that the Market eventually follows. The best example of this was with American Express and Diners Club starting the World's first Credit Cards. No Government interfered in the marketplace to force or manipulate conditions for those two Companies. Again, market forces were left to decide the battle between the various 'Hybrid Car Manufacturing Companies'. Yet today this appears to be the case with the Taxi Industry. Simon Bridges has stated that the changes were introduced to 'embrace new technologies'. Can I assume that Mr Bridges believes that this Industry is incapable of driving its own change in a very competitive marketplace, and seriously, on what grounds does he base that assumption on?

**Is there any other Industry today where the Government is making changes whereby that Industry is also being targeted because of "New Technologies?"**

Incidentally what proportion of New Zealanders actually have Credit Cards and are prepared to download the details to Uber?

#### **4). Impact on other Government Departments**

As mentioned at the beginning, I believe that there are two Government Departments that would be affected by the Complete Review of Taxis and in particular Option 4.

##### **Inland Revenue.**

I believe the Tax take will greatly reduce, certainly the proportion of GST collected and paid. The demise of the ATO will leave absolutely no job records. For the now many Private Operators there is now no compulsion to keep anything beyond the Statutory Tax Requirements. There is no longer any effective method to show/prove just how much is earned. The method of even working out a car's 6 monthly mileage will never work if the Car is in multiple names none connected to "whoever is doing what". Private Hires will become the secondary job that will not be able to be traced.

I also notice that with the demise of ATO's, so it stands, go all other record keeping.

### **Ministry of Business, Innovation and Employment.**

The Legal status of Employees will now come into Question as there appears no definition of the line between Contractor and Employee. This has a huge bearing on what and how people earn. The Transport Review has made no mention of this, nor should it do so without full consultation with the other Government Departments. My observations show that some, if not all, Operators will go on a "Commission Basis" which is always below the Minimum Wage. As above, I have outlined the effects of the ACC Levy and its obvious non-compliance.

## **4) Auditor General's Report**

The Labour Government back in 2003-4 ordered a report on the state of the Taxi Industry over the "Effectiveness of Controls over the Taxi Industry". The following are the problems that lead to this review;

- A. The questionable renewal of 'P' endorsements
- B. The concern over the inability of data being shared between the Police and Land Transport.
- C. The Transport Authority did not list Taxi compliance high in their list of objectives and relied on self-management.
- D. The Reliance on the Taxi Industry to keep and monitor its own record keeping.
- E. The lack of targeted monitoring and effective enforcement, even between Transport Officers.
- F. Inadequate Monitoring and compliance activity to address economic risks.
- G. Taxi Drivers taking extreme measures to avoid detection.
- H. The belief in the findings that there are a significant level of non-compliance in the Taxi Industry.

These are some of the concerns that were found in the Report. This then led to 61 recommendations, some would go on to state that these were added 'compliance costs'. However, the Government of the Day had enough concern to order this Report (as a follow-up to the 1997 Auditors findings). The Auditor General found that little progress had been made since those (1997) findings.

These recommendations from the 2005 report lead to legislative changes that formed the basis of the Operator Driving and work time rule 2007. In no particular order I shall list the relevant recommendations:

*-Land Transport to establish a close working relationship with Inland Revenue to help ensure that Taxi Drivers are aware of their Tax obligations.*

*-Land Transport requires those that wish to control a Taxi Organization to complete a course equivalent to the Certificate of Knowledge of Law and Practice.*

#### Competency in English.

The Auditor General stated that in their view "Competency in English, and not just the ability to answer the Area Knowledge test in English, must be an entry requirement. If competency is not required at entry then it is difficult for an Employer to satisfy the Legislative requirement to ensure that their drivers maintain an appropriate ability to communicate in the English language. Further, if a driver is not competent in English, this increases the risk of misunderstandings and miscommunication with Passengers!

*-We, recommend that Land Transport review the effectiveness of having English language ability assessed as part of the Area Knowledge Test.*

#### Complaints against Taxi Drivers.

*We recommend that Land Transport ensure that, when considering renewal applications, it examines whether complaints have been made about the driver to Land Transport or to the driver's Taxi Organization (ATO).*

#### Area Knowledge Certificates.

*-We recommend that Land Transport review whether appropriate priority is given to monitoring of, and enforcing compliance by the providers of Area Knowledge Courses.*

In summary, the review mentions a high level of non-compliance, some of which was also covered off in the Legislative changes that followed in October 2007 and the amendment to the Operating License Rule 2011. OPTION 4 removes all the protections from both the driver and the Consumer. Tomorrow anybody can hold a 'P' endorsement, and anybody can become a Private Hire, whenever the option suits them. The Question is, exactly who?

Another Question that is missed among Taxi Drivers is the following. . . .

#### **What is now the cost to enter the Taxi Industry?**

## 5) Conclusion

The best way to finish would be to Look at my 'second car', this is a 2003 Holden Club Sport. With or without a COF, this Holden can now become a Private Hire. There will be no 'Markings' on this Car to indicate as such. Compliance will be done by trust through an 'App'. I will become my own Business, therefore avoiding the now 'defunct' ATO, with this will follow all my records and As I am now my own Employer, I now have control over the Complaint file for both myself and my employees. I have now lost all objectivity in investigating those Complaints as the term "Serious Complaints" will now take on a different meaning unless decided by the Courts. My Taxation Obligations my no longer exist as I will simply make my drivers contractors and rely on them to make their own Taxation contributions. As I become my own Business/Employer, record keeping will become very minimal to the point of non-exisance, no different than the Building Industry. My customers going 'short distances' will be charged accordingly. They may wish to complain, but to whom?. **I no longer have a brand to protect**, furthermore I no longer have Signage. Should they complain to the Transport Agency, then I shall pretend to investigate this thoroughly, although the Complaint will not be serious. Now, how about that "missing property"?.

A GST receipt will be asked for, and one will be provided. The number will be wrong and once again nothing can be done about this as there is no means to actually check if this GST number actually exists. (How is this possible)

Having no Brand to protect allows me to treat my customers due to "Economic need". The better the fare, the better the service, again, no signage, no complaint. but again, that is if im prepared to take them! At the end of the GST billing cycle my income will never be exactly what was earnt, should there be a problem, then various Bank accounts will be set-up.

Tomorrow the customer will get the standard of service that will be reflected in the value of the 'fare'. Inland Revenue will get the minimum required to avoid detection. Cost have been driven out of the Business, but then so has the Standard of Service relative to the Economic needs of the Driver. Only one's personal pride and doing 'the right thing ,remains'!

**Good Luck with that.**