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**Submission to:** Ministry of Transport

**Topic:** Future of small passenger services  
Consultation Paper

**From:** Wellington City Council

**Date:** February 2016

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## **Introduction**

Wellington City Council (the Council) welcomes the opportunity to comment on the Ministry of Transport's (the Ministry) consultation paper on the future of small passenger services. This is an exciting time for the public as new technologies provide opportunities to broaden the range of transport modes and services available to meet their transport needs.

The review of small passenger services is therefore timely and the Council supports the Ministry in its efforts to ensure that the current rules are fit for purpose, encourages innovation and is meeting the needs of the travelling public now and in the future.

In the Council's view, however, the suggested changes place too great an emphasis on reducing the regulatory burden at the expense of removing a number of compliance requirements that were created for good policy reasons. Removing the concept of 'taxis' (which have been in use for over 75 years in New Zealand and is a service that is very well understood by the travelling public) is a bold move. Based on the consultation paper, the Council is not persuaded that the full implications of this change have been fully considered by the Ministry. The proposed adoption of option four, which would create a single class for all small passenger services, will reduce services levels for some people, many of whom are reliant on small passenger services.

Another important aspect of the small passenger service sector is safety. Safety remains a key component of a successful small passenger transport system and the Council would be particularly concerned if the proposed changes led to a decrease in current levels of safety for both drivers and consumers.

The Council encourages the Ministry to consider all these issues in more detail following discussions with affected groups, before amending the current regulatory framework. The Council's concerns are discussed in more detail below.

## **Taxis**

The most visible change resulting from the adoption of the Ministry's preferred option would be that taxis, with all the requirements attached to this class of vehicle, would no longer exist. This means there would be no requirement to:

- display
  - taxi signage
  - contact details
  - fares
- provide information in braille
- pass an area knowledge test
- have a sufficient knowledge of English
- provide panic alarms
- provide services 24/7 in large cities
- register their fares, with the ability to charge a fixed price or use a meter

Taxis are a longstanding feature of our public transport system which the public is very familiar with. Taxi roof signs mean taxis are easily identifiable and easy to hail and, despite the emergence of new forms of small passenger services, remain a popular choice for the travelling public. The Council believes that some form of external identification needs to be retained for vehicles that offer hail and ride services.

This feature is also important from an enforcement point of view. Without clear identification, several issues will arise for councils relating to road use management. Currently, for example, taxis are able to double park to set down and pick up passengers. Adopting option four will mean that the ability to double park will be extended to other small passenger service operators which may lead to congestion issues around the city during popular events – particularly if the general public are not able to identify a vehicle as a ‘taxi’ and presume that they are also able to double park.

A more pressing issue is the use of taxi stands which would also need to be made available for all small passenger service operators under option four. There is currently significant pressure on taxi stands throughout Wellington city and allowing all small passenger service operators to utilise these stands will create even more demand for the limited spaces available which the Council would need to manage.

Lack of identification also has implications for other road use enforcement, for example bus lanes. If all small passenger service operators are able to use bus lanes but cannot be easily identified, enforcement becomes almost impossible.

Removing the requirement to register a fare schedule and provide fare information makes it less easy for consumers to estimate what their fare will be and potentially opens the system up to the possibility of surge-charging at times of peak demand, or over-charging in compensation for a short trip.

The Council is particularly concerned about the impact of these changes on the total mobility service. In those cases where a meter is no longer provided, with fares being negotiated between the service provider and the customer, the Council believes users of the total mobility service will be at a disadvantage. Currently the use of taxis involves a well understood transaction between consumers and providers, and while existing providers might continue using meters, they are less likely to if it adds business costs that other passenger service operators do not carry.

The Council believes further analysis of the options discussed in the discussion document is required to understand the full implications for users and local government which has responsibility for managing road use.

### **Vulnerable users, particularly the elderly**

The discussion document notes that passenger fare disputes in situations where meters are no longer used can be managed through consumer protection laws. However this relies on consumers being au fait with these laws and motivated to do something about their concerns, as well as having the skills to do so. In the Council’s view many consumers, particularly frequent users of the total mobility service, will

not have the knowledge or ability to manage any fare disputes they may have and will be unduly disadvantaged as a consequence.

Similarly the Council is concerned about the removal of:

- the area knowledge requirement - the discussion document suggests that area knowledge is no longer needed in light of the emergence of GPS systems. The Council believes that if the area knowledge requirement is removed all small passenger service operators should be required to carry GPS systems. The Council notes that the discussion document suggests that passengers are also able to use this technology to track the route the driver is using. While this is true for some people, this is less likely to be the case for many vulnerable passengers, including the elderly.
- English language competency - the Council believes this will reduce service quality, in particular for more vulnerable passengers, including the elderly.

### **Services not covered**

The Council notes that carpooling and ridesharing are not required to meet any rules on the basis that no money is exchanged for such services beyond cost recovery. The Council notes that notwithstanding that the driver does not receive financial compensation for their time (which could potentially change in the future), nonetheless the Ministry should consider how these types of services fit within the wider small passenger services system. This is particularly so given that the review is an opportunity to consider new and emerging technologies, including those that will lead to carpooling and ridesharing becoming more widely used.

The Council also notes that non-traditional transport systems, for example peer-to-peer car sharing, has the capacity to significantly reduce congestion by reducing single occupant vehicle trips. The Council encourages the Ministry to widen its review of small passenger services to include consideration of new and emerging transport models.

### **Conclusion**

Opening up competition in the small passenger service system in the way suggested in the discussion document will have a number of positive outcomes for consumers. It will, however, mean that existing providers will likely lower their service levels (for example no longer requiring their drivers to have area knowledge and English language competency) in order to compete with small passenger service operators that do not provide this level of service. The Council is concerned that this will negatively impact on some consumers, particularly those that rely on small passenger services.

The Council strongly urges the Ministry to carry out further analysis and targeted consultation with those users that will be adversely affected by the proposed changes before amending the current regulatory framework.